MEDECINS SANS FRONTIERES (UK)

Company limited by guarantee

Company number 02853011

Charity number 1026588

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2016

Exchanging smiles between our medical doctor, Pierre Vachaud, and our Eritrean guests, minutes before they disembark. Photo: Sara Creta/MSF.

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LETTER FROM THE CHAIR OF MSF UK

2016 was a challenging year responding to humanitarian crises and conflicts in Syria, Yemen, Northern Nigeria and South Sudan continuing to cause death, misery and displacement for millions. The way wars are waged seemed to get ever more brutal, with the bombing of countless civilians, hospitals and medical facilities in places like Syria widely condemned, yet continuing with impunity. This last year we tragically again lost colleagues and patients to these brutal attacks that left in their wake countless people without healthcare.

The burden of the global refugee crisis has been largely borne by countries neighbouring those in conflict. This came into sharp focus with the surge in arrivals of asylum seekers to Europe. Many European governments have found themselves struggling to respond appropriately to the needs of these new arrivals. MSF has for decades provided care to refugees across Africa, Asia and Latin America, and has now to respond in Europe as well. As well as providing dedicated search and rescue ships, our teams work with local organisations to provide basic health services and lobby the authorities to provide a more humane response to the suffering we witness.

In June 2016, MSF made the difficult, but principled decision to refuse any further funding from the EU states and institutions in protest against the EU's attitude to the refugee crisis and their inhumane deal to return refugees to Turkey.

The focus on the problems **in Europe**, however, should not eclipse the locations where MSF runs its biggest humanitarian operations including South Sudan, Democratic Republic of Congo, Syria and Yemen. This report provides a glimpse of our work in the countries where most of the money raised by MSF UK was spent in 2016 (latest information can be found on our website: msf.org.uk).

The growth of bacterial resistance to antibiotics has led to the development of strains of diseases which are extremely difficult to treat. MSF has pioneered new treatment regimens for drug-resistant strains of TB and we are working to reduce the two-year treatment to nine months. In other locations – with full collaboration of local health authorities – we have started clinical trials of new TB combination drugs regimes that will cure strains of TB that would otherwise be fatal.

Of course, prevention is better than cure and our **vaccination** work around the world has never been more vital. In addition to the childhood vaccinations we provide, the development of new vaccines against childhood killers such as rotavirus and pneumonia are being introduced. In 2016, MSF lobbied the two manufacturers of the pneumonia vaccine to provide their lifesaving product at an affordable price. We were supported in this campaigning by Ministers of Health from over 50 countries, students, other health organisations and many of our donors, for which we are immensely grateful. These efforts finally paid off when first GSK and then Pfizer agreed to make their pneumonia vaccines available to all humanitarian organisations at an affordable price. This is a partial victory as the price will remain beyond the reach of many 'middle- income' countries where most of the world's poorest children actually live – nevertheless a decision that will allow particularly vulnerable groups to be protected against pneumonia. Our thanks go to everyone who supported this campaign.

MSF is a large organisation and we work in over 70 countries treating millions of people each year. But we also feel like a family – from our doctors and nurses in the field to the volunteer receptionists at our offices and the people in our supply warehouses who make sure the right materials get sent to our clinics.

We are all working to meet the urgent needs of people suffering across the world. Our supporters, people like you, who make everything we do possible, are also a key part of our family. We couldn't do what we do without you. So, on behalf of all our staff, volunteers and patients, thank you.

Paul McMaster
Chair of the Trustees

March 2016: An MSF staff member surveys the ruins of MSF's hospital in Haydan, Yemen, after it was destroyed by airstrikes. Atsuhiko Ochiai. Photo: Sara Creta/MSF.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2016

The Trustees (who are also the Directors for the purposes of the Companies Act 2006) present their report along with the financial statements of the charity for the year ended 31 December 2016. This report constitutes the Strategic Report and the Directors' Report required under the Companies Act 2006.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with Financial Reporting Standard 102.

1. Reference and administrative details

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees and Officers serving during the year and since the year-end were as follows:

Elected Trustees	Paul McMaster	Chair of the Trustees
	Javid Abdelmoneim	Resigned 22 July 2016, reappointed 15 Aug 2016
	Gareth Barrett	Resigned 22 July 2016
	Alyson Froud	Elected 14 May 2016
	Victoria Keilthy	
	Dennis Kerr	
	Heidi Quinn	
	Emma Simpson	Elected 14 May 2016
	Tom Skrinar	Treasurer, resigned 23 September 2016
	Peter Young	
Co-opted Trustees	Gabriel Fitzpatrick	Appointed 24 March 2016
	Colin Herrman	
	Damien Régent	Treasurer, appointed 11 November 2016
	Tejshri Shah	Resigned 1 Sept 2015, reappointed 17 June 2016

Senior Management Team

Vickie Hawkins	Executive Director
Bart-Jan Bekker	Head of Human Resources (resigned 30 June 2016)
Jose Hulsenbek	Head of Human Resources (appointed 13 June 2016)
Philipp du Cros	Head of Manson Unit
Joe Ghandhi	Company Secretary, Head of Finance (resigned 19 February 2016)
Caroline Doan	Company Secretary, Head of Finance (appointed 15 February 2016)
Roland Imi	Head of Information Technology (appointed 1 September 2016)
James Kliffen	Head of Fundraising
Polly Markandya	Head of Communications
André Heller Pérache	Head of Programmes Unit

Principal Advisors

Auditors:	Bankers:	Solicitors:
KPMG LLP	Bank of Scotland	Bates, Wells and Braithwaite
15 Canada Square	38 Threadneedle Street	10 Queen Street Place
London, E14 5GL	London, EC2P 2EH	London, EC4R 1BE

Details of registration

Médecins Sans Frontières (UK) was set up in September 1993 as a registered charity (Charity Number 1026588) and a company limited by guarantee (Company Number 2853011). The registered office is Chancery Exchange, 10 Furnival Street, London EC4A 1AB, UK; this is also the principal office.

Phone: +44 (0)20 7404 6600
Website: www.msf.org.uk
Full contact details, including email, are on www.msf.org.uk/contact-us

Other names and styles

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

A woman receives medical care at MSF's family and sexual violence clinic in Tari hospital, Hela province, in the highlands region of Papua New Guinea. Photo: Jodi Bieber/MSF.

2. Structure, governance and management

Constitution

Médecins Sans Frontières UK ('MSF UK') is a company limited by guarantee and governed by its Memorandum and Articles of Association.

The MSF Association

The members of MSF UK are the MSF Association. Operational staff, office staff and office volunteers may apply to join the MSF Association, and thus become members of MSF UK, after they have worked for a specified amount of time with MSF. At the time of this report the Association has 441 members.

Formally, each member of the Association guarantees £1 to MSF UK in the event of winding up. More importantly, the members of the Association commit to ensure that MSF UK maintains focus on effective delivery of medical care in accordance with MSF's core principles; they fulfil this commitment primarily through the election of, and by holding to account, the Board of Trustees at the annual general meeting of the charity.

The Board of Trustees

Association members delegate governance responsibilities to a Board of Trustees. Most Trustees are elected by the Association at the charity's annual general meeting; a smaller number of additional Trustees may be co-opted by the Board from within or from outside the Association.

The duties of the Board of Trustees are to ensure that MSF UK adheres to the core principles of the MSF movement and the purpose for which it was set up, fulfils its purpose effectively and efficiently, ensuring due care and accountability and the responsible management of resources, and complies with all legal and regulatory requirements.

The majority of Trustees have a medical or paramedical background. However, we take steps to ensure that an appropriate range of skills and experience is represented on the Board. These steps include co-opting members with appropriate skills to complement the skills of the members elected by the Association. To aid in their governance responsibilities, the MSF movement encourages our Trustees to visit the locations where MSF works and/or do short-term assignments. In 2016, Trustees visited Jordan, Myanmar, Sierra Leone, Swaziland, Tajikistan and Libya; and two Trustees did short-term assignments in Iraq and the Mediterranean. Note that the last was on a MSF UK contract (see section below on remuneration of Trustees).

Each Trustee holds office for a period of three years after which they may stand for re-election or may be considered again for co-option. Newly appointed Trustees are invited to attend training on trustee responsibilities arranged by external providers. Issues of governance, Board effectiveness and Trustees' responsibilities are regularly discussed at Board meetings.

The Board generally meets eight times per year to ensure MSF UK is well run and achieves its objectives. The Audit Committee, a sub-committee of the Board, meets at least three times a year and discusses all issues relating to control and risk, including statutory and regulatory compliance. One Trustee is Honorary Treasurer and other Trustees act as Board links with the senior management team.

The Board of Trustees appoints the Executive Director, currently Vickie Hawkins, who leads the senior management team. The management team is responsible for the implementation of strategy and day-to-day management of the office and finances of the charity.

Remuneration of Trustees

Our Trustees spend a considerable amount of time preparing for and attending Board meetings, participating in Committees and conducting field visits. With the exception of the Chair, who receives a modest payment, they do not receive remuneration for that work. The remuneration of our Chair, Paul McMaster, is authorised in the Memorandum and Articles of Association, and approved by the Charity Commission. He received remuneration as Chair of MSF UK during the year of £7,500 for 60 days (2015: £7,937).

