

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

Trustees' report and financial statements

Registered number 2853011
Charity number 1026588

31 December 2008

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Report of the trustees

for the year ended 31 December 2008

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 2008. 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 2008

1.1 Trustees

Dr Christa Hook	Chair
Mr Simon Buckley	Treasurer
Ms Frances Stevenson	
Dr Mark Cresswell	resigned 6 June 2008
Dr Jerome Oberreit	resigned 27 February 2009
Mr Paul Foreman	
Mr Jonathan Heffer	resigned 6 June 2008
Miss Elizabeth Smith	
Ms Jacqueline Tong	appointed 6 June 2008
Dr Simon Burling	appointed 6 June 2008
Mr James Kambaki	appointed 6 June 2008
Ms Helena Lorinquer	appointed 27 February 2009

1.2 Executive Director

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

1.3 Company Secretary

Ms Rhonda Walker	resigned 1 August 2008
Mr James Copeland	appointed 1 August 2008, resigned 5 Dec 2008
Miss Scotti McLaren	appointed 5 December 2008

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 Médecins Sans Frontières (UK) 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.

The 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 conducted by external providers. 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 Médecins Sans Frontières (UK) and is responsible for the implementation of the long-term vision and strategy for Médecins Sans Frontières (UK) and for the running of the UK office.

2.4 International Organisational Structure

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

MSF UK was set up as a 'section' to recruit volunteers, provide information and raise vital funds to support MSF operations worldwide. MSF UK shares responsibility for running field operations under the umbrella of 'Operational Centre Amsterdam,' (OCA), along with MSF Holland, MSF Germany and MSF Canada.

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

The MSF sections and offices work in collaboration with one another and meet regularly through various forums 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 over 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 around 2,500 doctors, nurses, logistics specialists and engineers of all nationalities leave on field assignments. They work closely with thousands of local staff.

4 ACHIEVEMENTS AND PERFORMANCE 2008

4.1 UK and Irish Office Activities

Médecins Sans Frontières UK and Ireland are part of the global network of over 20 MSF sections and offices worldwide.

As mentioned above, MSF UK shares responsibility for running field operations under the umbrella of OCA, along with MSF Holland, MSF Germany and MSF Canada. In 2008, OCA ran emergency medical projects in 26 countries, half of which are in Africa and the remainder largely in Central and South Asia. See section 4.2 for a full operational overview of the work of all five MSF Operational Centres (in Amsterdam, Barcelona, Brussels, Geneva and Paris)¹.

MSF in the UK and Ireland also support MSF's field work through raising funds, recruiting volunteers, and raising awareness of humanitarian crises among the general public and key decision makers in the UK and Ireland. A specialist medical team known as the Manson Unit works directly with the field projects to help solve urgent clinical problems.

The raising of private donations is critical to MSF's operational capacity, flexibility, and independence. In 2008 the MSF UK Fundraising team increased our private income by 20%, to £18.1 million. Recruiting long-term committed support through monthly giving, while raising awareness of "forgotten" crises, was achieved through a series of insert and postal campaigns. Emergency appeals for the Myanmar cyclone, North Kivu conflict in the Democratic Republic of Congo, and the cholera epidemic in Zimbabwe raised £1.85 million. Four discussion events were held 2008 in London and Edinburgh, as part of MSF UK's expanding commitment to inform supporters through the first-hand testimony of our field staff. In 2008 MSF UK launched a major database project to improve the speed and quality of the service offered to the people who fund MSF's work.

During 2008, the Human Resources (HR) department of the London office placed 182 staff from the UK and Ireland to work in our projects around the world (down slightly from 184 in 2007). The Operational Centres reimburse MSF UK for the costs of employing these staff and sending them to the field. The target of 210 field recruits was not reached - not because of a failure to recruit high quality volunteers in the UK (in fact, applications were

¹ The MSF UK grants in 2008 recorded in this report contributed to MSF programmes implemented via OCA as well as those implemented via sister organisations. For further details, please refer to Section 5.

up by a third compared to 2007), but because many field positions were filled by candidates from other countries. We continued to attract excellent British and Irish applicants, although still struggled to find enough French-speakers and surgeons. Crucially, we managed to retain many MSF-experienced field staff able to take on coordination positions in the field.

The Manson Unit provided direct field support to a number of nutritional programmes, including projects in Kenya, Sudan, Ethiopia and Myanmar. The team also developed locally adapted medical protocols to improve the management of malnutrition and provided substantial training to field staff.

A second major Manson Unit focus in 2008 was improving the quality of tuberculosis (TB) diagnosis and TB treatment, including the treatment of patients co-infected with TB and HIV, and those with drug-resistant TB. A sputum concentration study was finalised, which is an important first step to improve the quality of TB diagnosis. Technical and strategic support was provided to a number of projects, including India, Uzbekistan and Uganda. However, unfortunately a major ambition – to integrate the management of multidrug-resistant (MDR) TB into existing programmes – was not achieved, except in Uzbekistan. This continues to be a key objective for 2009.

The medical department also assisted with the development of a Health Information System to improve collection of medical and epidemiological field data, which will allow MSF to improve our surveillance, monitoring and accountability systems in the field.

The fifth annual MSF Scientific Day was held in London in June, attracting well over 200 delegates from around the globe. The 16 presentations were incredibly varied, spanning from the management of food shortages, to diagnosing Chagas disease in rural Bolivia, to the psychological impact of war.

As in previous years, MSF UK hosted a series of Discussion Evenings with the goal of fostering debate around topical humanitarian and medical issues in the UK arena. They included discussions on medical approaches to nutritional crises; cooperation with private security and military companies; the concept of 'the responsibility to protect'; and gender issues in humanitarian action. A series of 'Dialogues' pamphlets were produced and distributed summarising the arguments presented.

