

Médecins Sans Frontières (UK)
(Company limited by guarantee)

Trustees' report and financial statements

Registered number 2853011
Charity number 1026588

31 December 2007

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Report of the Trustees

for the year ended 31 December 2007

The trustees (who are also the directors for the purposes of the Companies Act 1985) present their report along with the financial statements of the charity for the year ended 31 December 2007. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" revised in March 2005.

1 REFERENCE AND ADMINISTRATIVE DETAILS

Year ended 31 December 2007

1.1 Trustees

Dr Christa Hook	Chair
Mr Simon Buckley	Treasurer - appointed 7 December 2007
Ms Frances Stevenson	
Dr Mark Cresswell	
Dr Jerome Oberreit	
Mr Paul Foreman	appointed 9 June 2007
Mr Jonathan Heffer	appointed 7 December 2007
Miss Elizabeth Smith	appointed 7 December 2007
Ms Johanna Nolan – Kolff	appointed 16 January 2008
Mrs Valerie Wistreich	resigned 9 June 2007
Mr Robert Senior	resigned 7 December 2007
Dr Nicole Klynman	resigned 9 June 2007
Dr Karen Hofman	resigned 7 December 2007
Dr Wilhelm de Graaf	resigned 7 December 2007

1.2 Executive Director

Marc DuBois	appointed 1 March 2008
Jean-Michel Piedagnel	resigned 31 March 2008

1.3 Company Secretary

Rhonda Walker	appointed 11 May 2007
Helen Clarkson	resigned 11 May 2007

1.4 Main advisors to the charity are:

Auditors:

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
West Sussex RH11 9PT

Bankers:

Bank of Scotland
38 Threadneedle Street
London
EC2P 2EH

Solicitors:

Bates, Wells & Braithwaite
Cheapside House
138 Cheapside
London
EC2V 6BB

2 STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1 Constitution

Médecins Sans Frontières (UK) was set-up as a registered charity (Charity Number 1026588) and a company limited by guarantee (Company Number 2853011) in September 1993.

The governing document is the Memorandum & Articles of Association, where the objects are 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".

2.2 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.

2.3 Trustees and Executive

The trustees in office during the period and at the date of this report are set out on page 2. Up to four trustees can be co-opted to the Board and the members of the company elect the remainder at the Annual General Meeting.

Médecins Sans Frontières (UK) Association is an unincorporated association whose membership is made up of personnel who work or who have worked for us overseas or who are ex-employees of the London office. If there is a vacancy on the Board of Trustees, the Association is invited to nominate one of its members to stand for election to fill that position. New trustees are invited to attend training courses and seminars on trustee responsibilities, by external providers, with feedback to existing trustees to update them on new issues. Issues arising on trustees' responsibilities are regularly discussed at board meetings.

The trustees are responsible for the appointment of the Executive Director who leads the management team of MSF-UK, and is responsible for the implementation of the long-term vision and strategy for MSF-UK and for the running of the UK office.

2.4 International Organisational Structure

Initially founded in Paris in 1971, MSF has become an international organisation with support offices in 20 countries around the world. MSF UK was set up as one of these support offices to recruit volunteers, provide information and raise vital funds.

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

The 20 offices work in collaboration with one another and meet regularly through various fora to discuss operational and cross-cutting issues. Resource provision between the entities is at arm's length and all the sections are separate legal entities.

2.5 Risk Management

The Board of Trustees, together with the Management Team of the charity have undertaken a detailed review of the major risks which the charity faces and developed a risk register. From the results of this review, the Trustees believe that sufficient controls are in place to minimise financial risk. We also believe that due to the small size of the UK organisation a separate internal audit programme is not necessary.

Other operational and business risks were also reviewed; particularly bearing in mind the unavoidable dangers that the personnel that the UK office recruits to work overseas are often exposed to. All possible safeguards are put in place in the field to avoid any security incidents. The Board of Trustees is responsible for reviewing the risks highlighted on the risk register on a regular basis.

3 AIMS AND OBJECTIVES

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 60 countries around the world. We strive to provide assistance to those who need it most, regardless of ethnic origin, religion or political affiliation.

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 greater respect for humanitarian law and 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 about 2,500 doctors, nurses, logistics specialists and engineers of all nationalities leave on field assignments. They work closely with thousands of national staff. During 2007, the HR department of the London office placed 184 staff from the UK and Ireland to work in our projects around the world (2006 – 232 staff). The Operational Centres reimburse MSF-UK for the costs of employing these staff and sending them to the field.

4 ACHIEVEMENTS AND PERFORMANCE 2007

In 2007, MSF's programmes continued to provide essential medical services in some of the most remote and dangerous parts of the world, often responding to neglected emergencies. By the end of the year we had reduced the number of countries in which work to about 60 (from nearly 80 in previous years) for a variety of reasons. One was the acute security risks which severely limited our activities in some regions. Another is our willingness to maintain the capacity to respond quickly to people caught in crisis, which leads us to hand over our activities in more stable areas to other organisations once this becomes feasible.

Extreme security incidents occurred in a number of active conflict zones, causing us to constantly re-evaluate our capacity to deliver aid. Tragically, a 27-year-old MSF logistician was killed in Central African Republic (CAR) in June 2007, and two MSF staff members were killed in Darfur in October. In the closing days of the year, two staff were kidnapped in Somalia, but were fortunately later released having suffered no physical harm. Whilst MSF was one of the few aid organisations that managed to continue working in Somalia throughout 2007, despite the peaks in violence and chaos, we had to frequently evacuate teams and limit our interventions. Tragically, in January 2008, three MSF staff members were killed following an organised attack on an MSF car in Kismayo, Somalia.

Our teams worked in conflict-affected regions in Chad, Central African Republic, DRC, Haiti, Nigeria, and Sudan, amongst others. In the violent aftermath of Kenya's disputed December election, MSF flew in emergency staff and supplies to help respond to the crisis. At the beginning of 2007, MSF had 2,000 people working in more than 20 different programmes in Darfur, covering the health needs of approximately half a million displaced people. Despite the fact that we had to evacuate certain projects over the course of the year due to security risks, MSF's response to the vast humanitarian crisis in Darfur continues to be one of the largest programmes in the organisation's 35-year history.

