



Médecins Sans Frontières
(Company limited by guarantee)

Directors' report and
financial statements

Year ended 31 December 2018

Company number: 464033

CRA: 20069360
CHY: 18196

Médecins Sans Frontières

(Company limited by guarantee)

Directors' report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors Report	2
Statement of directors' responsibilities in respect of the directors' report and the financial statements	15
Independent auditor's report to the members of Médecins Sans Frontières	16
Statement of financial activities	19
Balance sheet	20
Cash flow statement	21

Médecins Sans Frontières

(Company limited by guarantee)

Directors and other information

Directors

Mr. Colin Herrman (British) (Chairman since 18 July 2018)
Mr. Daniel McLaughlin
Dr Mark Campbell appointed 19 April 2018
Dr Laura Heavey appointed 19 April 2018
Ms. Bernadette Orbinski Burke resigned 26 May 2018
Ms. Vickie Hawkins (British) resigned 26 May 2018
Dr. Gabriel Fitzpatrick resigned 26 May 2018

Secretary

Sam Taylor resigned 02 April 2019
Isabel Simpson appointed 02 April 2019

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

LK Sheilds Solicitors
40 Upper Mount Street
Dublin 2

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report

Directors Report

The directors present their directors' report and audited financial statements for the year ended 31 December 2018.

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 70 countries around the world. We strive to assist those who need it most, regardless of ethnic origin, religion or political affiliation. In order to get access to and care for the most vulnerable, MSF's operational policies must remain scrupulously independent of governments, as well as religious and economic powers.

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 the right of civilians to impartial humanitarian assistance. We also campaign for fairer access to medicines and health care for the world's poorest people.

MSF is a voluntary organisation. Each year, approximately 3,000 doctors, nurses, logistics specialists, engineers and other professionals of all nationalities leave on field assignments and work closely with thousands of local staff.

The MSF Ireland office was set up in April 2006 and functions for operational purposes as a branch office of MSF UK. The office is currently staffed with 10 full-time employees and 2 part-time, comprising of a Director, Communications Manager, Press and Communications Officer, Senior Fundraising Manager, Major Gifts Manager, Digital Fundraising and Marketing Coordinator, Campaigns and Communications Coordinator, Recruitment and Human Resources Coordinator, Data Insights and Supporter Care Coordinator, Supporter Services Assistant, Finance and Administration Officer (0.6 FTE) and a Human Resources and Recruitment Administrator (0.6 FTE). In addition, there is one paid intern as well as three office volunteers who supported activities with corporate partnerships, recruitment and digital marketing.

MSF Ireland supports MSF's fieldwork through recruiting qualified staff to work on operational projects, raising vital funds and raising awareness of humanitarian crises and MSF's humanitarian responses among the general public, MSF's supporters and Irish society.

Constitution, directors and secretary

The Irish office became an incorporated body in Ireland on 6 November 2008 and was set-up as a company limited by guarantee (Company number 464033). During the year, Dr Mark Campbell and Dr Laura Heavy joined the board of directors. MSF Ireland is recognised by the Revenue Commissioners as having charitable status (Registration Number: CHY 18196). MSF is a registered charity under the Charities Regulatory Authority (Charity Reg. no. 20069360).

The governing document of the company is its 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.'

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (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, gender, 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.

International organisational structure

Initially founded in Paris in 1971, MSF has become an international organisation. MSF has sections in Australia, Austria, Belgium, Brazil, Canada, Denmark, France, Germany, Greece, Holland, Hong Kong, Italy, Japan, Luxemburg, Norway, South Africa, Spain, Sweden, Switzerland, UK and USA. It also has offices in, Argentina, India, Lebanon, Kenya, South Korea, UAE, Mexico, 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 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. Resources are provided between the entities on a proportional needs basis and all sections are separate legal entities.

MSF exists to save lives, alleviate suffering and protect human dignity among populations in crisis throughout the world. MSF Ireland contributes directly to that mission by effectively and efficiently contributing to the financial, human and operational requirements of the Operational Centre Amsterdam ('OCA'), Operational Centre Brussels ('OCB') as well as the other MSF Operational Centres.

Risk management

The Directors of MSF Ireland have responsibility for and are aware of the risks which the charity faces. They are confident that adequate 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 not necessary.

Other operational and business risks are reviewed, particularly bearing in mind the unavoidable dangers faced by personnel recruited by the Irish office. 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, MSF Ireland had total income of €5.8 million (2017 - €5.4 million) from the general public and provision of staff to the field.

MSF Ireland continues to be overwhelmed by the generosity of our donors and their continued support, which has directly supported our medical activities in Bangladesh, Syria, Lebanon for the Syria crisis, the Refugee Crisis in Europe, South Sudan, Afghanistan, Yemen, Central African Republic and Nigeria.

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Raising private donations is critical to MSF Ireland's operational capacity, flexibility, and independence. In 2018, MSF Ireland raised a total of €5.3 million (2017: €4.9) in private income which is an 8.16% increase on the previous year.

Regular gifts by direct debit and standing order continue to be the core of MSF Ireland's financial growth and security, and accounts for 15% of private income in 2018. These gifts enable MSF Ireland to deliver a regular flow of funds, which can be used according to need, and which are not reliant on high profile emergencies.

Regular giving is the bedrock of MSF's financial independence and in 2018 this amounted to €1.6 million (2017: €1.3m) which is a 23% increase.

Loyalty is a key goal of our fundraising work and in 2018 MSF Ireland maintained our commitment to send relevant and timely information to our supporters and 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.

The most successful campaign in 2018 was the Rohingya appeal which still generated a lot of interest in early 2018. Another significant boost to fundraising was the tax rebate from revenue. This was an increase on previous years. Corporate income has also grown, and we expect this to increase further in the coming years. Yemen was a popular media subject in the last quarter of the year, which also boosted income. Thanks to collaboration with the UK office, we were able to repurpose a television advert for the Irish market, which was focussed on an Irish doctor in South Sudan.

Field Recruitment

Following the introduction of a dedicated HR team in 2016, investment in this area continued throughout 2018. In 2018, 38 field staff departed on MSF missions throughout the year, which represents a 14% increase in the number of departures of Irish-recruited field staff to MSF missions compared to 2017.

Of these departures, 40% were first time departures to the field (presenting a 14% increase compared to 2017), 55% were medical and paramedical profiles and 45% were non-medical.

Adding to this the Irish office transferred one locally recruited field staff member to the Sydney office, and a total of five assignment cancellations were managed.

The HR team at the Irish office continues to manage all technical portfolios and currently we have around 100 active Irish field staff on our panel. We have successfully implemented a systematic briefing, debriefing and career management process which translated into a 200% increase on the process uptake itself and 10 career progressions throughout the second half of 2018.