The MSF UK Programme Unit carried out extensive research into the relationship between humanitarianism and political Islam, looking at the historical development of political Islam and its different manifestations. This included analysis of some specific contexts, including Afghanistan, Pakistan and Somalia, as well as an eight-week field visit to support analysis in Yemen. An intersectional project analysing the impact of UN reform on MSF's ability to respond to humanitarian crises culminated with the production of 'A Field Guide to UN Reform'. Work also commenced on the issue of 'exit strategies' – how to responsibly hand over health care activities to others when MSF leaves a country – with one field support visit already undertaken to Moldova. Programme Unit members carried out advocacy work on a range of issues including how financial barriers affect patients' access to public health care in low-income countries. Specifically, the work focused on how patient fees – generally referred to as 'user fees' – exclude a substantial proportion of those most in need from medical care, exacerbate household poverty and are the most significant obstacle to sick people receiving timely lifesaving medical care.

The Irish office, established in 2006, made excellent progress in 2008 in raising the profile of MSF in Ireland, building significant links with medical institutions and the broader medical community in the country. MSF launched our first nationwide emergency appeal in Ireland (for the Democratic Republic of Congo) in November 2008, and close to €650,000 in private donations were raised through the Irish office over the course of the year. In

response to the shifting needs of MSF's projects, the focus of the Dublin office will move from recruitment to fundraising in 2009.

Finally, MSF UK and Ireland also strove to fulfil its goal to 'speak out' publicly about the plight of our patients throughout 2008. The communications team was in constant contact with UK, Irish and international media, raising the profile of a wide range of humanitarian and medical crises including the impact of violence in the Mount Elgon region of Kenya; the plight of Zimbabweans fleeing to South Africa; the predicament of refugees in Yemen; the extreme humanitarian crisis in the Democratic Republic of Congo; and the dire lack of treatment available for HIV-positive people in Myanmar. In December 2008, MSF brought out its annual list of 'Top Ten Unreported Humanitarian Stories,' which included the Somali region of Ethiopia; Northwestern Pakistan and the HIV-TB co-infection crisis (go to <http://www.msf.org.uk/> for further information).

4.2 Operations Overview

This section provides a full operational overview of the work of all five MSF Operational Centres. MSF UK grants in 2008 recorded in this report contributed to many of the programmes detailed here. In 2008, 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. As in 2007, acute security risks severely limited our activities in some regions and we have had to adopt new working practices in places in order to be able to continue to provide medical aid.

Somalia, one of the most volatile and insecure countries in the world, provides a germane illustration of this. Tragically, in January 2008 three MSF staff members were killed following an organised attack on an MSF car in Kismayo, in the south of the country. This incident, coupled with intense fighting across the country and specific threats against foreign aid workers, forced MSF to evacuate all international staff from Somalia in April 2008.

Despite this, a huge range of MSF projects continued to be run by dedicated Somali staff, supported by international staff based in Nairobi. The commitment, hard work and bravery of these Somali staff meant that MSF was able to continue providing health care to hundreds of thousands of Somalis throughout 2008. In fact, in sheer numbers medical activities increased in 2008 compared with 2007. MSF remained the main provider of free medical services in all of central and southern Somalia, providing primary health care, support to displaced people, surgery, water and relief supply distributions.

During the year in Somalia, MSF teams provided 727,428 outpatient consultations, more than 55,000 women received ante-natal care consultations and more than 24,000 people were admitted as inpatients to MSF-supported hospitals and health clinics. 3,878 surgeries were performed, 1,249 of which were for injuries caused by violence. Medical teams treated 1,036 people suffering from the deadly neglected disease kala azar, and 1,556 people were started on TB treatment. Nearly 35,000 Somalis suffering from malnutrition were provided with food and medical care and 82,174 vaccinations were given.

Elsewhere in Africa, our teams worked in conflict-affected regions in Chad, Central African Republic, Uganda, Kenya and Sudan, among others. MSF's response to the humanitarian crisis in Darfur continued to be one of the largest programmes in the organisation's history, with a total operational budget for 2008 of €26.15 million. As the political environment in Darfur became increasingly complex, the continued fragmentation of armed groups led to yet more outbreaks of violence and heightened insecurity. MSF, along with other aid organisations, was the target of numerous attacks and robberies, at times making the continuation of aid extremely difficult and leading to staff evacuations and project closures. Nevertheless, at the end of 2008, MSF had over 100 international staff and over 1,500 Sudanese staff running nutritional programmes, providing primary and secondary health

care, delivering babies and providing water and sanitation in over 20 locations across the Darfur region.

In southern Africa, MSF's work continued apace, particularly with regard to HIV/AIDS and TB care. Zimbabwe faced an extraordinary crisis in 2008. Political instability and mismanagement led to economic freefall: skyrocketing inflation, the collapse of basic infrastructure and services, food shortages and a total implosion of the country's health system. There was a dire shortage of basic drugs and supplies and many medical staff either left the country or went on strike. As a result, most hospitals had to close down or run at minimum capacity.

Over the course of the year, MSF provided care and treatment for 40,000 HIV/AIDS patients and provided nutritional support to severely malnourished children. MSF also responded to emergencies such as the massive cholera epidemic which swept the country at the end of 2008, with over 30,000 cases and 1,500 deaths recorded as of 31 December 2008.

Many Zimbabweans who leave the country – an estimated three million to date – flee to South Africa. In May 2008, MSF set up a new project in Beitbridge, the exit point frequently used by these people. The project ensures primary health care reaches the most vulnerable, such as migrants, orphans or commercial sex workers, and helps victims of violence and abuse.

Malaria is one of the biggest killers in sub-Saharan Africa and a leading cause of death in children under five years old. MSF treats the disease throughout the region and in 2008 piloted a new approach in Mali and Sierra Leone to get malaria treatment into inaccessible rural areas. This strategy involves training and equipping mobile teams of community workers to rapidly detect and treat uncomplicated malaria cases in children under ten in remote villages. In 2008, MSF successfully used this approach to provide over 80,000 malaria consultations in the Kangaba region of southern Mali, where malaria is extremely prevalent.