Until September 2016, Paul McMaster also worked as Chair of MSF's Operational Centre Amsterdam. For this role, he received remuneration of £12,125 for 97 days (2015: £18,750 for 150 days). This payment is in accordance with Charity Commission guidelines.

Javid Abdelmoneim was paid £1,235 (plus £124 pension and £17 NI) as a field medical doctor for three weeks in July and August 2016. The medical work he conducted was not directly related to his Trustee responsibilities. Javid Abdelmoneim disclosed his employment to the Board in June 2016 and stood down as a Board member during the period of his employment by MSF UK. He was subsequently co-opted by the Board and re-joined the Board after his mission. The Board confirmed that his recruitment and contract/remuneration were done on an arms' length basis.

Salary policy

The policy for remuneration of all staff, including senior managers, is decided by the Board of Trustees. A Remuneration Committee, composed of Trustees, meets at least once a year. The policy sets out a framework for staff remuneration which includes comparing salaries against mid-market pay levels in the UK charity sector, bearing in mind MSF UK's size and office location, in order to set a level that is reasonable, yet broadly competitive. This is in keeping with MSF's focus on maximising the use of funds for frontline work.

In accordance with this policy, the Executive Director of MSF UK, Vickie Hawkins, received at the year-end an annual salary of £76,650 (£73,000 in 2015). This is 3.16 times the salary of our lowest paid office worker. Other members of the management team receive salaries between £50,000 and £60,000 (see note 10, page 42). Our Executive Director is the highest paid employee at MSF UK.

Related parties

MSF UK has a fully owned subsidiary, which is not registered as a charity: MSF Enterprises Limited. During the year, MSF Enterprises Limited has been dormant.

Both Vickie Hawkins (MSF UK Executive Director) and Gabriel Fitzpatrick (MSF UK Trustee) sit on the Board of MSF Ireland. Given that MSF UK gave grant funding of £684,000 to MSF Ireland in 2016, they are considered related parties. The Board of MSF UK approved that grant in July 2016, and Gabriel Fitzpatrick was recused from voting on the grant.

Paul McMaster (up to September 2016), Tejshri Shah (from September 2016) and Peter Young sit on the 'OCA Council' (Operational Centre Amsterdam – OCA). The OCA Council has an advisory relationship with the Board of MSF Holland as MSF Holland hosts OCA operations. Our Treasurer (Tom Skrinar until September 2016, Damien Régent from November 2016) sits on the OCA Audit Committee that supports the work of the OCA Council. Paul McMaster (up to September 2016) and Tejshri Shah (from September 2016) also sit on the International Board which formally governs MSF International. See sections below on the international MSF movement and MSF International for more details.

MSF UK has granted £31,312,000 to MSF Holland and a total of £921,000 to MSF International (including the Access campaign and the Drugs for Neglected Diseases Initiative). All grants to operational sections, including MSF Holland, are approved by the entire Board; and the grant to MSF International is based on a pre-approved international allocation.

The Trustees do not consider that any other person or organisation can be regarded as a related party.

MSF UK and the international MSF movement

Médecins Sans Frontières (UK) is one of 21 affiliated MSF entities (or 'sections') around the world. Each is linked with its own national Association, consisting of people who have worked or volunteered for MSF. Each MSF entity is an independent legal entity having charitable or non-profit status in their country of residence. These, together with a small number of connected entities, comprise the international MSF movement. The entities making up the MSF movement are bound by a shared name and identity, and a shared commitment to the MSF Charter and principles.

Representatives from each of the National and Regional Associations gather together annually at the International General Assembly ('IGA') to oversee the coordinated action and growth of the MSF movement.

The IGA delegates their governance to a Board of Trustees, the International Board (IB). The IB is led by the MSF International President, Joanne Liu.

MSF UK participates in the broader governance of the MSF movement in a number of ways. We are a primary partner to the OCA, one of five operational centres responsible for the delivery of humanitarian aid projects. The OCA is a 'virtual entity' made up of MSF UK, MSF Holland, MSF Germany, MSF Ireland and MSF India. Two of our Trustees sit on the OCA Council, which has an advisory relationship to the Board of MSF Holland, and Vickie Hawkins (MSF UK Executive Director) sits on the OCA Management Team. Our Treasurer sits on the OCA Audit Committee.

Along with representation on the OCA Council and the OCA Audit Committee, MSF UK also sends two representatives to the IGA. Vickie Hawkins also sits on the Core Executive Committee (Core ExCom) which functions as the Executive for the MSF movement as a whole.

MSF UK also has a close relationship with MSF Ireland. Vickie Hawkins sits on the Board of MSF Ireland, and Gabriel Fitzpatrick (Chair of MSF Ireland) sits on the Board of MSF UK. However, MSF Ireland is an independent legal entity registered in the Republic of Ireland and governed by its own Board of Trustees.

MSF International

Based in Geneva, MSF International is a Swiss non-profit entity which acts as a hub and provides coordination, information and support to the operational centres and the individual MSF entities. It hosts the International General Assembly (IGA), the International Board (IB), the international Executive Committee (ExCom) and the International Office. It also implements some international projects, initiatives and campaigns, and it liaises with the United Nations and other global organisations.

MSF International monitors the key performance indicators of the MSF entities worldwide. They are compared against strategic plans and to external benchmarks in order to highlight strengths and achievements, as well as weaknesses and inefficiencies.

An important part of the MSF International role is the compilation and publication of reports, which give an overview of the MSF movement as a whole.

- The **International Activity Report** provides a comprehensive overview of MSF's projects worldwide, the most significant issues we face and the solutions we implement in order to deliver humanitarian aid.
- The **International Financial Report** gives a view of MSF's work internationally and provides transparency and accountability to our stakeholders. These combined accounts represent an aggregation of the financial statements of the MSF entities worldwide.

The International Activity Report and International Finance Report are published annually and may be viewed or downloaded from the MSF International website (www.msf.org). Printed copies are available from the MSF UK office.

3. Objectives and activities for the public benefit

Our legal foundation

The principal objective of MSF UK, stated in the Memorandum and Articles of Association, is as follows:

> *The Company's objects are 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.*

The Trustees confirm that they have referred to the Charity Commission guidance on public benefit and are satisfied that the charity's activities, grants and plans accord with this guidance.

The issues we face

MSF brings humanitarian medical assistance to victims of armed conflict, epidemics, malnutrition, natural disasters and exclusion from healthcare. We strive to provide assistance to those who need it most, regardless of ethnic origin, religion, gender or political affiliation.

At its core, the purpose of humanitarian action is to save lives and ease the suffering of people caught in acute crises, thereby restoring their ability to rebuild their lives and communities.

We offer basic healthcare, perform surgery, fight epidemics, rehabilitate and run hospitals and clinics, carry out vaccination campaigns, operate nutrition centres and provide mental health care. In recent years, in keeping with our objective to save lives, MSF has been carrying out search and rescue activities at sea as part of our wider work with displaced people and refugees.

MSF UK's contribution

MSF UK is a member entity of MSF International. We actively participate with MSF Holland, MSF Germany, MSF India and MSF Ireland to form the Operational Centre Amsterdam (OCA), which is one of the operational centres in the movement responsible for the delivery of humanitarian aid projects.

MSF UK grants funds to MSF Holland (which hosts the operations of OCA) and other MSF operational centres to enable them to plan and implement projects in areas of greatest need. Other grants are given to MSF International in Geneva (page 9), and to the MSF Access Campaign and the Drugs for Neglected Diseases Initiative (page 11). In 2016, we have also given funding to MSF Ireland to invest in fundraising following the MSF movement decision to no longer accept EU country funding.

MSF UK's Human Resource department recruits and employs between 200 and 250 medical and non-medical operational staff each year, including many specialists in their field, who work on contract to deliver aid and manage projects in locations across the world. They build links with medical bodies in the UK to encourage mobility between a medical career in the UK and medical humanitarian aid.

We give direct support to MSF's medical humanitarian operations via the Manson Unit, which provides specialist support on a range of infectious diseases, epidemiology and operational research. Our Programmes Unit also gives direct support by supporting qualitative research on a broad range of medical and humanitarian issues, as well as representing MSF in the UK in its dealings with the British government and global health and humanitarian sectors. Staff from the Manson Unit and the Programmes Units spend substantial periods working in our country programmes, providing technical advice and management support.

MSF UK's communications department works to raise awareness and provide up-to-date public information about MSF's work through the news media and the internet, reaching both national and international audiences. Staff in the communications department also regularly travel to our country programmes, working as field communications officers in emergencies or providing training and advice to field communications staff on the ground.

The Executive Director of MSF UK sits on the Core Executive Committee (Core ExCom) of MSF, which is made up of the General Directors of the five operational centres plus two elected members from the wider movement. In addition, the Executive Director is a member of the management team of the OCA. The Head of the Manson Unit has a seat on the OCA's operational platform – the key platform for operational decision-making in the OCA. Other members of MSF UK's management team also participate in MSF's functional platforms across the OCA and the international MSF movement, with our Head of Human Resources playing a significant role on our OCA Human Resources platform and our Head of Communications being part of the international 'DirComm' (Directors of Communication) platform.