We continue to build significant HR pools (operations management, coordination profiles, sexual and reproductive health professionals) and Irish field staff are systematically informed about Learning & Development opportunities and the various contract schemes open for all profiles to increase overall employee satisfaction and retention.

With support from the MSF Ireland Board a survey about the MSF associative dimension in Ireland was rolled out in Q3. A first associative meeting took place in Q1 2019 and we anticipate active engagement by the MSF Ireland field and office staff in the future.

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Communications & Advocacy

The primary aim of the communications team is to raise awareness of MSF's humanitarian responses and to give a voice to our patients and the people we assist around the world. Raising awareness and connecting with Irish society is important for MSF Ireland's overall objectives in recruitment, fundraising and advocacy. In 2018 the communications and advocacy team in Dublin continued to work with the media to impactfully communicate about MSF's work, run public engagement events and promote MSF advocacy objectives.

Through an earned media strategy, MSF was able to bring media attention to the crises and contexts where we work. Whilst migration in the Central Mediterranean was the dominant topic, there were nearly 30 different contexts where MSF was covered in the Irish media.

Throughout the year, there were a number of high profile media 'moments' including: the intense conflict in East Ghouta, Syria in March, the Palestinian 'March of Return' protests and the medical response, the refusal of Italy to allow the search and rescue ship Aquarius to dock in its ports in July, and the conflict in Yemen in October. During these moments MSF was at the centre of media coverage with MSF staff frequently interviewed for newspaper and broadcast media and a wide dissemination of MSF messaging. MSF also increased its public engagement through public events, with MSF staff speaking at 36 different events in 2018.

MSF increased its advocacy work in 2018 focusing on the key areas of Displacement, Global Health and Conflict. In May, MSF Ireland contributed to the second annual access to medicines conference with the Irish civil society organisation, 'Access to Medicines Ireland'. This conference was extremely successful and gained media attention, including an Irish Times editorial supporting MSF Access Campaign messages.

In July, MSF appeared before the Oireachtas Foreign Affairs Committee to draw attention to the implications of Irish and European migration policies that we witnessed through our work in the Central Mediterranean and in Libya. This attracted a lot of media coverage and was referred to by many senior politicians. Our advocacy and communications work on this topic succeeded in reframing discussion about European migration policies so that their human costs are widely known.

In November, MSF conducted humanitarian briefings about Yemen with several humanitarian and political stakeholders. Around this time occurred the passing of a Seanad motion, which included calls to better respond to the humanitarian needs in the country. The advocacy work came as part of an integrated initiative which resulted in media coverage and came at the same time as a fundraising campaign for our medical and humanitarian response in Yemen.

Both members of the team supported the wider movement in 2018. The Communications Manager spent time working as interim Communications Adviser for MSF operations in countries in the Middle East and Asia and the Press and Communications Officer was the social media manager for the Humanitarian Congress Berlin.

The communications department continued to create content for media, MSF channels, fundraising and the wider MSF movement. There was an increased focus on developing videos both in the office and in the field, with successful results on social and broadcast media.

Grant from MSF UK

The loss of Irish Aid funding in 2016 was a significant blow to MSF Ireland, resulting in a need for external investment in fundraising in order to be able to make up for the loss of projected income from Irish Aid, and ensure MSF Ireland's financial stability and increase sustainable revenue streams. Regular giving has been a key area of investment in previous strategic plans and the investment support from MSF UK was necessary to continue this growth. MSF UK agreed to invest €2.5 million over three years (2016: €800,000, 2017: €1 million, 2018: €700,000).

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

GDPR

Prior to the coming into effect of new EU legislation in May 2018, MSF Ireland invested significant resources in ensuring that all staff were aware of their data protection obligations, with all team members completing training modules and four staff completing a two-day course to ensure their level of understanding was enough. We updated our communications with supporters to ensure compliance with the legislation and introduced new GDPR compliant policies.

Responsible behaviour and safeguarding

MSF has codes of conduct, procedures and behavioural review committees in place, including whistle-blowing mechanisms, through which all staff can report inappropriate behaviour or abuse – with a range of sanctions available, from warnings or suspension to dismissal. Where we receive reports of abuse by MSF staff, we have processes in place for investigating and dealing with those reports.

We continue to refine our efforts to increase awareness across MSF of these processes, to make sure that all staff know how to access them, and to ensure that victims and whistle-blowers who register complaints always feel protected. This includes training, field visits, briefings and internal staff regulations.

For the past 15 years, MSF's leadership has recognised the need to fight abuse and harassment. In May and October 2018, the international leadership bodies of MSF emphasised their unequivocal determination to fight abuse and harassment and ensure there is no tolerance for such behaviour throughout the organisation. Similarly, the leadership reinforced grievance channels at all levels.

Grant making policy

The allocation of grants from unrestricted income is based on needs identified by MSF's Operational Centre in Amsterdam (OCA), Operational Centre in Brussels (OCB) and other MSF Operational Centres. In certain cases, grants from unrestricted income are allocated according to specific requests made by other MSF sister organisations. The financial data in this report refers to MSF Ireland grants to support MSF programmes implemented internationally via MSF-OCA, MSF-OCB and other MSF sister organisations.

Operations Overview

MSF Ireland grants funds to other MSF sections which carry out operations in the field. In 2018 the eight countries or projects which received grants from MSF Ireland were Bangladesh, Lebanon (Syria Crisis), Nigeria, Sierra Leone, South Sudan, Search and Rescue, Yemen and the Central African Republic. For additional information on our work around the world, and the latest news from our projects and staff, please check our website.

Bangladesh

MSF continued to provide medical care for approximately one million stateless Rohingya refugees and members of host Bangladeshi communities, living in Cox's Bazar. MSF also worked hard to address the gaps in care for factory workers and women in living in the Kamrangirchar urban slum in Dhaka. Following a renewed wave of targeted violence by the Myanmar military, 700,000 Rohingya fled into Bangladesh between late-August and December 2017, joining many others who had fled previous waves of violence. The Kutupalong-Balukhali mega-camp fast became the largest refugee camp in the world.

MSF's existing project in Cox's Bazar was rapidly scaled-up with MSF teams in the southernmost areas of Cox's Bazar treating hundreds of Rohingya fleeing across the border, though their numbers steadily decreased over the course of the year. By the end of 2018 MSF had one of the largest responses to the crisis of any organisation.

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Bangladesh (continued)

Most Rohingya refugees now live in precarious shelters in heavily congested settlements that are prone to mudslides and flooding. Hygiene and sanitation in the settlements are dire, and there is a shortage of clean drinking water. These poor living conditions are behind the main diseases we treated, including upper and lower respiratory tract infections and skin diseases.

MSF expanded its medical services during 2018 to include four hospitals, five primary health centres, five health posts and an outbreak response centre, which together provide inpatient, outpatient emergency, paediatric and intensive care units, and a laboratory. MSF teams provided primary and secondary healthcare, sexual and reproductive healthcare, and care for non-communicable diseases such as diabetes and hypertension. Mental health and psychiatric services were increased and, by the end of the year, were available at most MSF facilities.