2008 saw a reduction in MSF's activities in West Africa, with a large number of projects handed over to other NGOs and national Ministries of Health. However, significant work on malaria continued in the Bo region of Sierra Leone and MSF focused on HIV, Lassa hemorrhagic fever and treating victims of sexual violence in Liberia. MSF has been running nutrition programmes in Niger since 2001, and between early 2008 and mid-September, a total of 61,051 children suffering from acute malnutrition were admitted into MSF feeding centres. Unfortunately, in July 2008, the Niger government terminated the medical and nutritional activities of MSF in the Maradi region. This happened suddenly and without explanation. MSF continued to treat severe and moderate malnutrition in other parts of the country, including Zinder and Magaria. A total of 6,800 children in danger of dying had to be hospitalized in 2008.

Asia and Pacific

Cyclone Nargis caused the worst natural disaster in the recorded history of Myanmar. The cyclone hit the country on 2 May 2008, causing catastrophic destruction and at least 146,000 fatalities.

MSF immediately mobilised staff from existing projects in Myanmar and had teams working in the disaster-struck Irrawaddy River delta area within 72 hours. However, scaling up the relief effort in the first weeks after the cyclone was hampered by the government-imposed restrictions on international staff working in the delta region. For example, water and sanitation specialists were granted visas to enter the country, but not permitted to travel into the delta area where their expertise was desperately needed. Still, by the end of July,

MSF had assisted almost half a million people and carried out 66,000 medical consultations.

A much less visible humanitarian disaster in the country is the HIV/AIDS crisis. 240,000 people are thought to have HIV/AIDS; of these, 76,000 are in urgent need of antiretroviral treatment, yet less than 20 per cent of them are currently able to get it. The vast majority of antiretroviral treatment available throughout the country is provided by MSF (to more than 11,000 people in 2008), with the government of Myanmar and non-governmental organisations providing relatively little. The government allocated a paltry \$200,000 USD for HIV/AIDS in 2008. Unable to continue shouldering the primary responsibility for responding to one of Asia's worst HIV crises, MSF insists that the government of Myanmar and international organisations urgently and rapidly scale up antiretroviral provision.

In the area bordering Myanmar thousands of Rakhine Muslims, often referred to as Rohingya, struggle to survive. Denied citizenship at home, many escaped persecution only to find themselves living in appalling conditions in Bangladesh. In 2008, MSF continued to deliver health care to more than 7,500 Rakhine Muslims living in makeshift camps.

Elsewhere in Asia, MSF responded to floods and earthquakes in China, Nepal, Indonesia, and Pakistan. The floods in Bihar, India, in September were particularly extreme, leaving hundreds of thousands of people living in camps and settlements in the flooded areas. MSF teams provided basic emergency medical care, mainly treating conditions such as diarrhoea, respiratory tract infections and worm infestation and distributed relief items such as blankets and plastic sheeting.

MSF also ran programmes focusing on HIV/AIDS in China; maternal health and child malnutrition in Nepal; sexual and domestic violence in Papua New Guinea; basic health care for people displaced by fighting in the Philippines; and TB treatment programmes in Turkmenistan, Kyrgyzstan and Uzbekistan.

Middle East

One of the greatest challenges facing independent humanitarian action today is that of reaching civilians caught in war and armed conflicts. Nowhere is this more frustratingly illustrated than in Iraq, where MSF has struggled to gain a meaningful foothold since the US-led invasion of 2003. Various military and political actors have sought to use and abuse humanitarian action for political purposes and in doing so have made humanitarian organisations a target for violent attacks. This has undermined the ability of MSF and other neutral humanitarian organisations to address the critical needs of the civilian population.

MSF was forced to leave the violence-affected regions of Iraq in 2004 when attacks on humanitarian aid workers placed our teams at too great a risk. The moderation of violence levels in Iraq in 2008 presented MSF with new opportunities to re-engage inside the country with hands-on medical care. MSF cautiously started several new projects, although it was still not possible for teams to directly access the most violent conflict areas.

In Anbar province and Baghdad, MSF supported eight Ministry of Health hospitals by training medical staff, supporting mental health counselling, and providing medical materials. In Basra, MSF provided training on pre- and post-operative care. In the northern governorates of Tameen and Ninewa, MSF supported five hospitals by providing medical supplies on an ongoing basis as well as supporting emergency response and health education campaigns to raise awareness of communicable diseases.

Following violent clashes in Baghdad, Basra, Babel and Sinjar in April and May 2008, medical facilities experienced severe shortages of equipment and medicine. MSF shipped 80 tons of medical supplies such as antibiotics, anaesthetics, surgical equipment, dressings and suture kits to hospitals treating patients in violent areas.

MSF continued to run surgical programmes for war-wounded patients referred by Iraqi medical colleagues. MSF surgical teams worked in Iraqi Kurdistan treating burn victims, and we also ran two reconstructive surgery projects, one based in Jordan and the other in Iran.

Today, Iran hosts 900,000 legally-registered Afghan refugees on its soil, and more than 1.5 million Afghans without a legal status. MSF works in the poor neighbourhoods of Zahedan, near the Pakistan and Afghan border, using mobile teams to seek out new arrivals to provide them with aid.

Every year, tens of thousands of migrants, many of them fleeing Somalia and Ethiopia, land on the shores of Yemen having endured perilous sea crossings. During the first five months of 2008 over 20,000 arrived in the country, exhausted, sick and emotionally shattered. Many others didn't make it alive – every month bodies were washed up onto the Yemeni beaches. Throughout the year, MSF provided emergency medical assistance to over 4,000 boat migrants, and in June we released a report entitled 'No Choice' to document the conditions of the horrific journey and to call for increased assistance for the thousands of people fleeing their home countries.