The difficulty in accessing victims of conflict is nothing new for us, but the recent willingness of western governments to engage in 'just wars' including the 'war on terror' has hampered independent humanitarian action and our ability to assist victims of conflict. These wars, characterised by co-option of a humanitarian agenda to further other causes such as the promotion of democracy, and the growth of integrated military/humanitarian interventions, have compromised the image and perception of humanitarian action leading to increasing insecurity for aid workers. The UK office has played a significant role in analysing the impact of this changing global dynamic and encouraging debate on the subject both within MSF and with other stakeholders. Discussion Evenings were held on the topics of "*Operating in Challenging Environments*" and "*The Integration Agenda*", and a briefing paper on the UN reforms was provided to field staff to guide decision-making on

the issue. An event was also held in association with the London School of Economics on the subject of "Independence and Humanitarian action".

In countries affected by the war on terror, 2007 has seen MSF have to accept that either the delivery of independent humanitarian assistance is impossible, such as in Afghanistan, or that radically adapted operational approaches are required, such as in Iraq. Iraq perhaps more than any other conflict illustrates the limits that have been placed upon independent humanitarian aid by both sides of the war on terror. MSF teams managed to get a foothold through remotely managed operations, providing much needed medical supplies to hospitals inside the war torn provinces via Jordan and Kurdistan. MSF teams in the Kurdish region of Iraq set up an emergency centre and started work at two hospitals, specialising in treating burn victims and traumatic injuries. Additionally, patients requiring reconstructive and orthopaedic surgery, often as a result of the bombings, were treated at an MSF surgery project in Jordan.

In more stable regions, particularly in southern Africa, MSF's work has continued apace, particularly with regard to HIV/AIDS care. In Zimbabwe, MSF provided a fifth of all anti-retroviral treatment in the country; a new project in Lesotho grew significantly in scope; and MSF was providing more than 11,000 patients with anti-retroviral treatment in Mozambique by July 2007.

Meanwhile, activities in several countries in west Africa were reduced, notably Sierra Leone, Liberia and Ivory Coast. This does not mean these countries no longer need aid, but that we consider that the time has come for our responsibilities to shift into other hands, whether private aid organisations or public services. After having worked for 24 years in the country, MSF finally withdrew completely from Angola in August 2007.

MSF ran projects in 13 countries in Asia and the Caucasus, predominantly focusing on the dual epidemic of TB and HIV. Besides these longer term interventions, MSF teams assisted nearly 12,000 victims of the West Sumatra earthquake in March; provided mental health care to victims of violence in Kashmir; opened three surgical programmes for people caught up in conflict in Sri Lanka; and provided a wide range of medical and psycho-social support for Burmese people both within Myanmar and those living as refugees in Bangladesh, Thailand and Malaysia.

In the Americas, MSF ran an array of projects in Colombia, where 3.8 million people have been internally displaced as a result of massacres, assassinations and intimidation. In Peru, MSF aid workers treated victims of the August 2007 earthquake, which left at least 16,000 people homeless in Pisco. Medical and psycho-social services were set up in Guatemala City to answer the needs of victims of violence and HIV/AIDS projects were handed over in Ecuador and Peru. In Europe, MSF projects continued to provide medical care to refugees and undocumented migrants in Belgium, Italy and France.

4.1 Medical challenges

As health professionals we constantly strive to provide the most effective healthcare possible for our patients. As in previous years, our medical work in 2007 included a huge range of medical activities, from organising basic vaccination campaigns to carrying out reconstructive facial surgery.

However, huge medical challenges remain and MSF UK's Manson Unit, a specialist medical unit in its fifth year of operation, has evolved to reflect the changing needs for medical support on the ground.

Malnutrition is currently associated with half the deaths of children under five, representing five million children each year. When children suffer from acute malnutrition, their immune systems are so impaired that a banal disease such as a respiratory infection or gastroenteritis can very quickly lead to complications and eventually death. The Manson Unit recruited two new staff members in 2007 to focus on the issue of nutrition, working closely with the Swiss MSF section. They provided field support in Niger, Somalia, Togo and Ghana over the course of the year.

Over recent years, MSF has increasingly used a product called 'Ready-to-Use Food' to treat severely malnourished children. Our experiences – particularly in Niger – have shown that this approach can be extremely successful, especially when a strategy of 'community based care' is implemented. This basically enables mothers rather than doctors to be the primary care givers, which allows many more children to be treated. Given our experiences, in October 2007 MSF launched a campaign to call for a massive scale-up of Ready-to-Use food and to highlight the need for further research and development into a range of nutrient-dense therapeutic products.

Malaria still claims huge numbers of lives, particularly amongst young children. In March 2007, MSF was pleased to see the launch of a new medicine - ASAQ – which combines in one tablet two of the most effective molecules for treating this disease. The new formulation is the work of the Drugs for Neglected Diseases Initiative (DNDi), of which MSF is one of the co-founders.

The major challenge for the future is making sure that this new family of anti-malaria drugs, known as artemisinin-based combination therapy or ACT, actually reach people in urgent need. Many of our field teams have been dismayed to find that, despite huge financial commitments from various global bodies and paper promises by national governments, these drugs have frequently been failing to reach people through public health services. The Manson Unit malaria specialists have spent much of 2007 analysing why ACTs are currently failing to reach patients and working on advocacy around this issue. There has been a specific focus on ACT implementation in Bo, Sierra Leone, where a new community-based approach is yielding positive results.

Meningitis—a contagious and potentially fatal brain infection—puts 300 million people at risk in sub-Saharan Africa every year, mainly in a large region that is known as the “meningitis belt.” Without treatment, bacterial meningitis kills up to 50% of those infected. In early 2007, several countries experienced outbreaks that reached epidemic levels. MSF responded by dispatching emergency teams to Burkina Faso, DRC, Sudan, and Uganda where they successfully vaccinated 1.6 million people.