More information on MSF UK's activities can be found on our website (www.msf.org.uk).

International humanitarian activities

At any given time, MSF's operational centres run projects in 350 to 400 locations in over 70 countries worldwide. See section (from page 19) for a more detailed overview of activities in the countries where MSF UK has given the largest grants.

Rapid response to disasters

For disaster relief, MSF acts fast to gauge what is needed, mobilising MSF staff already in the area or sending in an emergency team. We are often one of the first international organisations to arrive on the scene of a disaster and our immediate objective is the relief of suffering in the short term. Often we begin treating people even as we develop a fuller plan.

Long-term projects

The majority of our programmes have long-term objectives. These projects are carefully researched and planned before they are initiated, in order to ensure that they will have a real impact on health within the constraints of available staff and money.

Each project has its own short- and long-term targets, which depend on the location of the project and the health issue being addressed. Broadly speaking, the long-term goals of any project are to improve access to healthcare for the affected population, to improve health infrastructure and facilities, to establish robust systems and procedures, and to give relevant training and awareness of health issues to medical staff and to other members of the local population.

Ultimately, MSF aims to complete each project and withdraw. It may be possible to close down a project when the services that we offer are no longer necessary, for example when an epidemic or a conflict has abated.

Another possibility is that we may be able to pass a project over to a local organisation or Ministry of Health that is able to take over and sustain the operation. There is no rigid and specific formula for when this might occur, nor is it always an easy decision. In each case MSF does the best it can to ensure high-quality continuity of care. And, in many MSF projects, training of local employees is emphasised with the hope of helping develop broader skills across a given society that can be employed to deliver the necessary care after MSF has handed over its programmes.

Criteria and success measures

Each project is managed by one of the MSF operational centres. It is assigned a budget and a set of success measures which best suit the nature of the particular project. These are reviewed and revised at regular intervals to ensure that the project progresses towards its targets in the most effective way possible.

Campaigns and research

MSF campaigns internationally to improve access to healthcare and reduce health exclusion, with the long-term aim of removing the circumstances which lead to health crises.

Too often we cannot treat patients because the medicines are too expensive, or they are no longer produced. Sometimes, the only drugs we have are highly toxic or ineffective, and nobody is looking for a better cure.

As a medical humanitarian organisation, it is fundamentally unacceptable to MSF that access to essential medicines is increasingly difficult, particularly for the most common global infectious diseases.

MSF works on this in three specific ways:

- *MSF's Access Campaign's* key focus is to highlight the difficulties and to break down the barriers people face in getting hold of adequate and effective diagnostic tests, drugs and vaccines for diseases that affect vulnerable populations. Examples of this are medication to control HIV/AIDS, which in some countries can be difficult to access, and the pneumonia vaccine, which is too expensive for many people in poor countries to purchase.[1]
- *The Drugs for Neglected Diseases Initiative* (DNDi) is an international collaboration in which MSF is a major donor and partner. It aims to develop new drugs or new formulations for people suffering from diseases such as sleeping sickness, kala azar or Chagas disease. Acting in the public interest, DNDi bridges existing research and development gaps in essential drugs for these diseases by initiating and coordinating drug

[1] Further information on MSF Access can be found at: www.msfaccess.org

research and development projects in collaboration with the international research community, the public sector, the pharmaceutical industry and other relevant partners.

- *MSF field research* – Medical data and research from MSF field operations are regularly published in peer-reviewed literature and have led to changes in clinical practice. MSF research focuses on the challenges of delivering medical humanitarian assistance to populations affected by conflict, natural disasters and lack of access to healthcare. Research topics include treatment of multidrug-resistant tuberculosis (MDR-TB), HIV/AIDS, neglected tropical diseases and mental healthcare. All MSF's medical research is carried out under close ethical oversight by internal and external experts. MSF's scientific articles are archived on the MSF Field Research website and are available in full free-of-charge.[2]

Témoignage *and advocacy*

'*Témoignage'*, meaning 'testimony', is core to MSF's mission. Our practice of *témoignage* means that MSF acts as a witness and will speak out, either in private or in public, about the plight of populations in danger for whom we work. In doing so, MSF sets out to raise public awareness of human suffering, to protect life and health and to restore respect for human beings and their fundamental human rights.

From the 1999 Nobel Prize acceptance speech by Dr James Orbinski, then president of the MSF International Council:

"Silence has long been confused with neutrality, and has been presented as a necessary condition for humanitarian action. From its beginning, MSF was created in opposition to this assumption. We are not sure that words can always save lives, but we know that silence can certainly kill."

4. Achievements and performance

Fundraising

MSF UK's approach to fundraising is focused on bringing the reality and challenges of our work closer to our donors. We seek to bring our supporters as close as possible to the medical aid that their generosity makes possible, through the testimony of MSF staff and patients. We rarely appeal for additional support, and MSF takes great care to ensure that the maximum proportion of each and every donation is spent on humanitarian aid. In 2016, £8.73 (2015: £7.62) was raised for each pound that we invested in generating funds.

We strive to provide the highest standard of care to the private individuals and organisations that fund MSF in the UK. We work with an independent panel of 'mystery shoppers' to continually evaluate the service we provide to supporters. This covers the initial thanking for donations, subsequent communications about MSF's delivery of medical aid, and the handling of complaints and requests for information. We periodically meet with supporters across the UK to better understand their wishes and interests. Comments, suggestions and ideas from our supporters are highly valued and encouraged – by letter, telephone and email. We continually strive to make improvements in response to the feedback we receive. This approach saw 81 percent of our independent panel agree that they would recommend supporting MSF to others. This was the highest result achieved among the 19 participating charities in the 2016 benchmarking survey.

MSF UK adheres to best fundraising practices, and in 2016 we joined the new Fundraising Regulator. All third-party organisations acting on MSF UK's behalf are closely supported and supervised to help us achieve the highest possible standards. MSF UK invests constant efforts to inspire and motivate the teams that represent MSF. This includes regular briefings from our frontline medical and logistical staff, and participating in the training that we provide to our field teams. Closely involving partners in MSF's medical mission helps them to inspire new supporters, and to secure the extraordinary long-term loyalty of our donors.

A complaints procedure is in place, and any complaints are recorded and responded to appropriately. MSF UK ensures that unreasonable intrusions into a person's privacy are prevented, and that unreasonably persistent approaches for donations are strictly avoided. We adhere to a vulnerable persons' policy in relation to

[2] MSF Field Research: http://fieldresearch.msf.org/msf/

fundraising. MSF UK is proud of our longstanding Donor Promise, which is published online here: https://www.msf.org.uk/our-promise-to-donors.

Operational staff

Although staff requests from operational centres within the MSF movement were not at the same levels as in the previous two years, we still reached our departure targets and managed to deploy 242 international staff to field projects. The majority of those departures went with OCA (59 percent, compared to 60 percent in 2015).

Next to the day-to-day challenges, the team also boosted its recruitment efforts and developed new plans to improve retention for field staff. This was largely made possible by the addition of a new role in the field HR team. This role will rotate on an annual basis, providing the opportunity for field staff to work in the MSF UK office in London for 12 months as part of the field-to-office mobility programme.

A renewed focus on active recruitment resulted in an increase in applications and interviews while at the same time improving the quality of applications (32 percent of applicants were accepted on to the register, compared to 28 percent in 2015). New plans for retention were shaped in the form of a new learning and development (L&D) and international staff support programme that will be introduced in 2017.

Our collaboration with the Royal College of General Physicians continued, resulting in the filling of two field vacancies (one 9-month and one 12-month position). Further efforts were made to assist our medical field staff with revalidation to enable them to keep their licence to practice in the UK when they return from the field. For nurses we found a solution, and for medical doctors further steps were made in building relationships with the NHS and the General Medical Council to address the issue.

Témoignage *and advocacy*

MSF UK's communications department provides up-to-date public information about MSF's field work through the news media, the internet and specialist publications, and works to raise awareness of humanitarian crises among the general public and key decision makers.

During 2016 we campaigned strongly to raise awareness around a number of issues, particularly conflicts in Yemen and Syria, and the plight of refugees fleeing conflict by crossing the Mediterranean and moving through Europe.

Our use of innovative digital techniques, such as photo diaries and staff and patient blogs, was effective in engaging with the British public.

MSF UK issued more than 50 press releases throughout 2016 on a wide variety of topics, and generated a total of 10,000 pieces of coverage over the year. Of particular note was our decision in March 2016 to withdraw from Moria camp on Lesvos, Greece, and the announcement in June 2016 that the MSF movement as a whole had decided to no longer accept EU funding in response to the EU-Turkey deal.[3] MSF remains a highly respected institution, with an unparalleled reach to testify on and analyse humanitarian issues in many parts of the world. In 2016, the main priority issues we succeeded in increasing coverage of were Nigeria, Yemen and migration.