2008 was an extremely turbulent year in the Palestinian Territories. MSF has been providing post-operative care and physiotherapy to people wounded by fighting in the Gaza Strip since mid-2007, and opened a paediatric clinic for children under 12 in March 2008. The blockade of the Gaza Strip at the beginning of the year had serious consequences for the health system and severe fuel shortages affected the ability of patients to reach medical care (and MSF's capacity to provide it). Mobile medical teams carried out home visits to reach patients who could not travel and MSF helped to address shortages by regularly donating medical supplies to hospitals.

The Israeli air attacks on the Gaza Strip, which started at the very end of the year, prompted an overwhelming influx of wounded patients into medical facilities. It was an extremely chaotic situation, with exhausted medical staff experiencing great difficulties moving around and transporting medical supplies. MSF supplied hospitals with equipment and medicines and provided post-operative care, and sent local staff into inaccessible communities with medical kits. In Gaza, as in the West Bank, MSF provided psychological, medical, and social support to families affected by violence.

Americas

In July 2008, the Colombian military liberated hostages including Ingrid Betancourt, tricking the rebels who held them by posing as aid workers. Unfortunately, the episode had a negative impact on MSF's work in the country, since the military's use of a (false) humanitarian identity caused confusion and mistrust amongst civilians and armed groups. This forced MSF medical teams to cancel or postpone mobile clinics in numerous rural areas for a period of time.

A series of tropical storms hit Haiti in September 2008 and MSF launched a large-scale emergency response, including providing clean water and running temporary health clinics. Haiti has the highest maternal mortality rate in the western hemisphere. Babies and mothers are dying unnecessarily partially because health authorities have been slow to introduce a programme of free care, despite having received funding in February 2008. MSF teams running an emergency obstetric project at one of the capital city's hospitals were overwhelmed by patients throughout the year and services were stretched to the absolute maximum, dealing with an average of 35 births a day. In October, the hospital staff assisted a record high of 56 women giving birth. Following the tragic collapse of a school later in the year in Port au Prince, MSF also provided emergency care to victims of the disaster, including many children.

MSF has been providing emergency and mental health care in Complexo de Alemão, a deprived and violent neighbourhood of Rio de Janeiro, since October 2007. The area is well known for regular clashes between local armed groups and the Rio de Janeiro police forces. MSF also has a Chagas project in the Amazon region of Brazil and in Bolivia. Transmitted by bloodsucking insects commonly found in impoverished areas and rural dwellings, Chagas can debilitate the heart and intestinal systems, shortening life expectancy by about 10 years.

Over 10,000 cases of sexual violence were reported to the Guatemalan authorities in 2008, half of which occurred in the suburbs of Guatemala City, where MSF runs a programme to assist about 80 people a month. MSF gives victims of rape antiretroviral drugs to prevent them from contracting HIV/AIDS, as well as psycho-social support. MSF also runs a day centre for marginalised street children living in violent urban areas of Tegucigalpa, the capital of Honduras.

4.3 UK and Irish Office growth

Marc DuBois replaced Jean-Michel Piedagnei as Executive Director in March 2008. The number of full time employees stayed relatively stable in the UK office in 2008, rising from 46 at the beginning of the year to 48 at the end. There was a 50% turnover in the seven-person management team over the course of the year. The Medical Unit (known as the Manson Unit) also saw a high turnover of staff, partly reflecting a change in focus away from malaria and HIV/AIDS towards TB and epidemiology.

The number of office volunteers giving their time to support MSF UK and Ireland's work continued to grow, following a trend that really took off in 2007. In total, 169 field staff from the UK and 13 field staff from Ireland were sent to work as part of MSF teams around the world.

The Irish office, established in April 2006, became an incorporated body in Ireland and attained charity status in December 2008. A three-person Irish Board of Directors was established, and Dr Simon Collins appointed as Chairman. The Irish team remained stable at three staff members, supported by a network of dedicated volunteers.

5 FINANCIAL REVIEW

5.1 Grant-making Policy

The allocation of grants from unrestricted income is decided on the basis of needs identified by MSF Holland and MSF Belgium. In certain cases, grants from unrestricted income are allocated according to specific requests made by other MSF sister organisations. Grants derived from non-institutional restricted income are allocated to MSF sister organisations according to the requests of the donors.

The financial data in this report refer to MSF UK grants to support MSF programmes implemented internationally via 'Operational Centre Amsterdam' and other MSF sister organisations.

5.2 Fundraising Activities

Key Performance Indicators

Indicator	Plan 2006-2008 Target	2008 Actual	2007 Actual
<i>UK expenditure covered by regular gifts</i>	160% by 2008	218%	208%
<i>Cost of raising £1 (private funds only)</i>	20 pence	12 pence	14 pence

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 £23.1m (2007: £18.8m) from the general public, provision of staff to the field, bank interest, DFID and Irish Aid. This represents an increase of 23% from 2007, including a 20% increase in private funds (from £15.1m to £18.1m), and a 32% increase in institutional funding (from £2.0m to £2.6m). This ratio of private:institutional income to remains constant at 89:11 for 2007 and 2008, 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 2008 donations by direct debit and standing order increased by 5% to £9.2m (2007: £8.7m). This growth is a result of both the recruitment of new donors, and the continued loyalty of long-term supporters.

Loyalty is a key goal of our fundraising work, and in 2008 MSF UK maintained our commitment to send relevant and interesting information to our supporters, providing reports on how funds are spent. This is part of our Supporter Promise, published on the MSF UK web site, which includes commitments to not share personal data of supporters with other organisations, or to send constant fundraising appeals to our donors.

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 2008, and also a general decline in response to traditional methods for recruiting support in the UK. There has also been a reduction in general media coverage of MSF's work, relative to a peak in 2004 and 2005.

Restricted private donations of £2.9m (2007: £1.2m) were received during the year, an increase of 139% for the year. This increase was achieved through public appeals for the Myanmar Cyclone disaster, the conflict in the North Kivu region of the Democratic Republic of Congo, and the cholera epidemic in Zimbabwe. The restricted funds have been rapidly transferred to support MSF work to assist people at risk in these crises, and have not had an impact on the level of reserves.