An emergency team was able to respond immediately to a recent outbreak of Ebola hemorrhagic fever in the Democratic Republic of Congo's (DRC) West Kasai province. Ebola is a highly contagious, deadly disease that often kills within days, and has no vaccine or cure. Our doctors and nurses can only isolate suspected Ebola cases to prevent the disease's spread and reduce the suffering of their patients. The MSF team of 17 international specialists and nearly fifty Congolese colleagues set up two isolation units and worked in about twenty villages. They also trained local health staff and distributed medicines and protective material for those caring for the sick.

Our surgical work has continued to develop in 2007. Over the past few years, we have progressed from practising a rather basic 'war and emergency' surgery, to more programmed acts targeting reconstruction. MSF ran a reconstructive surgery program in Amman, Jordan, where patients received orthopaedic, maxillo-facial, and plastic surgery, and a mobile surgical programme focused on obstetric fistula operated in several towns in Somalia.

By the beginning of 2007, MSF was caring for nearly 200,000 people with HIV/AIDS in over 30 countries. AIDS is a disease that currently necessitates lifelong treatment and the virus' resistance to drugs after some years is a major concern. MSF campaigned hard to reduce the price of “first line” AIDS drugs and make them affordable to people in poor countries, but the fight continues. Over the course of 2007, MSF UK's HIV/AIDS specialist worked with various campaigning groups in the UK to lobby for greater access to AIDS drugs. We need new medicines – both first line drugs that will remain effective over a longer period of time and second line drug regimens. In our HIV/AIDS programme in South Africa, 17 percent of our patients require a second line of medicines after only five years of antiretroviral therapy.

A complicating factor is that tuberculosis frequently goes hand in hand with HIV/AIDS. As a report (“*TB and HIV – The Failure to Act*”) published in March 2007 by MSF UK highlighted, TB and HIV must be tackled using an integrated medical approach. Although MSF has treated patients with simple tuberculosis for many years, the ability to treat patients has taken on a critical dimension with and the rapid spread of TB among people living with HIV/AIDS and the emergence of resistant forms of the disease.

The current tools used to tackle tuberculosis - diagnostics, vaccines, drugs - are inadequate. The problem is particularly acute for patients suffering from multi-drug resistant TB – the drugs currently available do not work efficiently and cause serious side effects. Without new tools, it is unlikely the disease will be contained. Manson Unit specialists provided support to TB programmes in Uganda, Central African Republic, Zimbabwe, Uzbekistan, Cambodia and Azerbaijan during 2007.

It is because of our first hand experience of the desperate need for affordable drugs that we mobilise when we have the impression that access to new medicines is under threat. In early 2007, pharmaceutical company Novartis launched a lawsuit against the Indian government to try to strengthen patent rules that would effectively reduce capacity to produce generic drugs. MSF ran a global public campaign to ask Novartis to drop the case. They didn't, but the Indian courts rejected their claim.

Many of these medical challenges were discussed at MSF UK's annual "Scientific Day", which took place in June, bringing together medics, researchers, academics, NGOs and government representatives.

4.2 Reflection, Analysis and Speaking Out

Debate and discussion on the evolving role and capacity of humanitarian action are central to MSF's ethos and approach. Following the success of the 2006 Discussion Evening series, six more Discussion Evenings were held in 2007. They varied in theme from "The Ethics of Imagery" to "Are All Forms of Violence a Humanitarian Concern?" to "Saving Lives or Saving the Environment?" and were extremely well received by the UK humanitarian community. The UK Programmes department also supported MSF's contribution to a Humanitarian Network Practice paper "*Concerning accountability in humanitarian action*", published in February 2007. This paper and the discussions that it generated reflects the growing interest in the accountability and transparency of humanitarian organisations in 2007. MSF was one of the NGOs assessed for accountability and transparency by the One World Trust's "Global Accountability Report" published in December 2007.

Ongoing discussions about how we work as an organisation were reflected in a UK project to analyse the role of our local staff in our operations, with field work carried out in Haiti looking into how Haitian staff perceive MSF, and their role within the organisation. Local staff are the backbone of our operations and are frequently the ones who keep things running in extreme security situations (notably this year in Somalia and Darfur). An ongoing project exploring Islam and Humanitarian action was also managed by MSF UK, as well as research into the impact of "User Fees" (fees for medical care) in developing countries.

MSF continued to communicate to UK audiences about MSF's work and the plight of the communities we encounter during our work. We ran a school's project for the first time in September 2007, in collaboration with online learning community website [rafi.ki](http://www.rafi.ki/) (www.rafi.ki/). Using information from MSF, rafi.ki built a website about the Darfur crisis for school children, around the theme of 'Impossible Choices'. Launched in September, it is free for schools to use as a learning resource, both in the UK and internationally. MSF's Dr Joe Jacobs, who had recently returned from Darfur, participated in an online forum on the site in September, answering questions from children in 14 countries.

As well as facilitating ongoing media coverage of forgotten crises such as Chad, the Central African Republic, Somalia, DRC and Angola, MSF released its tenth 'Top Ten List of Under-reported Humanitarian Crises' in December 2007. The list was featured as a double-page spread in the *Independent* newspaper and sparked significant interest within the national and international media. Over the course of 2007, MSF also released reports on a number of issues, from the health worker crisis in southern Africa to sexual violence in Ituri, DRC.

4.3 UK and Irish Office growth

Whilst the number of full time employees stayed relatively stable in the UK office in 2007, the number of volunteers giving their time to support MSF UK's work grew significantly. By the end of the year, around 30 part-time volunteers were helping us, across all departments. In total, 186 expatriates were sent from the UK to work as part of MSF teams around the world.

The Irish office, established in April 2006, saw the arrival of a new Head of Office, Press Officer and Active Recruitment Officer. Supported by a strong network of dedicated volunteers, the team made good progress in 2007 in raising the profile of MSF and developing awareness within Ireland of the plight of communities we encounter during our work.

Information evenings were held frequently throughout the country in 2007 and contributed to the growth of a register of medical volunteers with several being sent overseas to MSF projects. Nationwide fundraising campaigns brought in good results in Ireland with strong projections have been made for future Irish fundraising income, for the coming years.