As the acute emergency phase of the response ended, MSF sought to address gaps in secondary healthcare and boost the capacity of Bangladeshi hospitals. MSF began working with the Sadar Hospital Authorities and the Directorate General of Health Services to improve infection control and hygiene protocols and waste management in Sadar District Hospital. MSF is working with the hospital on a waste zone that will be the first of its kind in a public hospital in Bangladesh, ensuring medical waste is properly separated and disposed of.

In Kamrangirchar, a slum area in the capital Dhaka, MSF continued to provide reproductive healthcare to girls and women, including antenatal consultations, assistance with deliveries and family planning sessions. The team also provided individual mental health consultations, and medical and psychological support to survivors of sexual violence and intimate partner violence. MSF's occupational health programme provided consultations and tetanus vaccinations to workers in Kamrangirchar's many small-scale factories.

Lebanon (Syria Crisis)

More than a million people have fled into Lebanon since the conflict in neighbouring Syria began in 2011, making it the country with the largest number of refugees per capita in the world.

Many refugees are living in deplorable conditions with their most basic needs unmet. The huge number of extra people in the country has put a severe strain on services, including the health sector. Even where healthcare is available, the cost of consultations, laboratory tests and medication are a barrier for refugees as well as for migrants and vulnerable Lebanese people.

MSF continues to work across Lebanon to provide these vulnerable communities with free, quality medical assistance such as treatment for non-communicable diseases, sexual reproductive healthcare, mental healthcare and maternity services.

In 2018, we expanded our projects to offer specialist services, such as paediatric intensive care, treatment for thalassemia and general elective surgery.

Our work in Lebanon focuses on the Bekaa Valley, in North Lebanon, and Akkar, South Beirut.

In Bekaa and Baalbek-Hermel, where many Syrian refugees have settled, we offer primary healthcare services including working in two mother and child health centres. MSF also runs a specialised paediatrics programme, which includes emergency consultations, paediatric intensive care and treatment for thalassemia.

We completed the rehabilitation of a hospital in Bar Elias in July and towards the end of the year started providing chronic wound care and general elective surgery.

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Lebanon (Syria Crisis) (continued)

In addition, we supported the Ministry of Public Health to vaccinate a total of 22,049 children against measles and polio in Zahle, Baalbek and Hermel.

In North Lebanon, we offer essential primary healthcare in Wadi Khaled, as well as mental health support in a clinic in Fneideq, for both Syrian refugees and the local community.

In Tripoli and Al Abdeh, we continued to offer chronic disease care and family planning services and in 2018, we implemented the WHO Mental Health Gap Action Programme¹ adopted by the Lebanese Ministry of Public Health, training general practitioners so that they can prescribe medication when necessary, under the supervision of an external psychiatrist.

Nigeria

Despite a massive deployment of humanitarian aid in Borno State since 2016, when the crisis figured prominently in international media, many urgent needs remain unmet today. The crisis is still very much there but the humanitarian response is insufficient, in terms of shelter, food, protection and water and sanitation, both in the IDP camps in the enclaves or garrison towns, and in the state capital Maiduguri, where newly displaced people still arrive because of ongoing conflict.

Since April, more than 10 000 people have arrived from the surrounding rural areas in an IDP camp in Bama, a city controlled by the military in Borno, and they continue arriving. Newly arrived IDPs are often in bad health – including high number of children suffering from severe acute malnutrition (SAM). Their condition is further complicated by the poor living conditions in the GSSS camp, which was designed for 25 000 people, and whose capacity is reached since end of July.

Children are the most vulnerable to this situation, but despite the surge in malnutrition cases and medical complications, there is no functional ITFC or paediatric hospital in Bama, and they should be transferred to Maiduguri by the road – which many families can't afford.

Sierra Leone

Sierra Leone was finally declared Ebola-free on 17 March 2016 and the country is now struggling to rebuild its shattered health system. Access to medical care was already limited before the Ebola epidemic, and it is estimated that around 10 per cent of the country's health professionals were among the 3,950 people killed by the virus.

In Kenema District, which was badly affected by the epidemic, MSF is building a new emergency paediatrics and obstetrics hospital that will focus on reducing maternal and child mortality, as well as becoming a training centre for medical and nursing students.

In March 2019, three years after the end of the Ebola epidemic, the new hospital will open with 47 beds, providing paediatric care services through an emergency room, intensive care unit, inpatient therapeutic feeding centre (ITFC), general paediatric ward and isolation area. The hospital will also have a modern laboratory and blood bank. A further expansion plan for the structure includes a radiology department as well as training facilities. Training new healthcare staff is a crucial step in getting Sierra Leone's health system up to speed. A higher number of skilled health workers will improve the services provided in primary healthcare structures and enable a more effective response to disasters and outbreaks.

When construction ends in 2022, Kenema hospital will have 161 beds, and provide quality medical care to the more than 240,000 women and children under five in the region.

¹ https://www.who.int/mental_health/mhgap/en/

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

South Sudan

Since conflict flared up in 2013, tens of thousands of people in South Sudan have died and roughly one in three people have been forced from their homes. Two million people have fled to neighbouring countries, while another two million are displaced within South Sudan. MSF operates primary and secondary healthcare programmes in hospitals and clinics, runs outreach activities for displaced people and remote communities, responds to emergencies and outbreaks as they occur and carries out preventive activities such as vaccination campaigns.

MSF has operated in Pibor since 2005 and continues to work in three facilities: the Pibor primary healthcare centre (PPHC) and the Lekongole and Gumuruk primary healthcare units. At the Pibor PHCC, MSF provides medical activities in the inpatient and outpatient departments, supports paediatric activities, screens for malnutrition, and provides maternity, emergency and minor surgical services, including caesarean sections.

Throughout April and May, thousands of people in Mayendit and Leer counties, in northern South Sudan, were caught between the frontlines of fighting. Fearing for their safety, many fled their villages to hide in swamps and forested areas. This meant they could not reach basic health services and limited MSF's ability to provide medical assistance. During the fighting, two of our health facilities were also attacked and looted. Despite this, MSF teams still managed to provide basic medical care to the communities they could reach, including emergency care to survivors of sexual violence.

In Lankien, MSF provides primary secondary and emergency healthcare services, treatment for HIV, TB and kala-azar (visceral leishmaniasis), and obstetric, nutritional, paediatric and sexual and reproductive health services. We operate an 80-bed hospital in the town, and community outreach activities in nearby areas. MSF also responded to a malaria outbreak in the area during the first two months of 2018. We treated over 6,000 patients during this time.