Income from donations on the web increased 13% in 2008, to £1.9 million. This has been boosted by the launch of the new MSF UK web site in 2008, and sponsorship of MSF UK under the Google Grants programme which helps promote charity web sites.

Legacy income has increased by 32% (from £1.8m to £2.4m). This is due to awareness raising of MSF's work since MSF UK was first established in 1993. A new legacy fundraising area has been established on the MSF UK website, and MSF UK advertises in charity directories circulated to solicitors. Increases in legacy funds have been impacted by a decline in UK house prices, and delays in houses being sold during 2008.

5.3 Reserves Policy

MSF UK has a policy of maintaining a target of six months of UK expenditure as an acceptable level of reserves – with three months as the lowest and 12 months as the highest acceptable levels. The reserves at 31 December 2008 amount to £3.0m (2007: £1.6m) and include £0.6m (2007: nil) of legacy income that had not been realised at that date. The budgeted UK expenditure for 2009 is £5.1m – this equates to approximately eight months' planned expenditure (2007: four months). The level of restricted funds is always kept to a minimum; we 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 and Dublin offices. During 2008, volunteers provided a total of 197 weeks (2007: 175 weeks) of time. We are extremely grateful for all their support and willingness to help out with any task.

5.5 Statement of Recommended Practice (SORP) 2005

The annual report and accounts for the year ended 31 December 2008 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) and with applicable accounting standards.

6 FUTURE OUTLOOK

The UK and Ireland office produced a new three-year strategic plan to cover the period 2009 – 2011. This will be considered a 'rolling plan', to be reviewed on an annual basis.

Our seven overarching strategic objectives for the coming three years are:

- Contribute to the consolidation of 'Operational Centre Amsterdam' in order to realise the synergy, savings and benefits anticipated by the development of the umbrella group, while maintaining MSF-UK's identity.
- MSF UK increases its direct participation in the achievement of operational ambitions.
- Increased profile and recognition of MSF among the public and greater influence among key UK stakeholders.
- By 2011 MSF UK's potential as a communications hub meets the expectations of and is fully utilised by the MSF Movement.
- The MSF Ireland office establishes effective and efficient structures that function across a border.
- Greater interdepartmental sharing of goals and collaboration, with an acceptance of collective responsibility for successes/failures at all levels.
- Commitment to the primacy of operations in the fulfilment of financial and HR contributions according to annual targets.

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

A handwritten signature in black ink, appearing to read 'Simon Buckley', written over a faint, illegible stamp or background.

Date: 23rd April 2009

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' ANNUAL REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the trustees to prepare financial statements for each financial year in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and of the excess of income over expenditure for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in its activities.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company 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 charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



*KPMG LLP
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 2008 which comprise the Statement of Financial Activities, the Balance Sheet and 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 charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the charitable company's trustees, who are also the directors of Médecins Sans Frontières (UK) for the purposes of company law, 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 Trustees' Responsibilities on page 15.

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 Trustees' Annual Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable 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 trustees' remuneration and other transactions is not disclosed.

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

Basis of audit opinion

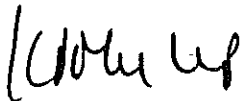
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the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

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

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 December 2008 and its incoming resources and application of resources, including its income and expenditure, 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 Trustees' Annual Report is consistent with the financial statements.



KPMG LLP

*Chartered Accountants
Registered Auditor*

23 April 2009

Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 December 2008

		Unrestricted	Restricted	2008	2007
		£'000	£'000	Total	Total
	Note			£'000	£'000
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income					
Donations, legacies and similar income	3	15,170	2,949	18,119	15,108
Grants for operational programmes	5	-	2,589	2,589	1,962
Income from other charitable activities	4	2,048	-	2,048	1,509
Investment income	6	256	-	256	183
Other income	3	74	-	74	-
		<hr/>	<hr/>	<hr/>	<hr/>
		17,548	5,538	23,086	18,762
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income	7	2,065	-	2,065	2,101
Charitable activities					
Operational programmes	8	14,032	5,538	19,570	16,514
Governance costs	9	53	-	53	40
		<hr/>	<hr/>	<hr/>	<hr/>
		16,150	5,538	21,688	18,655
Net incoming resources					
	10	1,398	-	1,398	107
Fund balances brought forward at 1 January	17	1,605	-	1,605	1,498
Fund balances carried forward at 31 December	17,19	3,003	-	3,003	1,605

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.

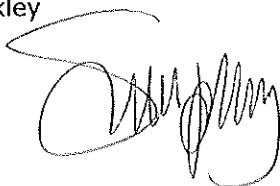
The notes on pages 21 to 34 form part of these financial statements.

Balance Sheet
 at 31 December 2008

	Note	2008 £'000	2007 £'000
Non-current assets			
Fixed assets	14	56	74
Investment	13	-	-
		56	74
Current assets			
Cash at bank and in-hand		2,241	3,717
Debtors	15	1,764	1,461
Inventories		3	-
		4,008	5,178
Creditors			
Amounts falling due within one year	16	(1,061)	(3,647)
	19	3,003	1,605
Funds			
Unrestricted	17	3,003	1,605
Restricted	18	-	-
		3,003	1,605

These financial statements were approved by the board of trustees on the 23rd of April 2009 and were signed on its behalf by:

Simon Buckley
 Treasurer



The notes on pages 21 to 34 form part of these financial statements.

Cash flow statement

for the year ended 31 December 2008

	<i>Note</i>	2008 £'000	2007 £'000
Cash flow from operating activities	22	(1,701)	1,136
Return of investments and servicing of finance			
Interest received	6	256	183
Capital expenditure and financial investment			
Purchase of fixed assets	14	(33)	(46)
Proceeds from theft of assets		2	-
		<hr/>	<hr/>
(Decrease) / increase in cash in the year	23	(1,476)	1,273
		<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Legal status

Médecins Sans Frontières (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 2008 the company has 325 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 Irish Aid 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/Irish Aid' 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/Irish Aid, this is shown in 'other debtors (DFID/JOA/Irish Aid)' 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

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

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.