Looking forward to the next period, the volunteer network will continue to be key in the development of the Irish office. In 2008, strong emphasis will be placed upon advocacy and fundraising activities, drawing on the resources available within the Irish humanitarian and political sector.

5 FINANCIAL REVIEW

5.1 Grant-making Policy

The location of grants for unrestricted income is decided on the basis of needs identified by Médecins Sans Frontières – Holland and on specific requests by other MSF sister organisations. Grants derived from non-institutional restricted income are made according to the requests of the donors.

5.2 Fundraising Activities

Key Performance Indicators

Indicator	Plan 2006-2008 Target	2007 Actual	2006 Actual
<i>UK expenditure covered by regular gifts</i>	160% by 2008	208%	183%
<i>Cost of raising £1 (private funds only)</i>	20p	14p	16p

In the 3-year plan the key performance indicators are as follows:

Indicator	Plan 2006-2008 Target
<i>UK expenditure covered by regular gifts</i>	160% by 2008
<i>Return-on-investment over 5 years</i>	5-1
<i>Private funds</i>	£25m by 2008
<i>Private – public funding ratio</i>	>80% private funds by 2008

During the year, the charity had total incoming resources of £18.8m (2006: £22.8m) from the general public, provision of staff to the field, bank interest, DFID, Jersey Overseas Aid and Ireland Aid. This represents a decrease of 18% from 2006, but this is made up of a 3% increase in private funds (from £14.6m to £15.1m), and a 75% decrease in institutional funding (from £7.5m to £1.9m). This shift has led to an improvement in the ratio of private-institutional income to 87:13 (2006 66:34), in line with the objective of financial independence as generally understood across the MSF movement.

Regular gifts by direct debit and standing order are the core of MSF UK's financial growth and security. They deliver a predictable flow of funds, which can be used according to need, and which are not reliant on media attention. Regular giving is the bedrock of MSF's financial independence. In 2007 donations by direct debit and standing order increased by 18% to £8.7m (2006: £7.4m). This growth is a result of the recruitment of new supporters, coupled with a sustained programme to increase the value of existing regular givers through mailings.

The slowdown in the rate of growth of spontaneous giving is due to a combination of reduced levels of consumer confidence in the UK resulting from the "credit crunch" in 2007, and also a general level of public fatigue in response to traditional tools for fundraising in the UK charity sector. There has also been a decline in general media coverage of MSF's work.

Restricted private donations of £1.2m (2006: £2.1m) were received during the year, a reduction of 42% for the year. This was lower than 2006 due to the lack of large-scale emergencies. The restricted funds have been absorbed in charitable expenditure and have not had an impact on the level of reserves.

Legacy income has increased by 20% (from £1.5m to £1.8m). This is mainly due to the inclusion of a new area on the UK website, and also raising awareness of the tax benefits of such gifts within general mailings to existing donors.

Restricted income included funds from the Guardian newspaper's appeal for MSF's work to provide antiretroviral treatment for HIV/AIDS. This launched at the end of 2005, completing in January 2006. Guardian readers support HIV treatment through long-term

monthly giving, as well as individual gifts, with a total of £309k being received in 2007 (2006: £593k).

5.3 Reserves Policy

MSF UK has a policy of maintaining a target of 6 months of UK expenditure as an acceptable level of reserves – with 3 months as the lowest and 12 months as the highest acceptable levels. The free reserves at 31 December 2007 amount to £1.6m (2006: £1.5m). The budgeted UK expenditure for 2008 is £4.9m – this equates to approximately 4 months' planned expenditure (2006: 3 months). The level of restricted funds is always kept to a minimum. We always aim to spend any restricted funds as soon as possible after they are received.

5.4 Voluntary help and support

The trustees are particularly grateful to the UK and Irish personnel that we sent out to field projects during the year. They are all prepared to accept a very small remuneration, which cannot even compare to what they could earn if they stayed in the UK. We could not continue our work without them.

We are also grateful to the many volunteers who give up their time to help out in the UK & Dublin offices. During 2007, volunteers provided a total of 175 weeks (2006: 100 weeks) of time. We are extremely grateful for all their support and willingness to help out with any task.

5.5 SORP 2005

The annual report and accounts for the year ended 31 December 2007 have been prepared in accordance with the Governing document of MSF and in compliance with the Companies Act 1985, the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) ('SORP') and with applicable accounting standards.

6 FUTURE OUTLOOK

The UK office is continuing to follow its strategic plan for 2006-08 which reflects the growing operational confidence and activity in the office.

Plans for 2006-2008 include:

- Development of the medical unit into more substantial work in TB, an expansion of the reproductive health specialism and continuing consultancy in malaria;
- Establishment of a specialised nutrition unit;
- Continued growth in fundraising (25% p.a.) following the indicators outlined above;

In addition goals for 2008 include:

- Improve public understanding of who MSF is and what we do in the UK and Ireland;
- Implementation of the new website with enhanced capacity for communication and fundraising;
- Improved collaboration between the work of the fundraising and communications departments;
- Improve medical surveillance and monitoring with our operational partners, and the strengthening of operational research in key areas;
- Provide epidemiological expertise for rapid response to outbreaks
- Registration of the Ireland office as a separate legal entity in Ireland.

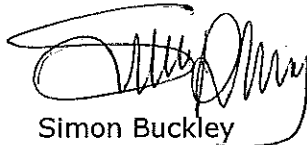
7 AUDITORS

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG LLP as auditors is to be proposed at the forthcoming Annual General Meeting.