In the Bentiu Protection of Civilians camp, MSF's 160-bed hospital continued to provide the only advanced secondary healthcare available to a population severely affected by the long-term consequences of war. Alongside this, MSF also supported the local host community in the town of Bentiu. In just three months, between October and December, MSF treated 211 cases of sexual and gender-based violence across the two sites. In July, five malaria points were also temporarily established, in which 7,684 people were treated.

MSF provides community-based care along the Kediba and Bangolo axis, outside Mundri. In July, MSF started supporting the primary healthcare centre in Mundri town with emergency and maternity services.

Search and Rescue in the Mediterranean

MSF first launched its humanitarian response on the Mediterranean Sea in April 2015, providing search and rescue capacity at sea and medical care for refugees and migrants from four ships, and has since assisted nearly 80,000 people in peril.

According to the International Organisation for Migration, an estimated 2,297 people drowned or went missing in the Mediterranean Sea in 2018. Most of these deaths occurred in international waters between Libya, Italy and Malta, along what continues to be the world's deadliest migration route. Thousands who managed to survive were intercepted at sea and, with EU support, forcibly returned to Libya in violation of international law. In Libya, refugees and migrants routinely face abuse, torture, exploitation and inhumane conditions of detention, which have a severe impact on their physical and mental health.

The search and rescue vessel *Aquarius*, operated by Médecins Sans Frontières (MSF) and SOS MEDITERRANEE, assisted 3,184 people in 2018. However, in June, the newly elected Italian government took the extraordinary step of closing its ports to all rescued refugees and migrants, leaving *Aquarius* and 630 vulnerable men, women and children on board stranded at sea. The move sent shockwaves through Europe and set a dangerous precedent that paralysed search and rescue activity in the Central Mediterranean. In the aftermath, governments failed to come up with a sustainable solution to share

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Search and Rescue in the Mediterranean (continued)

responsibility for survivors arriving on European shores. For the rest of the year, they and the ships that rescued them were left stranded at sea for days or weeks at a time until ad hoc agreements could be reached.

In August and September, the *Aquarius* came under further political pressure. Despite being in full compliance with maritime regulations and technical specifications, the ship was stripped of its flag and registration, first by Gibraltar, then by Panama, at the instigation of the Italian government. Without a flag, the *Aquarius* was unable to leave port to assist those in distress.

The longstanding campaign to criminalise NGOs who support refugees and migrants intensified in November when the Public Prosecutor's Office of Catania requested the seizure of the *Aquarius* over dubious allegations of illicit waste trafficking at Italian ports. We immediately lodged an appeal and refuted claims that we had engaged in criminal activity or that the discarded food and clothing of survivors posed a transmission risk for diseases such as HIV, tuberculosis or scabies, but the politically motivated judicial proceedings further undermined our prospects of continuing lifesaving work on the *Aquarius*.

By the end of the year, MSF and SOS MEDITERRANEE were left with no choice but to end rescue operations on the *Aquarius*.

Yemen

Four years of war have left Yemen's health system in a state of collapse. The conflict escalated throughout 2018, with fast-changing frontlines and new outbreaks of violence across the country.

In 2018, our teams worked in 13 hospitals and health centres and provided support to more than 20 health facilities across 12 governorates. However, repeated attacks on medical staff and structures during the year forced us to suspend activities in several areas.

On 13 June, an offensive was launched by the Saudi and Emirati-led coalition (SELC)-backed forces loyal to President Hadi to seize Hodeidah from Ansar Allah troops. In response to the intense fighting along this frontline over the following three months, we opened a surgical hospital in Mocha in August. As well as patients with war wounds, we admitted pregnant women with complications who required urgent surgery.

In early October, we started providing emergency medical and surgical care at Al Salakhana hospital, northeast of the city, after rehabilitating the emergency room and operating theatres. By early November, as fighting intensified further still, Al Salakhana was one of only three operational public hospitals in the area.

At the same time, we began rehabilitating and providing donations and technical support to other hospitals in the governorate, at Al Udayn, Far Al Udayn and Ad Dahi, as fighting displaced huge numbers of people and cut off their access to healthcare.

After four years of war, the Yemeni health system is in ruins – across the whole country, but most evidently in the northern governorates. Many medical staff have left because their salaries have not been paid since August 2016, and few hospitals are still functional. Yemeni keep struggling to access and afford basic commodities such as fuel, food and medicine because of a deteriorated economy. In addition, the commercial closure of Sana'a airport has prevented people from seeking treatment abroad. In response to the vast gap in services, particularly for women and children, MSF teams provided maternal and paediatric healthcare in Ad Dhale, Amran, Hajjah, Ibb and Taiz governorates in 2018.

On the western coast, one of the biggest medical issues remained the lack of surgical capacity. In the 450-kilometre stretch between Hodeidah and Aden, a six to eight-hour drive, the MSF hospital in Mocha is the only facility with an operating theatre serving the local population.

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Yemen (continued)

We opened a new cholera treatment centre to deal with an increase in confirmed and suspected cases in Ibb in late 2018. Immunisation remains a huge challenge: mass vaccination campaigns were delayed on numerous occasions and hampered by access constraints, especially in remote regions, and by lack of authorisation in some areas. Measles is also a concern, especially in Sa'ada, Hajjah and Amran governorates.

Central African Republic

With much of the country in a state of warfare after a period of reduced armed violence, which lasted from 2015 to the end of 2016, Central African Republic was again in 2018 mired in extreme violence against a population still suffering the trauma of a civil war that tore the country apart.

Thousands of civilians fled their homes because of fighting and attacks against them, raising the number of people displaced at the end of the year to 650,000. In neighbouring countries, the number of refugees from CAR rose to 576,000.

The conflict directly restricted the population's access to medical care, food, water and shelter, and left them in a state of extreme vulnerability. Brutal attacks against civilians, including mass murders, rapes and the burning of villages and displaced people sites, took place in areas where MSF teams intervene. Medical facilities and staff are not spared the danger and blatant disrespect for international humanitarian law, making CAR one of the most challenging working environments for humanitarian organisations, with over 400 security incidents registered and eight humanitarian workers killed in 2018.

In 2018, MSF continued to offer outpatient and inpatient care to local and displaced communities in nine provinces where teams provided primary, specialised and emergency care, including maternal and paediatric services, trauma surgery and HIV/TB treatment.

At the beginning of the year, about 90,000 people fled fighting between two armed groups that turned into large and indiscriminate attacks against the population; many people sought refuge in Paoua, a small town in north western CAR. MSF's regular programme in Paoua expanded to provide safe water to the newly displaced people and run mass vaccination campaigns, surveillance and primary health care activities in the town. Mid 2018, the situation also deteriorated in the capital Bangui, after a military operation failed to disarm armed elements in the majority Muslim PK5 neighbourhood and quickly escalated in heavy fighting, reportedly killing 32 people and wounding 145.