Notes (continued)

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. They also include costs associated with raising the profile of the charity.

Charitable expenditure

Grants payable to partner organisations consist of grants from DFID, JOA and Irish Aid.

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 head of the finance.

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 organisation. A portion of these funds is allocated 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.

Operating leases

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

Notes (continued)

2 Accounting policies (continued)

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 income

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Donations, legacies and similar income				
Appeals	990	855	1,845	1,535
Legacies	2,387	18	2,405	1,817
Corporate	690	189	879	337
Trust	918	1,393	2,311	1,144
Committed Giving	8,862	288	9,150	8,735
Other donations	1,323	206	1,529	1,540
	15,170	2,949	18,119	15,108
Other income				
Foreign exchange gain	70	-	70	-
Gain on disposal of fixed assets	3	-	3	-
Other	1	-	1	-
	74	-	74	-
	15,244	2,949	18,193	15,108

MSF UK is aware of potential future legacy income for further amounts estimated at £712,891 (2007:nil). However, for these amounts the estimate of what will be received is not sufficiently reliable, or there is uncertainty with regard to the entitlement, thus this is not recognised in the figures above.

4 Income from other charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Income from supply of staff to overseas projects	2,048	-	2,048	1,509

Notes (continued)

5 Grants for operational programmes

	2008	2007
	£'000	£'000
<u>UK Govt. - Department for International Development (DFID):</u>		
Central African Republic (Ouham Province)	91	209
Côte d'Ivoire (Danane)	3	397
Côte d'Ivoire (Western Mountains)	-	42
Myanmar (cyclone)	1,100	-
Niger (Zinder Region)	82	218
South Sudan (Mundari)	126	-
	1,402	866
<u>Irish Aid:</u>		
Burundi (Bujumbura)	136	64
Burundi (Bujumbura - Sexual violence)	-	68
Burundi (Kayanza)	-	71
Chad	-	170
Democratic Republic of Congo	52	153
Sierra Leone (Tonkolili)	-	27
Somalia	-	238
Somalia (Galcayo)	275	-
Somalia (Marere)	277	-
Somalia (South Mudug)	-	238
Sudan (Pibor County)	274	67
Uganda (Karamoja)	108	-
	1,122	1,096
<u>Jersey Overseas Aid (JOA):</u>		
India (Bihar)	65	-
	65	-
	2,589	1,962

All the income arising under the above contracts is considered to be restricted to particular projects. In 2008 £1,098,025 was received from DFID with respect to contracts for other MSF sister organisations, and transferred on to those organisations (2007: £774,298).

6 Investment income

	Unrestricted	Restricted	2008	2007
	Funds	Funds	Total	Total
	£'000	£'000	£'000	£'000
Bank interest	256	-	256	183

Notes (continued)

7 Costs of generating voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Salaries, Pensions & Tax	422	-	422	317
Travel & Subsistence	21	-	21	6
Other Personnel Costs	25	-	25	14
Office Costs (including depreciation)	125	-	125	96
Professional costs	38	-	38	4
Promotional costs	1,434	-	1,434	1,664
	<hr/>	<hr/>	<hr/>	<hr/>
	2,065	-	2,065	2,101
	<hr/>	<hr/>	<hr/>	<hr/>

8 Operational programmes

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Institutional grants transferred to MSF Sections (refer note 5)	-	2,589	2,589	1,962
	<hr/>	<hr/>	<hr/>	<hr/>
Funds allocated to MSF aid projects and campaigns				
Angola	-	-	-	270
Bangladesh	50	-	50	140
Bolivia	-	-	-	2
Brazil	5	-	5	-
Burkina Faso	70	5	75	5
Burundi	45	5	50	402
Cambodia	50	-	50	2
Central African Republic	99	101	200	470
Chad	299	1	300	140
China	-	4	4	-
Colombia	500	-	500	340
Congo Brazzaville	199	1	200	200
Darfur (Sudan / Chad)	662	38	700	400
Democratic Republic of Congo	302	698	1,000	1,387
Ethiopia	474	36	510	600
Guardian HIV/Appeal	-	-	-	309
Haiti	227	173	400	50
HIV/AIDS projects	-	-	-	204
India	650	-	650	340
Iraq	49	1	50	2
Ivory Coast	50	-	50	340
Jordan	-	5	5	-
Kenya	159	16	175	-

Notes (continued)

Note 8 continued...

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Lesotho	47	153	200	119
Liberia	500	-	500	50
Malawi	254	622	876	204
Mali	106	4	110	-
Moldova	50	-	50	-
Mozambique	-	-	-	169
Myanmar	468	899	1,367	790
Nepal	50	-	50	100
Niger	496	4	500	22
Nigeria	169	31	200	340
Pakistan	500	-	500	200
Palestinian territories	-	13	13	3
Papua New Guinea	100	-	100	-
Russia	499	1	500	340
Sierra Leone	299	1	300	100
Somalia	363	37	400	200
South Africa	150	-	150	-
Sri Lanka	50	-	50	50
Sudan	492	8	500	1,000
Swaziland	-	18	18	3
Thailand	225	-	225	97
Turkmenistan	50	-	50	200
Uganda	40	-	40	200
Uzbekistan	90	10	100	50
Zambia	-	-	-	340
Zimbabwe	461	64	525	500
Access to Essential Medicines Campaign	91	-	91	64
Drugs for Neglected Diseases Initiative	172	-	172	144
	9,612	2,949	12,561	10,888
Medical & programme support				
Salaries, Pensions & Tax	497	-	497	557
Travel & Subsistence	52	-	52	52
Other Personnel Costs	21	-	21	6
Office Costs (including depreciation)	117	-	117	135
Professional costs	24	-	24	10
Symposia & presentations	16	-	16	25
	727	-	727	785

Notes (continued)

Note 8 continued...