By order of the Board



Simon Buckley
Treasurer

Date: 30 April 2007

Registered Office:
67-74 Saffron Hill,
London, EC1N 8QX



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

Under charity law, the trustees are responsible for preparing the Trustees' Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

The trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 42(1) of the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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



*1 Forest Gate
Brighton Road
Crawley
RH11 9PT
United Kingdom*

Independent auditors' report to the members of Médecins Sans Frontières (UK)

We have audited the financial statements of Médecins Sans Frontières (UK) for the year ended 31 December 2007 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the 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 235 of the Companies Act 1985. 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 auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 14.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

Independent auditors' report to the members of Médecins Sans Frontières (UK) (continued)

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 UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its incoming resources for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

KPMG LLP

15 May 2008

Chartered Accountants

Registered Auditor

Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 December 2007

		Unrestricted	Restricted	2007	2006
		£'000	£'000	Total	Total
	Note			£'000	£'000
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income					
Donations, legacies and similar income	3	13,875	1,233	15,108	14,610
Grants for operational programmes	5	-	1,962	1,962	7,477
Activities for generating funds	3	-	-	-	1
Other income from charitable activities	4	1,509	-	1,509	544
Investment Income	6	183	-	183	145
Total incoming resources		15,567	3,195	18,762	22,777
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income	7	2,101	-	2,101	2,295
Charitable activities					
Operational programmes	8	13,312	3,202	16,514	21,464
Governance costs	9	40	-	40	39
Total resources expended		15,453	3,202	18,655	23,798
Net incoming / (outgoing) resources	10	114	(7)	107	(1,021)
Fund balances brought forward					
at 1 January		1,491	7	1,498	2,519
Fund balances carried forward					
at 31 December	17,18	1,605	-	1,605	1,498

There are no recognised gains and losses other than those in the statement of financial activities. Therefore no statement of total recognised gains and losses has been prepared. All of the above amounts relate to continuing activities.

There is no difference between the historical cost surplus and the reported surplus.

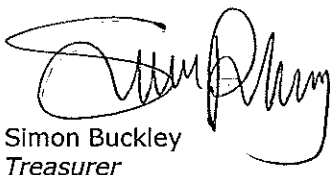
The notes on pages 20 to 33 form part of these financial statements.

Balance Sheet

at 31 December 2007

	Note	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	14	74	77
Investment	13	-	-
Current assets			
Debtors	15	1,461	3,481
Cash at bank and in hand		3,717	2,444
		5,178	5,925
Creditors: amounts falling due within one year	16	(3,647)	(4,504)
Net current assets		1,531	1,421
Net assets	19	1,605	1,498
Funds			
Unrestricted	17	1,605	1,491
Restricted	18	-	7
		1,605	1,498

These financial statements were approved by the board of trustees on 11 April 2008 and were signed on its behalf by:


 Simon Buckley
 Treasurer

The notes on pages 20 to 33 form part of these financial statements.



Cash flow statement

for the year ended 31 December 2007

	<i>Note</i>	2007 £'000	2006 £'000
Cash flow from operating activities	22	1,136	(1,761)
Return of investments and servicing of finance			
Interest received	6	183	145
Capital expenditure and financial investment			
Purchase of tangible fixed assets	14	(46)	(28)
		—————	—————
Increase / (Decrease) in cash in the year	23	1,273	(1,644)
		=====	=====

Notes

(forming part of the financial statements)

1 Legal status

Medecins Sans Frontieres (UK) is a registered charity and a company limited by guarantee. On winding up each person who is a member at that date is liable to contribute a sum not exceeding £1 towards the assets of the company. As at 31 December 2007 the company has 317 members.

2 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 1985, the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005), and under the historical cost convention.

Donations

Donated income (including committed giving) is recognised when it becomes receivable. Where specific instructions are received from the donor relating to the usage of the donation the amounts are accounted for within restricted income. Donated goods or services are included in other donations, but only if these would otherwise have been purchased by the charity, and are valued at the lower of what the charity would have paid or the cost to the donor. Tax on covenant or gift aid donations is reclaimed on the charity's behalf by Charities Aid Foundation and is accounted for in the year of receipt; where it relates to a restricted gift the tax is restricted for the same country.

Grants payable and receivable

Grants from the Department for International Development (DFID), Jersey Overseas Aid (JOA) and Development Co-operation Ireland (DCI) are accounted for on a receivable basis.

When receiving these grants MSF-UK is acting as an intermediary charity between the funding agencies, as listed above, and other MSF offices, namely MSF-Belgium, MSF-France, MSF-Holland, MSF-Spain and MSF-Switzerland. However, MSF-UK signs the contracts with the funding agency and is therefore acting as principal and accepts responsibility for their charitable application.

- The proportion of grant recognised as income at the year end is equivalent to the grant expenditure at that date, as it is considered that this is when the grant conditions have been met.
- Where, at the year end, grants received are potentially repayable these show in creditors as 'grants authorised' and in debtors as 'amounts contracted with sister organisations'.
- Where income/expenditure has occurred but the grant has not yet been received, but has been requested within the year or within one month of the year end, this is shown in debtors as 'amounts due from DFID/JOA/DCI' and in creditors as 'amounts owed to sister organisations not yet received'.
- Where income/expenditure has occurred but the grant has not yet been received, and has not yet been requested from DFID/JOA/DCI, this is shown in 'other debtors (DFID/JOA/DCI)' and in creditors as 'grants contracted to sister organisations'.
- Where a grant agreement has been signed directly between a sister organisation and a funding agency the income and expenditure is not recognised by MSF-UK as MSF-UK acts only as a conduit for these funds. Where these amounts are outstanding at the year-end they are shown as 'conduit funds received not yet transferred to sister organisations'

Legacies

Legacies are accounted for on a receivable basis. Material legacies receivable at the year-end are included at the probate value.

Income from supply of staff to overseas projects

Income associated with the invoicing of sister organisations for the costs of recruitment and remuneration of personnel working in our projects overseas are accounted for on a receivable basis.

2 Accounting policies (continued)

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. It also includes costs associated with raising the profile of the charity.

Charitable expenditure

Grants payable to partner organisations consists of grants from DFID, JOA and DCI.

Operational programmes consist of donations received in the UK that are transferred to sister organisations to fund aid projects.

Operational support includes costs associated with the recruitment of personnel to work in our projects overseas; costs associated with advocacy and publicity issues related to our work overseas and promotions of an educational manner; costs associated with our medical department which provides medical expertise directly to our field projects; and costs associated with our programme support team which includes representation to the UK government.

Support costs include all costs relating to management and administration including the salary costs of the Executive Director and the heads of the finance, press and human resources departments.

Overhead costs such as housing, depreciation, IT, stationary, general office and communications costs are apportioned to each department. The basis for this apportionment is the number of full-time equivalent positions in each department during the year.