MSF teams provided first aid to the wounded in Gbaya-Dombia maternity located in PK5 before referring them for surgical care and treated more than 80 wounded patients at MSF-run SICA Hospital. A few weeks later, a deadly attack against a church in the Fatima neighbourhood triggered a wave of clashes and reprisals unseen in the country's capital since 2014. In just a few hours, over 70 casualties arrived and were treated in the MSF-run SICA hospital. Twenty-two people were reported killed and 185 wounded on that day. The following months were punctuated by battles and attacks in Bambari, Alindao, Batangafo, and more, with civilians deliberately attacked or caught in between shifting frontlines, living in precarious conditions and constant fear.

In Bambari full capacities to run comprehensive medical programmes were fully restored only mid-June. In November, 10,000 people attempting to run away from attacks against them took shelter in the hospital compound of the MSF-supported Batangafo hospital, as combatants torched three sites hosting displaced communities. The hospital was then threatened and accused of sheltering "enemies" while at the same time roadblocks and presence of combatants around or within its premises prevented unhindered access to all those in need.

By creating additional barriers to healthcare, the deteriorating security and humanitarian situation continues to compound the chronic medical emergency unfolding in a country where most health indicators have been

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Central African Republic (continued)

flashing red for decades. With malaria remaining the top killer of young children, and tuberculosis and HIV/AIDS the main causes of mortality among the adult population, MSF continued to provide treatment for HIV/AIDS, TB and malaria in CAR. Efforts were made in 2018 to reinforce the quality of care and approaches involving the communities in order to facilitate access to testing and treatment in challenging and low-resource settings.

Sexual and reproductive health activities in 2018 also aimed at reducing women and children's mortality and morbidity caused by preventable diseases such as polio or measles, obstetrical complications and consequences of non-medicalised abortions - the latter being the main mortality cause for women arriving in MSF-supported maternities in Bangui. In order to tackle the impact of non-medicalised abortions, important efforts have been put in place to support family planning services – provision of implants, pills, condoms, ligature – and access to safe abortion care in required cases.

In addition to its support to routine immunisation programmes, MSF conducted several mass vaccination campaigns in 2018 in Ippy, Mbaiki. In such a volatile context, MSF interventions took advantage of every opportunity to reach children to protect them through vaccination but also other preventive measures like deworming treatment, vitamins or distribution of mosquito nets.

'Despite the conflict we can still do a huge amount for our patients'

In Yemen, more than three years of war have left millions of people without enough income to meet their basic needs. The deterioration of living conditions with collapse of services, trade and livelihoods are having tangible and devastating effects on the population. Niamh O'Brien is an Irish doctor who has recently returned from Al Houban, where she worked in a mother and child hospital run by Medecins Sans Frontieres/ Doctors Without Borders (MSF).

I have just returned to Ireland having spent three and a half months in Yemen; working as a doctor for Médecins Sans Frontières/Doctors Without Borders (MSF) near Taiz city. In my short time there, I could see the consequences of violence everywhere, particularly in my patients and in the day to day lives of my Yemeni colleagues.

Three years of conflict, blockades on essential goods and strikes on hospitals have caused the Yemeni health system to essentially collapse. The government hasn't paid nurses or doctors for up to two years and now there are largely only private hospitals where treatment isn't free. Many people simply cannot afford to pay for their healthcare as the price of basic goods has risen drastically.

I worked in a huge mother and child hospital in Al-Houban, just 5km away from the frontlines. As MSF provided the only free mother and child healthcare in the area, people would travel up to seven hours to get to us. We had capacity for baby neonatal, paediatric and nutrition beds and ran a trauma centre, ante natal clinic and a maternity emergency ward. The health needs are so great that we were often overwhelmed, filled beyond capacity and sometimes had to stop taking new admissions.

My colleagues were around 420 Yemeni staff and between five and eight international staff. It was great to work with so many highly qualified and dedicated local professionals. They were at an exceptionally high level, we had many Yemeni supervisors running their own departments, and their commitment was inspiring; many lived far away from their families and went weeks without being able to see them.

Working and talking with so many local colleagues gave me an impression of how the conflict affects people's day to day lives. Once, one of the emergency doctors in my team had just completed a night shift and went home to discover his house had been shelled. Thankfully, he didn't have a huge amount of damage but had to replace a lot of his windows. He didn't make a big deal out of it and still came back to work with a smile.

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Another one of my doctors was six months pregnant and had been away on holidays. As she was travelling back the fighting on the frontline shifted so she had to take a seven-hour diversion. She still made it into work the next day.

You can also see the effects of the conflict in the patients who arrive in the hospital. Due to blockades fuel is incredibly expensive so a lot of people can barely afford to travel, others must wait until the fighting subsides before they can safely make it to the hospital. These factors mean people often wait until they feel it's absolutely necessary to seek medical care. A lot of people arrived at our hospital almost, or already, dead. Dead children, dead mothers; this was shockingly common. Expensive fuel, active fighting and large distances to travel all combine to make it difficult for people to reach the healthcare they badly need.

Despite the problems, we are still able to do a huge amount for many of our patients. We have all the necessary medication, equipment and talented staff we need. Every month we delivered around 800 -1000 babies and treated 5,000 people in our outpatient department.

Seeing children recover was the best part of my job. I remember one four-year old girl arrived with Kala-azar, a disease spread by infected sand flies that causes a patient's spleen to enlarge and reduces haemoglobin, platelet and white blood cell levels. People's blood is unable to clot so they can bleed vast amounts and they also suffer from recurrent infections. People need repeated blood transfusions and even with treatment the disease kills 50% of those it infects.

When this girl arrived, she looked as if she was nine months pregnant because she had such a huge spleen. She was incredibly sick, and we needed to give her daily injections as well as frequent blood transfusions. She had travelled a large distance to reach us, so she and her family stayed in the hospital. Initially she was losing weight and had no energy at all but after a month she was completely recovered and able to go home safe, happy and well. It was wonderful to see.

Apart from treating patients the main memory I'll take from my time in Yemen is how brilliant the local staff were. Sometimes people get the idea that NGO work only involves westerners riding in to solve problems, but this couldn't be further from the truth. Beyond our Yemeni staff's incredible dedication their technical standard was exceptional. It was a privilege to be part of such a large, sustainable hospital and it is comforting to know that if all the international staff had to leave, then our local staff could carry on treating their compatriots who so desperately need their help.

Reserves policy

The policy approved by the directors is to maintain the unrestricted reserve at an amount equivalent to at least three months of budgeted expenditure. The unrestricted reserve at 31 December 2018 stood at €1.6 million (2017: €1.2million) which, in the opinion of the directors, is sufficient to cover budgeted expenditure for more than three months.

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. They are all prepared to accept a very small remuneration, which is far below what they could earn if they stayed in Ireland. We could not continue our work without them.