Positive engagement with student groups in many British universities continues to help with MSF campaigns, as well as providing a pool of highly qualified individuals who will continue to support MSF, and possibly work for us, in years to come.

Support for operational programmes

Manson Unit

The Manson Unit provides direct medical support to MSF field programmes, particularly in the areas of infectious diseases, non-communicable diseases, epidemiology, research, geographic information systems and public health. Over the course of 2016 key achievements of the Manson Unit included improving the evidence base on

[3] MSF (2016) 'MSF to no longer take funds from EU Member States and institutions', https://www.msf.org.uk/article/msf-no-longer-take-funds-eu-member-states-and-institutions

drug-resistant TB with the use of new drugs, paediatric TB and use of the Shorter MDR-TB regimen, as well as scaling up access to hepatitis C treatment with direct-acting antiviral agents.

The unit is also responsible for coordinating the annual MSF Scientific Days, which in 2016 included two research and innovation days in the UK, and regional days in India and South Africa.

Missing Maps is a collaboration between MSF and several other organisations, which aims to map the most vulnerable places in the developing world in order to enable better responses to crises.[4]

The MSF Global Health and Humanitarian Medicine Course is a part-time, online and classroom-based course approved by the Royal College of Physicians. It is run by MSF to provide affordable, global access to high-quality education in tropical medicine.[5]

The TB PRACTECAL clinical trial progressed significantly in 2016, with the site set up, and the first patients commencing the trial in January 2017**.** This is cutting-edge clinical research to find short, tolerable and effective treatments for people with drug-resistant TB. It will compare three novel regimens for drug-resistant TB against the current gold standard of treatment.[6]

Extremely drug-resistant TB patient Hanif with his patient file at MSF's clinic in Mumbai. Photo: Atul Loke/Panos Pictures.

Programmes Unit

In 2016 the Programmes Unit continued to deliver high-level advocacy and representation aimed at the UK public and the UK government in particular. We were also involved in operationalising study findings, for example in Sierra Leone, where our work on health-seeking behaviour has helped our medical teams better collaborate with health authorities and local communities.

We provided *témoignage* and analysis of the humanitarian situations in Yemen, northern Nigeria, South Sudan, Central African Republic, Syria and on Europe's borders. This involved us in roundtables and parliamentary

[4] Missing Maps: http://www.missingmaps.org/
[5] MSF Global Health and Humanitarian Medicine Course: www.msf.org.uk/global-health-and-humanitarian-medicine-ghhm-course
[6] TB PRACTECAL: www.msf.org.uk/tb-practecal

events organised in collaboration with UK-based institutions, such as the Overseas Development Institute, Chatham House and the UK Refugee Council.

We organise working groups and host meetings to help MSF plot its course through difficult subject matter. In 2016 our team orchestrated two pivotal decisions in relation to the World Humanitarian Summit. MSF made a statement of protest that the emergency response was not being adequately addressed. It also chose to issue a statement aimed at the European Union in relation to its aid policies.

Bilateral advocacy work was also facilitated on behalf of MSF's Access Campaign, particularly related to access to lifesaving vaccines in the developing world. See section on Campaigns and research under International Humanitarian Activities above.

Grants made during the year

When a donor gives funds for a specific purpose, such as to support a specific project or appeal, MSF UK classifies these funds as restricted and grants them, without deduction, to the relevant MSF operational centre responsible for that specific programme.

The management team then coordinates with other MSF sections to identify areas where unrestricted funds can be applied in humanitarian operations with maximum effectiveness. Grants are then made to the MSF operational centres, which are responsible for carrying out these operations. During 2016 MSF UK made grants totalling £45.6 million (2015: £34.4 million) to enable the operational centres to deliver humanitarian programmes. See section 7, 'Overview of international operations', for more details on the use of our largest grants.

In addition, the Board agreed a grant of £684,000 to MSF Ireland in 2016 as an investment in MSF Ireland's fundraising. This followed the MSF movement's decision in June 2016 to no longer accept funding from EU member states and institutions. MSF UK expects MSF Ireland to grow its own operations over time, and to make increasing contributions to support OCA and other operational centres as its fundraising activities develop. The Board also gave £562,000 to MSF International as a contribution to their running costs, as well as £359,000 to the Access Campaign and DNDi. The calculations for these amounts to MSF International, the Access campaign and DNDi were based on a pre-approved international allocation. See section 3, 'Objectives and activities for the public benefit', for more details on the work that was done.

Benchmarks and performance measuring

MSF, both in the UK and internationally, always strives to make the best possible use of the funds which are donated to us. We aim to maximise the percentage of our funds used in the field and, more broadly, for our social mission. We ensure that our programmes are focused on those populations which are most vulnerable and in need, and we continually review our impact on the health situation of our target population, both through monitoring systems in place in-country and through the advice, support and intermittent presence of headquarters-based specialist advisors.

International aid operations are complex, and no single set of performance measures can suit every situation. For example, a sudden emergency will demand a rapid and relatively costly response by our medical and logistics teams, whereas a long-term programme can be carefully planned and resourced to maximise the effectiveness of its budget and staff. Preventative measures, such as improving the water and sanitation situation or implementing a vaccination campaign, are prioritised, which can also help avoid a less effective and costlier intervention once an outbreak is underway.

MSF UK is pleased that during 2016 we were able to commit 91 percent of our total expenditure to grants and charitable activities (2015: 88 percent). This social mission ratio compares favourably with other British charities working in the same field.

MSF International, the coordinating hub in Geneva, compiles and analyses data from all MSF sections, which are then published on the website (www.msf.org). Data for 2016 are not yet available at the writing of this report; however, the 2015 International Financial Report shows that out of total global expenditure of 1,283 million euros, 82 percent was spent on our social mission, with 13 percent on fundraising and 5 percent on management and administration. Once again, this compares favourably with other organisations of similar size and scope.

Operational staff

In 2016, we seconded 242 contracted staff out to MSF operational centres that manage MSF projects across the world. The Trustees are grateful to our operational staff who choose to do lifesaving work, often under very difficult conditions. We could not continue our work without them.

Voluntary help and support

We are also grateful to the many volunteers who give their time to help out in the UK office. During 2016 office volunteers (excluding Trustees) provided a total of approximately 965 days (2015: 1,528 days) of time. We are extremely appreciative of their crucial support across all our departments. In 2016 we started putting our interns on employment contracts, which explains the decrease in volunteer hours between 2015 and 2016.

Finally, the network of university student societies, the Friends of MSF, is noteworthy. At the end of 2016 there were 40 societies at universities around the UK, primarily made up of medical students. As well as providing a pool of future medical staff for the organisation, the Friends societies also are very active in raising money for MSF's field work and helping to raise awareness among UK students of the challenges MSF faces in the field.

5. Financial review

Preparation of accounts on a going concern basis

The Trustees consider that the level of ongoing support from committed donors, combined with the unrestricted reserves, secure MSF UK for the foreseeable future, and on this basis consider that the charity is a going concern.

Significant events in 2016

Income and fundraising

2016 has been a strong year in terms of fundraising, with our income increasing from £46 million in 2015 to £54.1 million in 2016. This represents an increase of £8.1 million or 18 percent from 2015 – £7.5 million of which is due to the increase in donations and legacies. This is compared to only a 2.5 percent increase in fundraising expenditure.

Our most significant source of income in 2016 continues to be committed giving which has increased by £1.7 million (or 12 percent) to £15.9 million (2015: £14.2 million). Regular giving by direct debit and standing order is the bedrock of MSF's financial independence as this does not rely on media attention and delivers a consistent flow of funds. We continue to be very grateful to our loyal long-term committed donors for this level of support, which recognises the leading role that MSF plays both in relieving suffering and in raising public awareness of crises.

All other categories of donations have also increased from 2015: particularly legacy and corporate income, which rose by £2 million and £3.3 million respectively. This showcases both the success of our fundraising team and the generosity of our supporters. In 2016, 87 percent of our income was unrestricted (2015: 91 percent), which is especially valuable to MSF UK as it gives us the flexibility to use the money in areas that we consider there to be the greatest need to fulfil our charitable purpose.

Our fundraising team works tirelessly to engage with all donors and potential donors to make them aware of the difference their donations makes to the people for whom we work.

Note that we have disclosed 'Other income' separately on the face of the statement of financial activities in the 2016 Financial Statements. This is due to a foreign exchange gain of £175,000 during 2016 (2015: loss of £40,000) due to the large pound sterling to euro exchange rate movements during the year.

Grant-making

In 2016 we increased our total expenditure by £13.2 million from £48.4 million to £61.5 million. The vast majority of our increased expenditure is due to an increase in our grant-giving, adding up to a total of £47.2 million for operational and other programmatic activities across the MSF movement (2015: £35.1 million). Our largest grants in 2016 went to the Democratic Republic of Congo (£7.3 million), South Sudan (£4 million) and Yemen (£4

million). We also gave significant amounts to those countries affected by the Syrian crisis (£3.5 million), Pakistan (£3.4 million) and Afghanistan (£2.4 million).