Governance Costs

In accordance with SORP 2005, Governance Costs are shown separately. These include the costs of the strategic governance of the charity, such as the costs of trustees' meetings and insurance.

Taxation

Médecins Sans Frontières (UK) was registered as a charity in September 1993. Under S505 TA 1998 the charity is not subject to taxation on its charitable activities.

Purpose of funds

Restricted funds consist of grants or donations made for specific aid projects or appeals.

Unrestricted funds consist of donations for general use by the Charity. The Charity allocates a portion of these funds to aid projects controlled by sister organisations.

Fixed assets and depreciation

Assets that cost over £1,000 are capitalised as fixed assets and depreciation is provided to write off the cost of the asset in equal annual instalments over their useful economic lives as follows:

Furniture, office equipment & structural alterations	4 years
Computer hardware and software	3 years

Any donated assets are included as general donations at their estimated value and depreciated in the normal way.

Intangible fixed assets have been capitalised at cost.

Liabilities

Liabilities are recognised on an accruals basis.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on transactions are included in the statement of financial activities.

Notes (continued)

Leases

Where the charity enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over the shorter of its estimated useful life and the lease term. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the statement of financial activities, and the capital element which reduces the outstanding obligation for future instalments. Operating lease rentals are charged to the profit & loss account on a straight line basis over the period of the lease.

Pensions

The Company contributes to employees' personal pension schemes. The amount charged to the profit and loss account represents the contributions payable in respect of the accounting period.

3 Donations, legacies and similar incoming resources

	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000	2006 Total £'000
Appeals	1,470	65	1,535	1,934
Legacies	1,792	25	1,817	1,518
Corporate	330	7	337	427
Trust	571	573	1,144	1,352
Committed Giving	8,335	400	8,735	7,408
Other donations	1,377	163	1,540	1,971
Total donations, legacies and similar income	13,875	1,233	15,108	14,610
Other income				
Other	-	-	-	1
Total	13,875	1,233	15,108	14,611

4 Income from other charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000	2006 Total £'000
Income from supply of staff to overseas projects	1,509	-	1,509	544

Notes (continued)

5 Grants for operational programmes

	2007	2006
	£'000	£'000
<u>UK Govt - Department for International Development (DFID):</u>		
Angola (Bie)	-	21
Angola (Malange)	-	98
Democratic Republic of Congo (Bukavu)	-	1,034
Democratic Republic of Congo (Dungu)	-	17
Democratic Republic of Congo (Equateur)	-	496
Central African Republic (Ouham Province)	209	-
Chad (Darfur refugees)	-	63
Cote d'Ivoire (Danane)	397	400
Cote d'Ivoire (Western Mtns)	42	243
Liberia (Monrovia)	-	150
Niger (Zinder Region)	218	-
Somalia (Bakool)	-	410
Somalia (Lower Juba)	-	306
Sudan (Darfur)	-	1,365
Sudan (Jonglei)	-	1,303
Sudan (North)	-	74
Sudan (Tonj)	-	289
	866	6,269
<u>Irish Aid (formerly DCI):</u>		
Burundi (Bujumbura)	64	175
Burundi (Bujumbura - Sexual violence)	68	-
Burundi (Kayanza)	71	135
Democratic Republic of Congo	153	237
Eastern Chad	170	-
Sierra Leone (Tonkolili)	27	118
Somalia	238	206
Somalia (South Mudug)	238	-
Sudan (Darfur)	-	240
Sudan (Pibor County)	67	-
	1,096	1,111
<u>Jersey Overseas Aid (JOA):</u>		
Bolivia	-	33
Tanzania	-	64
	-	97
	1,962	7,477

All the income arising under the above contracts is considered to be restricted to particular projects.
 In 2007 £774,298 was received from DfID with respect to contracts for other MSF sister organisations, and transferred on to those organisations (2006: £700,000).

6 Investment income and interest

	Unrestricted	Restricted	2007	2006
	Funds	Funds	Total	Total
	£'000	£'000	£'000	£'000
Bank interest	183	-	183	145

Notes (continued)

7 Costs of generating voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000	2006 Total £'000
Salaries, Pensions & Tax	317	-	317	284
Travel & Subsistence	6	-	6	7
Other Personnel Costs	14	-	14	9
Housing Costs	50	-	50	38
Office Costs (incl depreciation)	46	-	46	34
Professional costs	4	-	4	12
Promotional costs	1,664	-	1,664	1,911
	<hr/>	<hr/>	<hr/>	<hr/>
	2,101	-	2,101	2,295
	<hr/>	<hr/>	<hr/>	<hr/>

8 Operational support

	Unrestricted funds £'000	Restricted funds £'000	2007 Total £'000	2006 Total £'000
Institutional grants transferred to MSF Sections	-	1,962	1,962	7,477

Funds allocated to MSF aid projects and campaigns

Angola	269	1	270	540
Armenia	-	-	-	1
Azerbaijan	-	-	-	1
Bangladesh	138	2	140	-
Bolivia	-	2	2	-
Burkina Faso	-	5	5	-
Burma	790	-	790	700
Burundi	400	2	402	358
Cambodia	-	2	2	52
Cameroon	-	-	-	120
Caucasus/Russia	340	-	340	700
Central African Republic	469	1	470	240
Chad	125	15	140	240
Colombia	337	3	340	500
Congo	200	-	200	350
Cote d'Ivoire	339	1	340	375
Darfur (Sudan / Chad)	248	152	400	401
Democratic Rep. of Congo	1,379	8	1,387	900
Ethiopia	600	-	600	300
Guardian HIV/Appeal	-	309	309	710
Haiti	48	2	50	-
HIV/AIDS projects	-	204	204	614
India	340	-	340	350
Indonesia	-	-	-	45
Iraq	-	2	2	-
Kenya	-	-	-	5
Lebanon	-	-	-	150

Notes (continued)