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Recruitment for overseas projects				
Salaries, Pensions & Tax	273	-	273	266
Travel & Subsistence	11	-	11	10
Other Personnel costs	31	-	31	26
Office Costs (including depreciation)	75	-	75	89
Professional fees	20	-	20	20
Promotional costs	8	-	8	4
	<hr/>	<hr/>	<hr/>	<hr/>
	418	-	418	415
	<hr/>	<hr/>	<hr/>	<hr/>
Témoignage & advocacy				
Salaries, Pensions & Tax	152	-	152	135
Travel & Subsistence	15	-	15	15
Other Personnel costs	15	-	15	9
Office Costs (including depreciation)	51	-	51	48
Professional costs	25	-	25	1
Promotional costs	106	-	106	67
	<hr/>	<hr/>	<hr/>	<hr/>
	364	-	364	275
	<hr/>	<hr/>	<hr/>	<hr/>
International staff				
Costs of employment of international staff	2,048	-	2,048	1,509
	<hr/>	<hr/>	<hr/>	<hr/>
Support costs				
Salaries, Pensions & Tax	353	-	353	419
Travel & Subsistence	19	-	19	32
Other Personnel costs	30	-	30	31
Office Costs (including depreciation)	116	-	116	73
Foreign Exchange costs	-	-	-	3
Legal & Professional fees	37	-	37	30
Promotions	11	-	11	5
Contribution to Intl. Office expenses	297	-	297	87
	<hr/>	<hr/>	<hr/>	<hr/>
	863	-	863	680
	<hr/>	<hr/>	<hr/>	<hr/>
	14,032	5,538	19,570	16,514
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

9 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	2008 Total £'000	2007 Total £'000
Costs of trustees' meetings	15	-	15	13
Professional liability insurance	7	-	7	8
Audit fees – statutory audit	29	-	29	17
– international combined accounts	2	-	2	2
	<hr/>	<hr/>	<hr/>	<hr/>
	53	-	53	40
	<hr/>	<hr/>	<hr/>	<hr/>

10 Net movement in funds

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

	2008 Total £'000	2007 Total £'000
Depreciation	45	49
Hire of other assets – operating leases (note 20)	222	105
Auditors' remuneration – statutory audit	29	17
Exchange (gains) / losses	(70)	3
	<hr/>	<hr/>

11 Remuneration of directors/trustees

None of the directors/trustees received any remuneration during the period. £15,533 was reimbursed for directly incurred travel expenses to 9 trustees (2007: £13,604 to 9 trustees). In addition to this professional liability insurance (covering trustees' indemnity) has been purchased at a cost of £6,738 (2007: £7,874).

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	
	2008	2007
Private & Institutional Fundraising	12	8
Medical & Programme Support	13	16
Témoignage & Advocacy	5	7
Management & administration	9	7
Recruitment for overseas projects	8	10
UK staff in international projects	101	103
	<hr/>	<hr/>
	148	151
	<hr/>	<hr/>

Notes (continued)

Note 12 continued...

The costs of employing those staff were:	2008 £'000	2007 £'000
Wages & salaries	2,909	2,607
Social security costs	272	236
Pension costs	133	173
	3,314	3,016

Of these total costs, £1.9m (2007: £1.3m) is reimbursed by sister organisations and is included in the £2.048m (2007: £1.509m) cost of international staff (Note 8).

In addition to the above, many supporters assist on a voluntary basis from time to time. Approximately 985 days (equivalent to approximately 3.8 full time employees for the year) of time has been given to the organisation during 2008 by 64 UK office volunteers (2007: 877 days by 55 volunteers).

No employee earned £60,000 or more in 2008 (2007: none). The organisation's pay policy provides that highest paid employee never earns more than 3 times the lowest paid employee.

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.

MSF Enterprises Limited is dormant as at the end of 2008. The remaining assets were sold to MSF UK, and the loan to MSF UK was paid in full (Note 24).

14 Fixed Assets

	Computer hardware & software £'000	Other fixed assets £'000	2008 £'000	2007 £'000
Cost				
At beginning of period	244	145	389	343
Additions	33	-	33	46
Disposals	(13)	-	(13)	-
At end of period	264	145	409	389
Depreciation				
At beginning of period	185	130	315	266
Additions	34	11	45	49
Disposals	(7)	-	(7)	-
At end of period	212	141	353	315
Net book value				
At end of period	52	4	56	74
At beginning of period	59	15	74	77

All assets are used for charitable purposes.

Notes (continued)

15 Debtors

	2008	2007
	£'000	£'000
Amounts owed by sister organisations	813	448
Amounts due from DFID & Irish Aid	125	470
Amounts contracted with sister organisations	174	433
Prepayments	81	25
Legacies receivable	566	-
Other debtors	5	46
Amounts due from subsidiary (MSF Enterprises)	-	21
Accrued Income (Trust)	-	18
	<hr/>	<hr/>
	1,764	1,461
	<hr/>	<hr/>

16 Creditors: amounts falling due within one year

	2008	2007
	£'000	£'000
Grants authorised:		
Irish Aid		
Burundi (Bujumbura)	-	136
Democratic Republic of Congo	-	52
Southern Sudan (Pibor county)	-	171
JOA		
India	-	65
Bolivia (refund due to JOA)	9	9
	<hr/>	<hr/>
	9	433
	<hr/>	<hr/>
Amounts owed to sister organisations by grant funders	404	470
MSF sister organisation grants authorised	266	2,371
Trade creditors	122	178
Accruals	184	44
Other tax & social security	74	128
MSF sister organisation creditors	2	23
	<hr/>	<hr/>
	1,052	3,214
	<hr/>	<hr/>
	1,061	3,647
	<hr/>	<hr/>

Notes (continued)

17 Unrestricted funds

	2008 £'000	2007 £'000
Balance at 1 January	1,605	1,491
Surplus for the year	1,398	114
Balance at 31 December	3,003	1,605