More details of these grants can be found in note 6 of the accounts. See section 7 for more details of MSF activities in the countries where we have given the largest grants.

Charitable activities

Spending on direct charitable activities also increased by 13 percent to £8.6 million (£7.7 million in 2015). This is mostly due to an increase in operations and projects, with increased support to operational staff we send to the field, along with the work we are doing on the clinical trial (TB PRACTECAL) and our Health Information System. There was also an increase in our medical and programme support which reflects the increased work done by the Manson Unit and Programmes Unit.

Reserves

General reserves

The policy approved by the Trustees is to maintain general reserves at an equivalent of 4.5 months of that year's budgeted UK expenditure. Trustees believe that, to the extent that most of the charity's expenditure is in the form of grants to other parts of the MSF movement, that level of reserves is adequate.

In 2016 the UK office budget was £11.3 million (2015 – £10.4 million), and general reserves as at 31 December 2016 stood at £5 million (2015: £7.1 million). This is equivalent to 5.3 months' expenditure, which is a significant reduction from the general reserves level at the end of 2015 (8.2 months), and just over £750,000 from our target level of reserves. The Trustees will continue to review our projected general reserves in 2017 to ensure we hit our targeted level, bearing in mind the need to spend donor funds in a responsible manner.

Designated reserves

MSF UK accrues for income which is expected, but not yet received, from legacies. At the year-end, the Trustees have designated these funds for future commitment to projects in the field when received. The Trustees have also designated £1 million of general funds to be used for additional investment into 2017 fundraising activities. This additional investment in 2017 UK fundraising was requested by the MSF movement in 2016 to ensure continued MSF operations and growth in future years in line with our strategic goals.

Restricted reserve

This reserve represents donations where the donor has specified the project or emergency to which MSF should apply the funds. In 2016, we have managed to expend almost all of our restricted funding.

Principal risks and uncertainties

The charity maintains a detailed risk register which is regularly reviewed, revised and updated by the management team. Risks are rated according to their probability of occurrence and their potential impact on the charity. Policies and strategies are adopted to manage, mitigate and avoid these identified risks.

The management team report to the Trustees on the top five risks on a quarterly basis, ensuring to update them on urgent issues as soon as they arise.

As of the date of this report these are the principal risks identified and our actions in response to them:

- Safety and security of our staff being compromised. This risk arises because MSF staff frequently work in environments where there is a significant possibility that they could be exposed to violence, sickness or injury. MSF has extensive protocols for operational security and safety, thorough staff training both pre-departure and on mission, and contingency plans in operation to enable rapid response should an incident arise. These protocols and procedures are regularly reviewed and revised. And MSF as a movement actively advocates and campaigns for greater respect for medical staff and facilities in conflict zones.
- MSF's fundraising model may no longer be viable as a result of regulatory changes and potential negative publicity affecting the charity sector as a whole. We work hard to ensure that our fundraising efforts are a model of best practice by maintaining close contact with our donors and by monitoring feedback. We will

continue to carefully monitor developments in the charity sector, modelling and researching ways in which we could make further improvements.

- Failure to achieve necessary standards of confidentiality in relation to information governance and data protection. Any loss or breach of confidential personal data would have far-reaching consequences for both MSF finances and reputation. This risk is currently being controlled by a number of measures to protect data security, including our policy on data protection. Following a detailed review in 2016 we will be putting in place further actions in 2017 to ensure that we meet the requirements of the General Data Protection Regulations that will be coming into force in 2018.
- Interruption in our systems for processing donations. MSF UK depends on regular, committed donations by individuals, so any disruption of this flow of funds would damage the charity's finances as well as our reputation. We regularly review the infrastructure and procedures underlying our systems, including robust and secure IT infrastructure and contingency planning.
- Lack of business continuity as a result of major incident, disaster or disruption. This could affect our ability to function effectively as an organisation, decrease staff morale and affect our response to critical incidents involving operational staff. We have well-established backup and continuity plans in place and will continue to review and improve them.

6. Future plans

MSF UK

We move into 2017 with a clear vision to continue with our work providing medical and humanitarian aid to populations that are vulnerable and in need. In 2017 we will also strengthen our relationship with our donors, enhance our IT governance and infrastructure, and continue our active participation in the activities and management of the Operational Centre Amsterdam (OCA) as well as the international MSF movement.

Our research effort to develop a short, effective and tolerable treatment protocol for drug-resistant TB will move into its fourth year. This trial, titled TB PRACTECAL, is being conducted at a number of MSF projects and coordinated at MSF UK's office in London.

Strategic direction of Operational Centre Amsterdam

In our capacity as a partner in MSF's Operational Centre Amsterdam, we will also work to advance OCA's strategic objectives.

The OCA strategy falls into two broad groupings. The first is to enhance our ability to reach populations in need. In order to achieve this, we will work to ensure that key stakeholders, such as governments and relevant factions, recognise, understand and support our work. Alongside this, we aim to enhance our medical capabilities and improve our ability to respond rapidly and effectively to emergencies.

OCA's second strategic grouping lies in strengthening our resources and infrastructure. We will improve our human resources to ensure continuity and enhance leadership skills, and we will improve the infrastructure around our service delivery to medical operations. It is also important to ensure that we have the financial strength needed to support operations, and to ensure good internal communication and coordination.

An MSF volunteer from Mayorsk in the back of a mobile clinic at the frontline, Mayorsk, Ukraine. Photo: Christopher Nunn/MSF.

7. Overview of international operations

MSF UK grants funds to other MSF sections which carry out operations in the field. In 2016 the six countries or projects which received the largest grants from MSF UK were Democratic Republic of Congo (DRC), Yemen, South Sudan, Syria, Afghanistan and Pakistan. Some detail of MSF's activities in these countries during 2016 is given below. For additional information on our work around the world, and the latest news from our projects and staff, please check our website.

DEMOCRATIC REPUBLIC OF CONGO

MSF operations in DRC have long been among MSF's largest interventions in the world. MSF began the year with the unfortunate announcement of the closure of its project in Mweso, Masisi Territory, North Kivu Province, DRC, due to security concerns. However, after a four-month absence the situation improved and MSF were relieved to be able to restart work in Mweso health zone.

In May an unusually severe outbreak of malaria hit the health area of Pawa and neighbouring Boma Mangbetu. In response to an appeal from the overwhelmed health authorities, MSF launched emergency relief in the Pawa and Boma Mangbetu health zones. The first step the organisation took was to distribute close to 10,000 artemisinin-based treatments for malaria and a larger number of rapid diagnostic tests to 32 healthcare centres in order to ensure that treatment of the disease was quick, effective and free of charge on a local level. After four months of addressing this outbreak, MSF concluded its activities in the region. MSF medical teams, in collaboration with the Ministry of Health (MoH), supported nearly 82,000 patients infected with malaria, the majority being children under five years of age. Of these, nearly 3,000 suffered from a severe form of the disease and were hospitalised. MSF also carried out 1,100 blood transfusions.

In August MSF mobilised considerable resources to support the Congolese authorities in their wide-scale campaign against yellow fever, during which 10.5 million people were vaccinated in 10 days. MSF organised the work of 100 teams of 16 people in three health zones of Kinshasa.

A measles epidemic has been raging since the beginning of 2015 in the former province of Katanga in the southeast of DRC. As the measles epidemic gradually fades in the Tanganyika province of DRC, malaria and malnutrition often form a deadly combination for children. In 2016, responding to this situation, MSF – in collaboration with the Congolese MoH – continued its support of the Manono health zone for the management of severe acute malnutrition and paediatric emergencies, and is opening a similar project in Kabalo. In Manono General Hospital

six medical tents have been set up by MSF. The teams support the paediatric emergency room, where over 80 percent of patients suffer from malaria, often with severe anaemia requiring blood transfusions. The intensive care unit is operating at full speed since it opened on 19 January 2016, with 1,424 patients already admitted. The intensive therapeutic feeding unit is made up of 50 additional beds.

In August 2016, after 10 years of working in the centre of 'the Triangle', the area between Mitwaba, Manono and Pweto in southern DRC, MSF handed over its activities to the DRC MoH. In the Triangle, MSF supported the Shamwana referral health centre and seven surrounding health centres. In cooperation with the MoH, MSF provided primary and secondary health services, including the treatment of diarrhoea, malnutrition, respiratory tract infections, HIV/AIDS and TB, as well as surgical, reproductive and mental health services. MSF also trained community leaders in detecting and treating malaria through 21 community malaria sites in surrounding villages. MSF appreciates the strong cooperation with the MoH, which has resulted in significant improvements of health services in the region. Medical needs in the area remain high, and the social impact of war has been significant. MSF's departure was not an indication of lack of need, but rather a call for much-needed development engagement.

The handover of Shamwana health centre to the MoH was special because it included a newly installed solar power system, currently the only possible solution for ensuring electricity in this extremely off-grid location with no transport access during the rainy season. The main challenge in the hospital was to ensure electricity and to operate a cold-chain for medical products that require refrigeration. MSF teams very quickly concluded that the current energy supply system could not be sustained, since it relied completely on the continuous shipment of approximately 1,000 litres of diesel fuel per month. Therefore, MSF invested in setting up a solar energy system.