Note 8 continued...	£'000	£'000	£'000	£'000
Lesotho	-	119	119	-
Liberia	50	-	50	170
Malawi	-	204	204	-
Mozambique	169	-	169	50
Nepal	100	-	100	75
Niger	-	22	22	180
Nigeria	340	-	340	62
Pakistan	200	-	200	300
Pakistan Earthquake	-	-	-	200
Palestine	-	3	3	-
Sierra Leone	98	2	100	2
Somalia	200	-	200	701
South Africa	-	-	-	29
Sri Lanka	50	-	50	-
Sudan	987	13	1,000	656
Swaziland	-	3	3	-
Thailand	-	97	97	-
Tsunami disaster	-	-	-	182
Turkmenistan	200	-	200	170
Uganda	191	9	200	550
Uzbekistan	42	8	50	-
Zambia	315	25	340	300
Zimbabwe	476	24	500	170
Access to Essential Medicines Campaign	64	-	64	57
Drugs for Neglected Diseases Initiative	144	-	144	138
	9,648	1,240	10,888	11,644
Medical & programme support				
Salaries, Pensions & Tax	557	-	557	428
Travel & Subsistence	52	-	52	34
Other Personnel costs	6	-	6	12
Housing costs	70	-	70	69
Office Costs (incl depreciation)	65	-	65	60
Professional costs	10	-	10	51
Symposia & presentations	25	-	25	11
	785	-	785	665
Recruitment for overseas projects				
Salaries, Pensions & Tax	266	-	266	232
Travel & Subsistence	10	-	10	14
Other Personnel costs	26	-	26	22
Housing costs	45	-	45	44
Office Costs (incl depreciation)	44	-	44	54
Professional fees	20	-	20	23
Promotional costs	4	-	4	8
	415	-	415	397

Notes (continued)

Note 8 continued...

	£'000	£'000	£'000	£'000
Témoignage & advocacy				
Salaries, Pensions & Tax	135	-	135	94
Travel & Subsistence	15	-	15	19
Other Personnel costs	9	-	9	11
Housing costs	22	-	22	17
Office Costs (incl depreciation)	26	-	26	20
Professional costs	1	-	1	7
Promotional costs	67	-	67	32
	<hr/>	<hr/>	<hr/>	<hr/>
	275	-	275	200
	<hr/>	<hr/>	<hr/>	<hr/>
International staff				
	<hr/>	<hr/>	<hr/>	<hr/>
Costs of employment of international staff	1,509	-	1,509	544
	<hr/>	<hr/>	<hr/>	<hr/>
Support costs				
Salaries, Pensions & Tax	419	-	419	327
Travel & Subsistence	32	-	32	11
Other Personnel costs	31	-	31	14
Housing costs	29	-	29	31
Office Costs (incl depreciation)	44	-	44	31
Foreign Exchange costs	3	-	3	2
Legal & Professional fees	30	-	30	33
Promotions	5	-	5	9
Loss on disposal of fixed assets	-	-	-	1
Contribution to Intl Office expenses	87	-	87	78
	<hr/>	<hr/>	<hr/>	<hr/>
	680	-	680	537
	<hr/>	<hr/>	<hr/>	<hr/>
Total	13,312	3,202	16,514	21,464
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	2007 Total £'000	2006 Total £'000
Costs of trustees' meetings	13	-	13	9
Professional liability insurance	8	-	8	9
Audit fees – statutory audit	17	-	17	19
– international combined accounts	2	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
	40	-	40	39
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

10 Net movement in funds

Net movement in funds for the year is stated after charging:

	2006	2006
	Total	Total
	£'000	£'000
Depreciation	49	68
Hire of other assets – operating leases (note 20)	105	112
Auditors' remuneration – statutory audit	19	19
Exchange losses	3	2
	<hr/> <hr/>	<hr/> <hr/>

11 Remuneration of directors/trustees

None of the directors/trustees received any remuneration during the period.

£13,604 was reimbursed for directly incurred travel expenses to 9 trustees (2006: £9,394 to 9 trustees)

In addition to this professional liability insurance (covering trustees' indemnity) has been purchased at a cost of £7,874 (2006: £8,611).

12 Staff numbers and costs

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

	Number of employees	Number of employees
	2007	2006
Private & Institutional Fundraising	8	8
Medical & Programme Support	16	13
Temoignage & Advocacy	7	5
Management and administration	7	7
Recruitment for overseas projects	10	9
UK staff in international projects	103	45
	<hr/> <hr/>	<hr/> <hr/>
	151	87
	<hr/> <hr/>	<hr/> <hr/>
The costs of employing those staff were:	£'000	£'000
Wages and salaries	2,607	1,432
Social security costs	236	189
Pension costs	173	141
	<hr/> <hr/>	<hr/> <hr/>
	3,016	1,762
	<hr/> <hr/>	<hr/> <hr/>

In addition to the above, many supporters of the company assist on a voluntary basis from time to time. Approximately 877 days (equivalent to approx 2.4 years) of time has been given to the organisation during 2007 by 55 UK office volunteers, (2006: 29 volunteers, 499 days).

No employee earned £60,000 or more in 2007 (2006: none). The Charity operates a pay policy whereby the highest paid employee never earns more than 3 times the lowest paid employee.

Notes (continued)

13 Investments

The Charity owns 100% of the share capital in MSF Enterprises Limited, a subsidiary, incorporated in England and Wales. The Charity has not prepared consolidated accounts, as the results of MSF Enterprises Ltd are not material.

14 Fixed Assets

Fittings, Furniture & other Office Equipment

	2007
	£'000
Cost	
At beginning of period	343
Additions	46
Disposals	-
	<hr/>
At end of period	389
	<hr/> <hr/>
Depreciation	
At beginning of period	266
Charge for period	49
Disposals	-
	<hr/>
At end of period	315
	<hr/> <hr/>
Net book value	
At 31 December 2007	74
	<hr/> <hr/>
At 31 December 2006	77
	<hr/> <hr/>

All assets are used for charitable purposes.