In 2018, MSF received pro bono assistance from a leading digital marketing agency and large law firm worth €105,000, for which the directors are very grateful.

We are also grateful to the many volunteers who give up their time to help in the office. During 2018, volunteers provided a total of approximately 55 days (2017: 46 days) of time. We are extremely appreciative of their support and willingness to assist with any task.

Médecins Sans Frontières

(Company limited by guarantee)

Directors Report (continued)

Strategic planning

MSF Ireland has a strategic plan in place for the period 2016 – 2019. The focus is on increasing public awareness of MSF in Ireland and developing our reputation as a leading medical humanitarian aid provider in emergencies. A key objective will be to significantly increase fundraised income and MSF's supporter base in Ireland, whilst maintaining proven cost effectiveness. Activities will continue to be consolidated with the strategic plans of MSF UK and of MSF OCA.

Accounting records

The directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014, regarding books of account by employing accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the company are maintained at MSF UK, Lower Ground Floor, Chancery Exchange, 10 Fumival Street, London EC4A 1AB and regular returns are made to the company's registered office at 9-11 Upper Baggot Street, Dublin 4.

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor, KPMG, Chartered Accountants, will continue in office.

Approval of financial statements

The directors approved the financial statements on 24th April 2019.

On behalf of the board



Daniel McLaughlin
Director



Colin Herrman
Director

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the 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 they have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility 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 Act 2014.

On behalf of the board


Daniel McLaughlin
Director


Colin Herman
Director

24th April 2019



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

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

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Médecins Sans Frontières ('the company') for the year ended 31 December 2018 set out on pages 19 to 34, which comprise the statement of financial activities, the balance sheet, the cash flow statement and the related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.



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

1 Report on the audit of the financial statements (continued)

Other information

The directors are responsible for the other information presented in the Directors Report together with the financial statements. The other information comprises the information included in the directors' report. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information, accordingly, we do not express or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statement or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information, we report that:

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Opinions on other matters prescribed by the Companies Act 2014

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set on page 15, the directors 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 they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 (Ireland) will always detect a material misstatement when it exists.



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

Auditor's responsibilities for the audit of the financial statements (continued)

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.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. 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.

Brian Kane
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2

24 April 2019

Médecins Sans Frontières
(Company limited by guarantee)

Statement of financial activities
for the year ended 31 December 2018


	Note	2018			2017		
		Unrestricted €'000	Restricted €'000	TOTAL €'000	Unrestricted €'000	Restricted €'000	TOTAL €'000
Income							
Donations and legacies	2	4,545	716	5,261	4,064	875	4,939
Charitable activities	3	530	-	530	468	-	468
TOTAL		5,075	716	5,791	4,532	875	5,407
Expenditure							
Fundraising costs	4	1,171	700	1,871	937	1,000	1,937
Grant from MSF UK	4	-	(700)	(700)	-	(1,000)	(1,000)
Charitable activities: -							
Grants to Operational programmes	5	2,666	634	3,300	2,425	875	3,300
Other Charitable activities	6	898	-	898	863	-	863
TOTAL		4,735	634	5,369	4,225	875	5,100
Net income for the year		340	82	421	307	-	307
Fund balances brought forward at 1 January		1,280	4	1,284	973	4	977
Fund balances carried forward at 31 December		1,620	86	1,705	1,280	4	1,284

Médecins Sans Frontières
(Company limited by guarantee)

Balance sheet
as at 31 December 2018

	Note	<u>2018</u> €'000	<u>2017</u> €'000
Fixed Assets			
Tangible assets	11	<u>22</u>	<u>21</u>
Current Assets			
Debtors	12	566	1,006
Cash at bank and in hand	13	<u>1,834</u>	<u>943</u>
		2,400	1,949
Current Liabilities			
Creditors: Amounts falling due within one year	14	(716)	(686)
Net Current Assets		<u>1,684</u>	<u>1,263</u>
NET ASSETS		<u>1,706</u>	<u>1,284</u>
FUNDS			
Unrestricted	16	1,620	1,280
Restricted		<u>86</u>	<u>4</u>
		<u>1,706</u>	<u>1,284</u>

On behalf of the board


Daniel McLaughlin
Director


Mr Colin Herrman
Director

24th April 2019

Médecins Sans Frontières
(Company limited by guarantee)

Cash flow statement
for the year ended 31 December 2018

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Cash flow from operating activities	906	(228)
Cash flow from investing activities		
Purchase of Fixed Assets	<u>(16)</u>	<u>(13)</u>
	(16)	(13)
Increase / (decrease) in cash in the year	<u>890</u>	<u>(241)</u>
Cash balance at 1 January	943	1,184
Cash balance at 31 December	<u>1,833</u>	<u>943</u>

Reconciliation of net income/(expenditure) to operating cash flow

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Net income	421	307
Depreciation charge	15	12
Decrease/(increase) in debtors	440	(723)
Increase/(decrease) in creditors	30	176
	<u>906</u>	<u>(228)</u>

Médecins Sans Frontières

(Company limited by guarantee)

Notes

forming part of the financial statements

1 Accounting policies

Médecins Sans Frontières is a company limited by guarantee and is incorporated and domiciled in Ireland. The address of its registered office is 9-11 Upper Baggot Street, Dublin 4.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). There have been no material departures from the standards. The presentation currency of these financial statements is Euro. All amounts in the financial statements have been rounded to the nearest €1,000.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

Legal status of company

Médecins Sans Frontières is a company registered in Ireland number 464033 and with charity registration number 18196. The company is limited by guarantee and has no share capital.

At 31 December 2018, there were 14 members whose guarantee is limited to €1 each. This guarantee continues for one year after individual membership ceases.

In accordance with Section 1180 of the companies act 2014, the Company is exempt from including the word "limited" in its names.

Other names & styles

Médecins Sans Frontières is commonly abbreviated to the initials MSF. We are also known as "Doctors Without Borders

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The financial statements have been prepared on a going concern basis. In the opinion of the directors, no material uncertainty exists which may cast significant doubt on the company's ability to continue as a going concern.

Income recognition

Income is reflected in the statement of financial activities 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

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

1 Accounting policies (continued)

Income recognition (continued)

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, with the exception of agreed administration fees, 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 statement of financial activities.

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 is accounted for on a receivable basis.

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 financial statements is dependent on the type of legacy; pecuniary legacies are recognised upon notification of impending distribution and residuary legacies are recognised at the earlier of the cash receipt or agreement of the final estate accounts. Legacies subject to the life interest of another party are not recognised.

Restricted and unrestricted funds

Funds are classified as restricted where the donor has specified the particular project or emergency to which they must be directed. Donations which have been given to support the general humanitarian work of MSF worldwide are classified as unrestricted. All tax refunds received from the Revenue in respect of tax credits mandated to the company by donors are classified as unrestricted income.