For a four-week period between July and August, MSF also facilitated the treatment of 40 women for vesico-vaginal fistula, at a purpose built 'VVF camp' in Shamwana. A fistula is one of the most severe consequences of a complicated delivery, but in most cases should be a preventable condition. The prevalence of fistulas among child-bearing women in a given population can therefore be viewed as an incidental indication of a breakdown in the health system. During these four weeks, a specialist surgeon performed delicate operations to repair the fistulas of these women. It is a physical and psychological journey that requires not only a surgeon, but also a team of nurses, midwives, mental health officers, caretakers and, perhaps most importantly, fellow patients.

An MSF team installing solar panels on the roof of Shamwana health centre to make sure electricity remains on in the hospital and keeps the cold chain running. This will replace approximately 1,000 litres of diesel per month. Photo: Per-Erik Eriksson/MSF.

YEMEN

MSF operations treating civilian casualties in Yemen in 2016 were among our very largest interventions in response to the health needs in the population, due to the massive ongoing conflict. These casualties were caused by indiscriminate attacks on civilians and civilian infrastructure perpetrated by armed actors in the conflict. MSF teams treated patients for violence-related injuries and are managed mass casualty influxes across most of our projects. In total, over 55,000 war-wounded and victims of violence were treated by MSF teams between March 2015 and the end of November 2016. In the city of Taiz in October 2016 nearly 500 patients with violence-related injuries were treated in MSF and MSF-supported health structures, of these 23 percent were women and children.

Despite numerous attempts at securing ceasefires, the violence in Yemen has continued at a shocking level. The April ceasefire agreement came to a violent end with suspension of peace talks on 6 August. From Saada governorate in the north to Taiz governorate in the south, intense airstrikes have resumed and an MSF hospital in the northern city of Abs was hit by a Saudi-led coalition airstrike on 15 August. The damage from this attack was substantial: 19 people were killed and 24 were injured. For security reasons, MSF had to temporarily evacuate personnel from six MSF-supported hospitals in northern Yemen. MSF has engaged in a large awareness-raising effort and direct lobbying in order to encourage armed actors on all sides of the conflict to spare vital civilian infrastructure.

The MSF mother and child hospital in the Al-Houban district of Taiz celebrated its first anniversary on 7 November 2016, by assisting in a record number of 24 newborn deliveries in a single day. From November 2015 to November 2016 3,123 babies were born in the hospital, situated in an area that has seen some of the fiercest fighting since the escalation of the conflict began in 2014.

An MSF doctor, at the Al-Houban Mother and Child Hospital in Taiz, checking a child that is having trouble breathing. Photo: Malak Shaher/MSF.

SOUTH SUDAN

South Sudan has long been among the largest MSF operations due to entrenched armed conflict and lack of development, infectious disease outbreaks and economic hardship. This year, in the war-torn northeast of the country, violence broke out on 17 and 18 February at Malakal displaced persons camp, claiming the lives of 19 people, including two MSF staff. In total 108 injured people were received in the MSF hospital for treatment, including 46 with gunshot wounds. Initial fighting went on for approximately three hours, forcing around 600 people – mostly women and children – to gather inside the MSF hospital within the camp. MSF teams worked through the night to treat the injured. At least 25 of the initial intake of patients to the hospital had suffered gunshot wounds and eight of them required surgery.

Intense fighting erupted in the eastern state of Pibor for three days, from 23 to 25 February. During the fighting MSF staff mobilised to provide lifesaving care, yet withdrew when the fighting spread through the town. When the fighting subsided, MSF teams returned to a scene of chaos and destruction that also affected our facilities. The population of Pibor fled, not only into the United Nations compound, but also into the bush. People hid there for days on end, too afraid to come out and seek treatment, even in severe cases of snake bite or convulsions. The MSF Pibor medical centre was the only functioning health centre in the entire region. It was also the hub from which MSF ran its medical services in nearby villages. Cumulatively, these projects serve a population of approximately 170,000 people. The MSF team in Pibor is providing more than 100 medical consultations per day. Most patients seen by MSF are suffering from malaria, diarrhoea and respiratory tract infections. The hospital (Aweil) also deals with epidemic emergencies.

March also saw a measles outbreak hit the Aweil region, and the MSF team launched an emergency response, treating patients and organising a vaccination campaign. The campaign reached 18,460 children between six months and five years old.

In April 2016, at the end of the dry season, an average of 44 severely malnourished children were being admitted every week in the paediatric department of Aweil hospital. The general paediatrics department has 110 beds and operates non-stop. The medical team provides intensive care, surgery and neonatal care, and receives many patients with burns due to the precarious living conditions, not to mention fractures and other trauma. In addition to the paediatric department, the hospital also operates a maternity service with 35 beds and provides maternity care for standard and complicated deliveries, including emergency obstetrics and gynaecology. The medical team supports an average of 110 deliveries per week.

Intense fighting broke out in Juba in mid-July. MSF teams in the area ran mobile clinics to reach those seeking refuge. A four-person team conducted a clinic on 12 July at St Theresa Cathedral, where 2,500 people were taking refuge. The team focused on those most in need of medical care and treated 115 people, including 82 children.

In the week following fighting in Juba, teams from MSF treated more than 2,700 patients in four clinics across the capital city of South Sudan. The organisation is also supplying clean drinking water in Juba and performing surgeries for people more seriously wounded during the violence.

These clinics provided care to more than 21,000 people. Initially, the teams were providing care for gunshot wounds and injuries sustained as people fled the fighting. Among those injured were children as young as two who had been shot when armed men broke into their homes. The teams also noticed people coming for treatment for physical symptoms that were the result of the mental trauma they had endured.

MSF trucked more than 1.5 million litres of water into Juba. The teams focused on sites to which large numbers of people had initially fled and areas affected by cholera, as the supply of clean drinking water is very important in the prevention of outbreaks.

MSF also intervened in the cholera response in Juba by supporting the MoH in running the city's cholera treatment centre (CTC) at the Juba teaching hospital. MSF staff provided care at the site and training to MoH staff on best practices for cholera treatment. They also vaccinated over 7,200 people who were at highest risk of contracting the disease.

MSF handed over medical activities in the CTC to the MoH on 26 August, having treated over 700 people and having observed a sharp decrease in patients. Should the numbers increase again, MSF is ready to intervene. MSF has now closed or handed over all Juba-based programmes that were launched following the clashes.

Four-month-old Mary James at an MSF hospital in the UN protection of civilians (PoC) compound in Malakal. Photo: Anna Surinyach/MSF.

SYRIA

In response to the catastrophic armed conflict in Syria, MSF runs six medical facilities across the northern region and supports to varying degrees more than 150 health centres and hospitals across the country, many of them in besieged areas. Despite the extent of the crisis and people's needs, MSF remains significantly constrained in its presence and medical activities in Syria, mainly due to insecurity, but also due to a lack of agreements and authorisations. These constraints are as present today as they were at the beginning of the conflict. To date the Syrian government has not granted MSF authorisation to work in the regions of the country under their control, thus limiting the response. Since the siege of east Aleppo began in July 2016, functioning hospitals have been damaged in over 35 separate attacks. Some hospitals have been hit multiple times and have been forced to close. On 30 September two hospitals in east Aleppo supported by MSF, among others, were damaged by continuous indiscriminate bombing. Despite the damage, medical teams at the three facilities managed to continue their work.

From November onwards, one day after airstrikes were relaunched on the opposition-held area of the city, multiple hospitals have come under attack. Among those hit and taken out of service was a children's hospital, two key hospitals specialising in surgery and the largest general hospital. The paediatric hospital that was hit was the only specialised hospital for children in the besieged area. Hospital staff managed to move children, including premature babies, from cots and incubators to the basement of the building to shelter from the bombing.

During the first few months of 2016 MSF assisted new internally displaced people arriving in Azaz district (Aleppo governorate), both in formal camps and informal provisional settlements. Non-food items and hygiene kits were distributed to 4,345 families (26,070 people) and tents were handed out to 1,330 families. A water and sanitation programme was also implemented to improve living conditions in one of the informal settlements east of the city of Azaz. Following renewed fighting in Azaz district, more than 35,000 people fled these internally displaced person camps that were either taken over by the Islamic State group or were suddenly too close to front lines.

This resurgence of violence caused more than 100,000 people to gather at border areas with Turkey, at a settlement referred to as 'the berm'. Despite the violence, MSF's 52-bed hospital in northern Azaz remained functional, prioritising emergency care. The hospital had to double its capacity after fighting brought thousands of internally displaced people into the area in February.

In Atmeh (Idlib governorate) in northwest Syria, MSF runs a 15-bed burns hospital staffed by Syrian nationals and supported by an international team based in southern Turkey. The facility began as a trauma centre in 2012 but, as needs for specialised burns treatment were identified, it shifted its focus towards this service. Burns patients can receive surgery, skin grafts, have their dressings changed and benefit from physiotherapy. The facility also treats emergency cases in its emergency room. Mental health support and outpatient consultations are also provided. In addition, MSF administers vaccines and undertakes health education and disease surveillance activities in 180 camps hosting around 165,000 internally displaced people around Atmeh. A referral system has also been put in place by MSF to transfer patients in need of more specialised treatment to Turkey.