Notes (continued)

15 Debtors

	2007	2006
	£'000	£'000
Amounts contracted with sister orgs	433	235
Other debtors (DfID)	-	408
Amounts due from DFID	470	2,388
Amounts owed by sister organisations	448	327
Amounts due from subsidiary (MSF Enterprises)	21	21
Other debtors	46	1
Accrued Income (Trust)	18	61
Prepayments	25	40
	<hr/>	<hr/>
	1,461	3,481
	<hr/> <hr/>	<hr/> <hr/>

The amount due from MSF Enterprises includes a loan of £20,000 which was granted in 2004. This amount is repayable on demand.

16 Creditors: amounts falling due within one year

	2007	2006
	£'000	£'000
Grants authorised:		
Irish Aid (formerly DCI)		
Burundi (Bujumbura)	136	64
Burundi (Kayanza)	-	71
Democratic Republic of Congo	52	-
Sierra Leone	-	26
Southern Sudan (Pibor county)	171	-
JOA		
India	65	65
Bolivia (refund due to JOA)	9	9
	<hr/>	<hr/>
	433	235
	<hr/>	<hr/>
Grants contracted to sister organisations	-	408
Amounts received not yet transferred to sister organisations	-	513
Amounts owed to sister organisations by grant funders	470	2,388
MSF sister organisation creditors	23	30
MSF sister organisation grants authorised	2,371	719
Other tax and social security	128	53
Trade creditors	178	130
Accruals	44	28
	<hr/>	<hr/>
	3,214	4,269
	<hr/>	<hr/>
	3,647	4,504
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

17 Unrestricted funds

	2007	2006
	£'000	£'000
Balance at 1 January	1,491	2,094
Surplus / (deficit) for the year	114	(603)
	<hr/>	<hr/>
Balance at 31 December	1,605	1,491
	<hr/> <hr/>	<hr/> <hr/>

18 Restricted Funds

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

	Balance at 1 January 2007	Incoming resources	Programme Expenditure	Balance at 31 December 2007
	£'000	£'000	£'000	£'000
Angola	-	1	1	-
Bangladesh	-	2	2	-
Bolivia	-	2	2	-
Burkina Faso	-	5	5	-
Burundi	-	2	2	-
Cambodia	-	2	2	-
Central African Republic	-	1	1	-
Colombia	-	3	3	-
Congo	-	15	15	-
Cote d'Ivoire	-	1	1	-
Darfur (Sudan / Chad)	-	152	152	-
Democratic Rep. of Congo	-	8	8	-
Guardian HIV Appeal	-	309	309	-
Haiti	1	1	2	-
HIV/AIDS programmes	-	204	204	-
Iraq	1	1	2	-
Lesotho	-	119	119	-
Malawi	-	204	204	-
Niger	-	22	22	-
Palestine	-	3	3	-
Sierra Leone	2	-	2	-
Sudan	-	13	13	-
Swaziland	-	3	3	-
Thailand	-	97	97	-
Uganda	-	9	9	-
Uzbekistan	3	5	8	-
Zambia	-	25	25	-
Zimbabwe	-	24	24	-
DFID/JOA/Ireland Aid Grants	-	1,962	1,962	-
	<hr/>	<hr/>	<hr/>	<hr/>
	7	3,195	3,202	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

Notes (continued)

19 Analysis of net assets between funds

	Tangible fixed assets £'000	Net other assets £'000	2007 Total £'000	2006 Total £'000
Restricted assets	-	-	-	7
Unrestricted assets	74	1,531	1,605	1,491
	<hr/>	<hr/>	<hr/>	<hr/>
	74	1,531	1,605	1,498
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20 Commitments

There were no commitments contracted or authorised at 31 December 2007 (31 December 2006: £nil).
 Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings £'000	Other £'000
Operating leases which expire:		
Within 2 - 5 years	103	25
	<hr/> <hr/>	<hr/> <hr/>

The amount charged to the SOFA with respect to these contracts in 2007 was £105,031 (2006: £152,468).

21 Pension arrangements

The company operates a defined contribution group personal pension scheme for certain UK employees. The assets of the scheme are held in a separate independently administered fund. The charge in respect of the contributions payable in the year was £136,546 (2006: £121,223) all of which was payable at 31 December. The cost is accounted for in the year it arises and there were no outstanding or prepaid amounts at 31st December 2007.

22 Reconciliation of net incoming resources to operating cash flows

	2007 £'000	2006 £'000
Net incoming / (outgoing) resources	107	(1,021)
Bank interest	(183)	(145)
Depreciation charge	49	68
Loss on disposal of fixed assets	-	2
Decrease in debtors	2,020	633
(Decrease) in creditors	(857)	(1,298)
	<hr/>	<hr/>
Net cash inflow / (outflow) from operating activities	1,136	(1,761)
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

23 Analysis of net cash resources

	At 1 January	Cash Flow	At 31 December
	2007		2007
	£'000	£'000	£'000
Cash in hand and at bank	2,444	1,273	3,717

24 Related parties

MSF Enterprises Limited is based in the same offices as its parent company and uses the same facilities and staff. Costs incurred on behalf of MSF-Enterprises Limited are billed on to the company on a regular basis.

The following costs were incurred by MSF UK and billed to MSF-Enterprises Limited:

	2007	2006
	Total	Total
	£	£
Staff costs	419	489
Couriers	-	45
	419	534

At the year-end the following balances were shown on the balance sheet relating to the parent company:

	2007	2006
	£	£
Debtors:		
Outstanding payments due from MSF-Enterprises Limited	1,419	581
Loan from MSF-UK to MSF Enterprises Limited	20,000	20,000
Total	21,419	20,581
Creditors:		
Outstanding invoices due to MSF-Enterprises Limited	-	112
Total	-	112

The loan to MSF-Enterprises Limited was granted in 2004 and is repayable on demand. Interest is payable quarterly at the average quarterly rate the charity could receive on its deposit account – 5.0% for last quarter 2007, a total of £1,000 (2006: £936) was received during the year.

Notes (continued)
25 MSF sister organisations

MSF Australia
 P O Box 847
 Broadway
 NSW 2007
 AUSTRALIA

MSF Greece
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Transactions with the above sister organisations consist of the following:

Grants of funding for charitable work in the field (note 8)

Management recharges (note 15 - amounts owed by sister organisations; note 16 amounts owed to sister organisations)