Basic financial instruments

Trade and other debtors/creditors

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purposes only of the cash flow statement.

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

1 Accounting policies (continued)

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 hardware 3 years
- Computer software 4 years
- Office equipment 5 years (term of lease)

Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

Taxation

No taxation is provided for in these financial statements as the company enjoys charitable status.

Grants

Grants received from other group undertakings in respect of costs incurred by the company are netted against such costs. Such grants are recognised at the earlier of the date of the cash receipt or at the date that firm evidence is received regarding the company's entitlement to the grant.

Foreign currencies

The company's functional currency is Euro. Transactions in foreign currencies are translated to the company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of financial activities.

Operating leases

Operating lease rentals are charged to the statement of financial activities on a straight line basis over the period of the lease.

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

2 Donations, legacies and similar income

	2018			2017		
	Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
	€'000			€'000		
Regular donations	1,581	-	1,581	1,355	-	1,355
Income from appeals	2,005	485	2,490	1,814	520	2,334
Legacies	37	-	37	105	-	105
Charities and trusts	121	31	152	16	119	135
Companies and corporations	360	77	437	333	112	445
Other income	441	123	564	441	124	565
TOTAL	4,545	716	5,261	4,064	875	4,939

3 Supply of staff overseas

	2018			2017		
	Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
	€'000			€'000		
Staff supplied to operational activities	530	-	530	468	-	468
TOTAL	530	-	530	468	-	468

MSF Ireland recruits skilled staff in Ireland who work under contract on humanitarian projects managed by other MSF sections. The cost of recruiting and employing these staff is reimbursed by the MSF section which is managing each project.

4 Cost of generating funds

	2018			2017		
	Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
	€'000			€'000		
Fundraising costs	1,138	700	1,838	898	1,000	1,898
Allocation of general support costs	33	-	33	39	-	39
TOTAL	1,171	700	1,871	937	1,000	1,937

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

4 Cost of generating funds (continued)

Grant from MSF UK

During the year, the company received a grant of €700,000 from MSF UK by way of a contribution towards promotional costs.

5 Charitable activities – operational grants

During the year, MSF Ireland made the following grants to other MSF sections which carry out humanitarian operations.

	2018			2017		
	Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
	€'000			€'000		
Grants from other donations						
Afghanistan	-	-	-	750	-	750
Bangladesh	542	68	610	38	462	500
DRC	-	-	-	5	-	5
Haiti	-	-	-	11	49	60
Italy (Search and Rescue)	300	-	300	500	-	500
Jordan	-	-	-	(9)	9	-
Libya	-	-	-	250	-	250
Nigeria	698	2	700	304	196	500
South Sudan	604	96	700	-	-	-
Syria	192	158	350	352	133	485
Yemen	-	300	300	224	26	250
Sierra Leone	30	10	40	-	-	-
Central African Republic	300	-	300	-	-	-
Total grants	2,666	634	3,300	2,425	875	3,300

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

5 Charitable activities – operational grants (continued)

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Grant recipient		
MSF Holland	2,310	2,310
MSF Belgium	990	990
TOTAL	<u>3,300</u>	<u>3,300</u>

6 Other charitable activities

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Supply of staff to operational projects		
Operational Staff	530	468
Operational Staff support	140	132
Allocation of general support costs	13	12
	<u>683</u>	<u>612</u>
Temoignage and advocacy		
Salaries, expenses and office costs	197	228
Allocation of general support costs	18	23
	<u>215</u>	<u>251</u>
TOTAL MSF CHARITABLE ACTIVITIES	<u>898</u>	<u>863</u>

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

7 Directors' remuneration

None of the directors were remunerated by the company or other group undertakings during the year or prior year.

During the year, €3,319 was reimbursed for directly incurred expenses on MSF Ireland business for 4.5 trustees (2017: €98 to 5 trustees). Trustees' expenses comprise principally the cost relating to travel to Board meetings.

8. Net movement in funds

	2018 €'000	2017 €'000
Net movement in funds for the year is stated after charging:		
Auditor's remuneration for statutory audit	13	13
Exchange (losses)/gains	(8)	-

9 Staff numbers and costs

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

	<u>2018</u>	<u>2017</u>
Operational staff working overseas in MSF projects	13	13
Recruitment and support of operational staff	2	2
Fundraising	6	6
Témoignage & Advocacy	2	2
Support and governance	1	1
TOTAL	<u>24</u>	<u>24</u>

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

9 Staff numbers and costs (continued)

The total number of Irish employees contracted through the year was:

	<u>2018</u>	<u>2017</u>
Operational staff working overseas in MSF projects	47	36
Recruitment and support of operational staff	2	2
Fundraising	6	6
Témoignage & Advocacy	3	3
Support and governance	1	1
TOTAL	<u>59</u>	<u>48</u>

	2018	2017
	€'000	€'000
Wages & salaries	999	904
Social security costs	103	93
Pension costs	91	81
TOTAL	<u>1,193</u>	<u>1,078</u>

In addition to the above, 49 days (2017: 48 days) of time has been given to the company during 2018 by 2 office volunteers.

The number of employees with total compensation (excluding employer pension costs) greater than €60,000 are:-

	2018	2017
Between €60,000 and €70,000	1	1
Between €70,000 and €80,000	1	1

MSF Ireland operates a pay policy whereby the pay scale of the highest paid employee never exceeds 3 times the pay scale of the lowest paid employee other than part time employees and those based overseas. The costs associated with key management, excluding pension scheme contributions during the year was €76,482 (Pension: €7,648, NI: €8,298) (2017: €73,655 (Pension: €7,365, NI: €7,918)). The General Director is the only member of key management.

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

9 Staff numbers and costs (continued)

Included in total staff costs is an amount of €515,753 (2017: €468,596) reimbursed by other MSF sections. These staff costs, together with associated expenses, are shown as income and costs in the financial statements (see notes 4 and 7).

10 Taxation

No taxation is payable as the company has charitable status with The Revenue Commissioners.

11 Tangible fixed assets

	Office Equipment	Computer Hardware	Comuter Software	TOTAL
	€'000	€'000	€'000	€'000
Cost				
At beginning of year	5	51		56
Additions	-	3	13	16
Disposals	-	-	-	-
TOTAL	5	54	13	72
Depreciation				
At beginning of year	2	33		35
Charge for the year	1	12	2	15
Disposals	-	-	-	-
TOTAL	3	45	2	50
Net book value				
At beginning of year	3	18	-	21
At end of period	2	9	11	22

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

12 Debtors

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Amounts due from MSF Entities	51	417
Other debtors - tax rebate	469	547
Prepayments	46	42
TOTAL	<u>566</u>	<u>1,006</u>

Amounts due from MSF entities are interest free and repayable on demand.