In May 2016 23 children with suspected measles reported to the local health centre in Sarrin, northeast of Aleppo. All the children were from communities living in conflict-affected areas close to the frontlines, where vaccination rates have fallen and access to health care is extremely limited. To help reduce the risk of infection spreading, MSF scaled up support to local health authorities in northern Syria, who implemented a ring vaccination campaign in the area east of the Euphrates River in the northeast of Aleppo governorate. More than 2,700 children were rapidly vaccinated for measles in communities suffering from the consequences of war.

MSF continues to run programmes of active regular support to 70 medical structures, which vary from small rural health posts to full hospitals in urban areas. The supported structures are located throughout much of the country, including the governorates of Deraa, Hama, Homs, Idlib and rural Rif Damascus. Developed in close collaboration with Syrian medical networks, and mostly run from neighbouring countries, the support projects run by MSF consist of donations of essential medical equipment and relief materials, distance training for staff inside Syria, support for ambulance services, as well as financial support to cover the facilities' running costs. MSF support is based on needs and on the capacity of other agencies to support the health facilities inside Syria. As such, some facilities rely solely on MSF support, while others receive partial support from other agencies (either international or local). Support levels range from almost 100 percent MSF-supported through to 50 or 60 percent MSF-supported. A further 80 facilities are supported in an ad hoc manner based on specific requests from the facilities, such as emergency donations of medical supplies provided at times of acute need, such as mass casualty influxes.

A surgery taking place at MSF´s Al Salamah hospital in Azaz district in northern Syria. Photo: Mahmoud Abdel-rahman.

AFGHANISTAN

MSF has long been present in Afghanistan, as the health system has suffered greatly due to the ongoing conflict over the past decades. Over the first few weeks of August 2016 MSF teams witnessed heavy clashes between Afghan government forces and armed opposition groups in districts surrounding Lashkar Gah, the capital of Helmand province. During the conflict, and despite the relative calm following the immediate outbreak, sick and wounded people struggled to reach the emergency room in Boost hospital, a 300-bed facility run by MSF in partnership with the Afghan MoH in Lashkar Gah. The number of children (mostly under five years old) being admitted due to malnutrition averaged 25 per day in August, fewer than usual for that time of year. Malnutrition is the main cause of child mortality in Helmand and, even without conflict-related delays, children often arrive at Boost hospital late and in critical condition. Boost hospital is one of the biggest MSF-supported hospital projects in the world. It provides surgery, internal medicine, emergency services and intensive care. It also specialises in treating tuberculosis and malnutrition.

MSF's fastest growing emergency obstetrics and neonatal care project is in Dasht-e-Barchi Hospital in the Afghan capital of Kabul. This project is growing in line with the region's population, which has expanded dramatically from an estimated 200,000 in 2001 to approximately 1.2 million today. The number of patients treated has grown substantially in 2016 from the previous year, and MSF continues to scale up to meet the challenge.

The neonatology service at the Dasht-e-Barchi maternity in Kabul Photo: Aurelie Baumel/MSF.

PAKISTAN

In March 2016, MSF teams in Karachi announced their first patient to be cured of hepatitis C at MSF's Machar Clinic, in Machar colony slum, on the edge of Karachi's Fish Harbour. The man had been through two long and painful interferon treatment regimens before being treated with sofosbuvir.[7] The programme is a pilot project – MSF's first dedicated hepatitis C programme – and in 2016 treated around 400 patients, a number that will increase so long as the pilot scheme can prove that the model of care works and can be replicated.

Pakistan has the second-highest prevalence of hepatitis C in the world, up to 5 percent, just behind Egypt. People struggle to be diagnosed and get access to treatment because of the high costs and the fact that care is centralised in hospitals, rather than at their local health centre. It is a significant health problem. It means that in a mega-city like Karachi, up to one million people are potentially infected.

Peshawar women's hospital marked its fifth anniversary on 18 May 2016. Today, the hospital admits around 85 patients every week and safely delivers more than 4,700 babies each year. MSF offers free healthcare not only to women deprived of quality healthcare, but also to those who present with high-risk pregnancies, for whom a safe delivery environment is essential. Improving healthcare for mothers, babies and young children is a priority for MSF in Pakistan, and the Peshawar women's hospital aims to reduce maternal and infant mortality rates in its catchment area. With a maternal mortality rate of 170 per 100,000 live births and an under-five mortality rate of around 86 deaths per 1,000 live births, Pakistan is among the countries with the highest rates of maternal and infant mortality. Women still die from preventable complications during pregnancy and fewer than one in three deliveries is supported by trained birth attendants.

Shaukat from Abidabad in his first week of hepatitis C treatment. Photo: Sa'adia Khan/MSF.

[7] Sofosbuvir, a new oral drug to treat hepatitis C, is a 'direct-acting antiviral' (DAA) medicine that was approved for use in late 2013. Sofosbuvir and other new DAA drugs have the potential to revolutionise treatment, with studies showing cure rates higher than 90 per cent for people with some genotypes of the disease. But the pharmaceutical company which launched the drug, US-based Gilead Sciences, has priced sofosbuvir at $1,000 per pill ($84,000 for a 12-week treatment) in the US, and has charged similarly high prices across developed countries. Gilead has entered licensing deals with several manufacturers in India who have developed and are starting to market generic versions, but these deals exclude sales of the drug to a number of middle-income countries with very high burdens of hepatitis C. This leaves around 49 million people in such countries, representing more than 40 per cent of the global hepatitis C burden, without access to this drug. Although the price in Pakistan is lower as multiple local pharmaceutical companies are manufacturing and have registered the product in the country, sofosbuvir remains beyond the reach of most patients with hepatitis C.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its activities.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Disclosure of information to auditor

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

Tender process for external audit services

MSF UK are currently reviewing the provision of external audit, and have embarked upon a tender exercise for the external audit. The auditor will be appointed after the tender process has been completed.

The Trustees Report, including the Strategic Report and the Directors' Report was approved by the Trustees on 11th April 2017 and signed on their behalf by

Paul McMaster
Chair of the Trustees

INDEPENDENT AUDITOR'S REPORT

Independent auditor's 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 2016 set out on pages 30 to 45. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 27, the Trustees (who are also the Directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate .

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, which constitutes the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

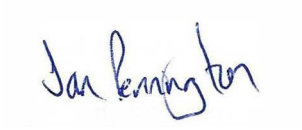
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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

- the charitable company has not kept adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Ian Pennington (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canary Wharf
London
E14 5GL

12th April 2017

STATEMENT OF FINANCIAL ACTIVITIES

Incorporating an Income and Expenditure account as required by the Companies Act 2006.

	Note	2016 Unrestricted	2016 Restricted	2016 TOTAL	2015 Unrestricted	2015 Restricted	2015 TOTAL
		£'000			£'000		
Income							
Donations and legacies	3	43,022	7,136	50,158	38,635	4,073	42,708
Charitable activities	4	3,737	-	3,737	3,243	35	3,278
Other income							
Interest income		20	-	20	10	-	10
Other income incl. foreign exchange		76	127	203	7	-	7
TOTAL		46,855	7,263	54,118	41,895	4,108	46,003
Expenditure							
Fundraising costs	5	5,744	-	5,744	5,602	-	5,602
Grants made: -							
Operational programmes	6	38,027	7,539	45,566	27,655	6,717	34,372
Other grants	6	1,605	-	1,605	719	-	719
Charitable activities	7	8,588	44	8,632	7,637	35	7,672
TOTAL		53,964	7,583	61,547	41,613	6,752	48,365
Net income (expenditure) for the year		(7,109)	(320)	(7,429)	282	(2,644)	(2,362)
Fund balances brought forward at 1 January		14,845	327	15,172	14,563	2,971	17,534
Fund balances carried forward at 31 December		7,736	7	7,743	14,845	327	15,172

The notes on pages 33 to 45 form part of these financial statements.

BALANCE SHEET

As at 31 December

	Note	2016 £'000		2015 £'000	
Fixed Assets					
Tangible assets	11		795		767
Current Assets					
Debtors	12	6,343		12,251	
Cash		20,535		13,215	
			26,878		25,466
Current Liabilities					
Creditors: Amounts falling due within one year	13		(19,930)		(11,061)
Net Current Assets			6,948		14,405
NET ASSETS			**7,743**		**15,172**
FUNDS					
Unrestricted					
General	14, 15	5,004		7,109	
Designated		2,732		7,736	
Total Unrestricted			7,736		14,845
Restricted			7		327
			7,743		**15,172**

The notes on pages 33 to 45 form part of these financial statements.