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 2008 £'000	Incoming Resources £'000	Programme Expenditure £'000	Balance at 31 December 2008 £'000
Burkina Faso	-	5	5	-
Burundi	-	5	5	-
Central African Republic	-	101	101	-
Chad	-	1	1	-
China	-	4	4	-
Congo Brazzaville	-	1	1	-
Darfur (Sudan / Chad)	-	38	38	-
Democratic Republic of Congo	-	698	698	-
Ethiopia	-	36	36	-
Haiti	-	173	173	-
Iraq	-	1	1	-
Jordan	-	5	5	-
Kenya	-	16	16	-
Lesotho	-	153	153	-
Malawi	-	622	622	-
Mali	-	5	5	-
Myanmar	-	899	899	-
Niger	-	4	4	-
Nigeria	-	31	31	-
Palestinian territories	-	13	13	-
Russia	-	1	1	-
Sierra Leone	-	1	1	-
Somalia	-	37	37	-
Sudan	-	8	8	-
Swaziland	-	18	18	-
Uzbekistan	-	10	10	-
Zimbabwe	-	63	63	-
DFID/JOA/Irish Aid Grants	-	2,589	2,589	-
		5,538	5,538	-

Notes (continued)

Note 18 continued...

All restricted funds are for specific humanitarian projects in particular areas of the world. The charity also holds certain restricted funds raised through appeals for emergency relief provision in times of crisis.

19 Analysis of net assets between funds

	Fixed Assets £'000	Net Assets £'000	2008 Total £'000	2007 Total £'000
Restricted assets	-	-	-	-
Unrestricted assets	56	2,947	3,003	1,605
	<u>56</u>	<u>2,947</u>	<u>3,003</u>	<u>1,605</u>

20 Commitments

There were no commitments contracted or authorised at 31 December 2008 (31 December 2007: £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	235	11

The amount charged to the SOFA (statement of Financial Activity with respect to these contracts in 2008 was £221,810 (2007: £105,031).

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 £87,922 (2007: £136,546) all of which was payable at 31 December. The cost is accounted in the year it arises and there were no outstanding or prepaid amounts at 31 December 2008.

22 Reconciliation of net incoming resources to operating cash flows

	2008 £'000	2007 £'000
Net incoming resources	1,398	107
Bank interest	(256)	(183)
Depreciation charge	45	49
Gain on disposal of fixed assets	(3)	-
(Increase) / decrease in debtors	(300)	2,020
(Decrease) in creditors	(2,586)	(857)
Increase in inventory	(3)	-
Write-off of fixed assets	4	-
	<u>(1,701)</u>	<u>1,136</u>

Non-cash items: increase in debtors above excludes insurance proceeds not yet received of £3,302.

Notes (continued)

23 Analysis of net cash resources

	At 1 January 2008 £'000	Cash Flow £'000	At 31 December 2008 £'000
Cash in hand & at bank	3,717	(1,476)	2,241

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:

	2008 Total £	2007 Total £
Staff costs	205	419
Couriers	37	-
	242	419

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

Debtors:

Outstanding payments due from MSF-Enterprises Limited	-	1,419
Loan from MSF UK to MSF Enterprises Limited	-	20,000
	-	21,419

Creditors:

Outstanding invoices due to MSF-Enterprises Limited	896	-
	896	-

The loan to MSF-Enterprises Limited was granted in 2004 and repayable on demand. Interest was payable quarterly at the average quarterly rate the charity could receive on its deposit account - 5.0% for last quarter 2008. A total of £826 (2007: £1,000) was received during the year.

Final 2008 cash transfer of £21,597 and stock of cards valued at £2,751 to MSF UK comprises the following items:

Loan repaid in full	£20,000
Interest	826
Misc payables settlement	3,512
Final profit transfer (gift)	10

A study grant of £8,970 (2007: nil) was awarded during the year to a trustee. All association members were eligible to apply, and the trustee did not participate in any way in the decision.

Notes (continued)

25 MSF sister organisations

MSF Australia
PO Box 847
Broadway
NSW 2007
AUSTRALIA

MSF Greece
15, Xenias St
GR-11527, Athens
GREECE

MSF Luxembourg
70 Rue de Gasperich
L-1617 Luxembourg
LUXEMBOURG

MSF Austria
Taborstrasse 10
PO Box 53
A-1020 Vienna
AUSTRIA

MSF Holland
Plantage Middenlaan 14
PO Box 10014
1001 EA Amsterdam
THE NETHERLANDS

MSF Norway
Youngstorget 1
0181 Oslo
NORWAY

MSF Belgium
Duprestreet 94
B-1090 Brussels-Jette
BELGIUM

MSF Hong Kong
Shop 5 B
Lai Chi Kok Bay Garden
272 Lai King Hill Road
Kowloon, HONG KONG

MSF Spain
Nou de la Rambla 26
08001 Barcelona
SPAIN

MSF Canada
720 Spadina Avenue, Suite 402
M5S 2T9 Toronto ON
CANADA

MSF International
rue de Lausanne, 78
Case Postale 116
1211 Geneve 21
SWITZERLAND

MSF Sweden
Hogbergsgaten 59B
Box 4262
SE-10266 Stockholm
SWEDEN

MSF Denmark
Kristianiagade 8,2
DK-2100
Copenhagen
DENMARK

MSF Italy
Via Volturno 58
00185 Rome
ITALY

MSF Switzerland
rue de Lausanne 78
Case Postale 116
1211 Genève 6
SWITZERLAND

MSF France
8 rue Saint Sabin
F-75011 Paris
FRANCE

MSF Japan
2-4-10 Shimo- Ochiai
Shinjuku
Tokyo 161-0033
JAPAN

MSF USA
333 7th Avenue
2nd Floor
New York NY 10001
U.S.A.

MSF Germany
Am Kollnischen Park 1
10179 Berlin
GERMANY

Transactions with the above sister organisations consist of the following:

Reimbursement of costs for staff supplied to overseas projects (notes 4 and 8)

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)