13 Cash and cash equivalents

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Cash at bank and in hand	1,834	943
Cash and cash equivalents per the cash flow statement	<u>1,833</u>	<u>943</u>

14 Creditors; amounts falling within one year

	<u>2018</u>	<u>2017</u>
	€'000	€'000
Other amounts owed to MSF entities	470	478
PAYE/PRSI	44	26
Accruals	35	64
Creditors	167	118
TOTAL	<u>716</u>	<u>686</u>

Amounts due to other MSF sections are interest free and payable on demand.

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

15 Analysis of net assets

	2018			2017		
	Fixed Assets	Current Assets	TOTAL	Fixed Assets	Current Assets	TOTAL
	€'000			€'000		
Unrestricted funds	22	1,598	1,620	21	1,259	1,280
Restricted funds	-	86	86	-	4	4
TOTAL	22	1,684	1,706	21	1,263	1,284

16 Reconciliation of restricted and unrestricted funds

	1 January	Income	Expenditure	31
	2018			December
	€'000	€'000	€'000	2018
	€'000			
Unrestricted funds				
General fund	1,280	5,075	(4,735)	1,620
Subtotal	1,280	5,075	(4,735)	1,620
Restricted funds				
Bangladesh	-	68	(68)	-
Iraq	1	-	-	1
Jordan	-	1	-	1
Nigeria	-	2	(2)	-
Pakistan	1	-	-	1
Philippines	2	-	-	2
South Sudan	-	96	(96)	-
Syria	-	158	(158)	-
Yemen	-	381	(300)	81
Sierra Leone	-	10	(10)	-
Subtotal	4	716	(634)	86
TOTAL FUNDS	1,284	5,791	(5,369)	1,706

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

17 Commitments and contingencies

In the normal course of business, the company has provided certain guarantees and commitments to its bankers in respect of banking arrangements.

There were no commitments, contracted or otherwise, at 31 December 2018, other than lease commitments in respect of land and buildings.

The charity has entered into a rental agreement for its office which is classified as operating lease. Future minimum payments on the lease are as follows:

	2018	2017
	€'000	€'000
No later than one year	70	65
Later than one year and not later than five years	92	162
TOTAL	162	227

The amounts charged to the income and expenditure account with respect to these contracts in 2018 was €72,038 (2017: €63,714).

18 MSF sections

MSF Ireland works in close collaboration with MSF UK on a number of issues. The General Director of MSF Ireland, Sam Taylor (to March 2019) and Isabel Simpson (current), 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 reporting to MSF International.

Other MSF sections are listed below:

MSF Argentina	Avenida Santa Fe 4559 C1425BHH, Ciudad de Buenos Aires, Argentina
MSF Australia	1-9 Glebe Point Road, Glebe NSW 2037, Australia
MSF Austria	Taborstraße 10 A-1020, Vienna, Austria
MSF Belgium	Rue de l'Arbre Bénit 46, 1050 Brussels, Belgium
MSF Brazil	Avenida Rio Branco, 135 - 11 Andar Centro CEP 20040-912 Rio de Janeiro
MSF Canada	551 Adelaide Street West, Toronto, Ontario M5V 0N8, Canada
MSF Czech Republic	Lékaři bez hranic, o.p.s, Zenklova 2245/29, 180 00 Praha 8, Czech Republic
MSF Denmark	Strandlodsvej 44, 2, 2300 København S, Denmark
MSF France	8, rue Saint Sabin 75011 Paris France
MSF Germany	Am Köllnischen Park 1, 10179 Berlin, Germany
MSF Greece	15 Xenias St., 115 27 Athens, Greece
MSF Holland	Plantage Middenlaan 14, 1018 DD, Amsterdam, Netherlands
MSF Hong Kong	22/F Pacific Plaza, 410-418 Des Voeux Road West, Sai Wan, Hong Kong
MSF India	AISF Building, 1st & 2nd Floor, Amar Colony, Lajpat Nagar IV, New Delhi 110024, India
MSF International	Rue de Lausanne 78, Case Postale 1016, CH-1211 Geneva 1, Switzerland
MSF Italy	Via Magenta 5, 00185 Rome, Italy
MSF Japan	Forecast Waseda FIRST 3F, 1-1 Babashita-cho, Shinjuku-ku, Tokyo 162-0045, Japan
MSF Logistique	3 Rue du Domaine de la Fontaine, 33700 Mérignac, France
MSF Luxembourg	68, rue de Gasperich L-1617, Luxembourg OK

Médecins Sans Frontières

(Company limited by guarantee)

Notes (continued)

18 MSF sections (continued)

MSF Mexico	56, Fernando Montes de Oca, Condesa, 06140 Ciudad de México, CDMX
MSF Norway	Hausmannsgate 6, 0186 Oslo, Norway
MSF Supply	Chée de Vilvorde, Vilvoordsestweg 140, 1120 Neder-Over-Heembeek, Belgium
MSF South Africa	70 Fox Street, 7th Floor, Marshalltown, Johannesburg, PO Box 61624, Marshalltown 2107
MSF South Korea	9th Floor, Apple-Tree Tower, 443, Teheran-ro, Gangnam-gu, Seoul 06158, Republic of Korea
MSF Spain	Nou de la Rambla, 26 08001 Barcelona, Spain
MSF Sweden	Fredsborgsgatan 24, 4 trappor, Box 47021, 100 74 Stockholm, Sweden OK
MSF Switzerland	Rue de Lausanne 78, Case Postale 1016, CH-1211 Geneva 1, Switzerland
MSF UK	Lower Ground Floor, Chancery Exchange, 10 Furnival Street, London, EC4A 1AB, UK
MSF USA	40 Rector Street, 16th Floor, New York, NY, 10006-1751

Transactions with other MSF sections consist of the following:

- Institutional funds transferred for operational programmes (see note 6).
- Other arrangements related to recharged costs – see notes 4 and 9.
- Amounts due from and to other MSF entities are disclosed in notes 12 and 14 respectively.

19 Accounting estimates and judgements

In the opinion of the directors, there are no significant sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

20 Post balance sheet events

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

21 Related Parties

Both Vickie Hawkins (MSF UK Executive Director) and Gabriel Fitzpatrick (MSF UK Trustee) sat on the Board of MSF Ireland until their respective resignations. Colin Herrman (MSF UK Trustee) was co-opted to the Irish Board in 2017 and served as its Chair from July 2018. MSF UK gave grant funding of €700,000 to MSF Ireland in 2018 (2017: €1,000,000). The decision for funding was made at the March 2018 UK Board meeting. At the time, Vickie Hawkins, Gabriel Fitzpatrick and Colin Herrman would have been related parties. Gabriel Fitzpatrick was not present at the meeting and Colin Herrman recused himself from voting on the decision.

Refer to notes 5, 9, 12 and 14 for more information on transactions with other MSF entities.

22 Approval of financial statements

The directors approved the financial statements on 24 April 2019.