Company registration number: 02853011

These financial statements were approved by the Trustees on the 11th April 2017 and were signed on their behalf by:

Damien Régent
Treasurer

Paul McMaster
Chair

CASH FLOW STATEMENT

As at 31 December

	2016		2015	
	£'000		**£'000**	
Cash flow from operating activities		7,539		74
Cash flow from investing activities				
Interest received	20		10	
Purchase of Fixed Assets	(239)		(852)	
		(219)		(842)
Increase (decrease) in cash in the year		7,320		(768)
Cash balance at 1 January		13,215		13,983
Cash balance at 31 December		20,535		13,215

The notes on pages 33 to 45 form part of these financial statements.

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

	2016	**2015**
	£'000	£'000
Net income/(expenditure)	(7,429)	(2,362)
Bank interest	(20)	(10)
Depreciation charge	211	156
Writedown of fixed assets	-	6
Decrease/(increase) in debtors	5,908	(1,863)
Increase/(decrease) in creditors	8,869	4,147
	7,539	74

NOTES TO 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 charity. As at 31 December 2016 the charity has 441 (2015: 429) 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 under the historical cost convention in accordance with the Charities Statement of Recommended Practice (SORP 2015) and in accordance with the Financial Reporting Standard 102 (FRS 102) and the Companies Act 2006.

Income

Income is accounted for when it meets the three recognition criteria as per the SORP (entitlement, probable and measurement).

Donations – Donated income is recognised when MSF UK is entitled to it, receipt is probable, and the amount can be measured. Income from donations includes Gift Aid where appropriate.

Legacies – Legacy income is recognised when MSF UK has confirmation of entitlement, can reliably estimate the amount due, and considers receipt to be probable. Where MSF UK has been notified of a legacy which does not meet these criteria, it is treated as a contingent asset and disclosed if material.

Charitable income – Income due from MSF entities for the recruitment and remuneration of staff working in humanitarian projects, and for project expenditure, is accounted for on a receivable basis.

Donated gifts and services – Donated gifts and services are measured and included in the accounts on the basis of the value of the gift to the charity.

Expenditure

All expenditure is accounted for on an accruals basis. Grants payable are recognised when a legal or constructive obligation commits the charity to expenditure. This is therefore recognised when the obligation exists, it is probable and can be measured reliably.

Taxation

Médecins Sans Frontières (UK) is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is exempt from taxation in respect of income or capital gains received.

Fund accounting

Unrestricted funds consist of donations and other income which are available for use without any restrictions. These are available for general use to further the objectives of the charity at the Trustees' discretion.

Designated Funds – MSF UK has two designated funds:

- MSF UK accrues for income which it expects to receive from legacies. This income is not received or expendable until after the year end so the Trustees have designated this part of the unrestricted fund to be applied to operational programmes once they are received.
- In 2016, the Trustees have also designated £1 million of general funds to be used for additional investment into 2017 fundraising activities.

Restricted Funds are subject to specific restrictions imposed by donors or by the purpose of the appeal under which they were raised.

Assets and liabilities

Tangible Fixed assets – Assets costing over £1,000 are capitalised at historical cost as fixed assets and depreciated on a straight line over their useful economic lives as follows:

Furniture and office equipment:	4 years
Computer hardware and software:	3 years
Structural alterations:	over the period of the lease

Trade and other debtors / creditors – Trade and other debtors are recognised at transaction price less attributable transaction costs.

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 translation are included in the Statement of Financial Activities. MSF UK has no hedging or derivative contracts.

Operating leases

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

Pensions

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

Investments

The charity's sole investment is £1 (100 percent of the share capital) in MSF Enterprises Limited, a company incorporated in England and Wales. The charity has not prepared consolidated accounts as the subsidiary has no assets and is dormant.

3. Donations and legacies

	2016			2015		
	Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
		£'000			£'000	
Income from appeals	9,342	832	10,174	9,313	1,342	10,655
Legacies	8,096	138	8,234	6,248	3	6,251
Donations from companies & corporations	2,556	3,127	5,683	2,239	174	2,413
Grants received from charities and trusts	3,467	2,456	5,923	3,481	1,639	5,120
Committed and regular donations by individuals	15,754	149	15,903	14,039	161	14,200
Sponsorship, events, collections, uncommitted individual donations	3,807	434	4,241	3,315	754	4,069
TOTAL	43,022	7,136	50,158	38,635	4,073	42,708

MSF is aware of potential future legacy income estimated at £8 million (2015: £5 million). However, MSF UK does not deem these items to fulfil all the conditions necessary for income recognition.

4. Income from charitable activities

MSF UK recruits professional staff, both medical and non-medical, who are seconded to various MSF operational centres. These operational centres manage project and operations across the world, and reimburse MSF UK the costs associated with the recruitment and employment of operational staff.

MSF UK also implements projects for which we are reimbursed by other MSF entities. These include our clinical trial programme and our development of a common Health Information System.

	2016	2015
	£'000	£'000
Staff supplied to operational activities	2,820	2,576
Projects (Clinical Trial-TB Practecal and Health Info System)	917	702
TOTAL	3,737	3,278

5. Fundraising

Fundraising costs include staff costs, office costs and other costs incurred in attracting donations, legacies and similar income, and the cost of promotional activities for income generation as well as costs associated with raising the profile of the charity. They also include a proportion of general support costs.

	2016	2015
	£'000	£'000
Fundraising costs	5,531	5,340
Allocation of general support costs	213	262
TOTAL	5,744	5,602

6. Grants

Operational programmes

MSF's operational centres are responsible for programmes in more than 70 countries. MSF UK's grants to these humanitarian programmes have been grouped by country in the table below.

	2016			2015		
	Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
	£'000			£'000		
Appeals and emergencies						
Afghanistan	2,165	252	2,417	4,780	20	4,800
Democratic Republic of the Congo	7,307	2	7,309	1,287	13	1,300
Pakistan	3,367	-	3,367	2,189	1	2,190
South Sudan	2,402	1,630	4,032	2,093	162	2,255
Syria Crisis	1,223	2,263	3,486	3,368	1,601	4,969
Yemen	2,917	1,054	3,971	1,286	1,008	2,294
Subtotal	19,381	5,201	24,582	15,003	2,805	17,808

Continued on next page…

	2016			2015		
	Unrestricted	Restricted	TOTAL	Unrestricted	Restricted	TOTAL
		£'000			£'000	
Continued from previous page						
Other humanitarian programmes						
Burundi	19	171	190	219	-	219
Central African Republic	-	-	-	228	22	250
Chad	765	-	765	500	-	500
Ebola epidemic - West Africa	4	1	5	68	3,105	3,173
Ethiopia	1,650	-	1,650	2,600	-	2,600
Haiti	1,827	174	2,001	2,330	82	2,412
HIV projects	407	149	556	-	-	-
India	850	-	850	796	4	800
Iraq	1,249	1	1,250	419	1	420
Jordan	2,289	60	2,349	-	-	-
Kenya	501	-	501	1,460	-	1,460
Lebanon	954	443	1,397	-	-	-
Libya	380	20	400	-	-	-
Malawi	778	-	778	999	11	1,010
Migration in Europe	293	296	589	516	253	769
Myanmar	1,000	-	1,000	1,041	9	1,050
Nigeria	1,502	733	2,235	752	160	912
Philippines	-	244	244	-	-	-
Sierra Leone	943	1	944	-	-	-
South Africa	669	25	694	-	-	-
Turkey	700	-	700	-	-	-
Ukraine	323	10	333	-	-	-
Uzbekistan	500	-	500	530	-	530
Zimbabwe	943	1	944	100	173	273
Other countries	100	9	109	94	92	186
Subtotal	18,646	2,338	20,984	12,652	3,912	16,564
TOTAL GRANTS	38,027	7,539	45,566	27,655	6,717	34,372

Note 6 continued…

	2016	2015
	£'000	£'000
Grant recipient		
MSF Holland	31,312	23,271
MSF Belgium	13,488	11,101
MSF France	762	-
MSF Spain	4	-
TOTAL	45,566	34,372

Other Grants

	2016	2015
	£'000	£'000
MSF International		
Strategic Activities	562	422
Access Campaign	224	156
Drugs for Neglected Diseases Initative	135	141
MSF Ireland		
Fundraising support	684	-
TOTAL	1,605	719

7. Charitable activities of MSF UK

MSF UK's expenditure includes our own charitable activities, which contribute to the humanitarian programmes of the MSF operational centres, as well as the strategic objectives of the MSF movement. These comprise staff costs, office costs and other costs incurred as well as a proportion of general support costs.

	2016	2015
	£'000	£'000
Operations and Projects		
Operational Staff	2,820	2,577
Operational Staff support	1,049	835
Project costs	917	667
Allocation of general support costs	160	147
	4,946	4,226
Medical and Programme support		
Salaries, expenses and office costs	2,234	2,000
Allocation of general support costs	243	242
	2,477	2,242
Témoignage & Advocacy		
Salaries, expenses and office costs	1,075	1,035
Allocation of general support costs	134	169
	1,209	1,204
TOTAL CHARITABLE ACTIVITIES	8,632	7,672

8. Support and governance costs

Support costs are those functions that assist the work of the charity but do not directly relate to charitable activities. These include administration, finance, information technology and human resources.

Governance costs are the remuneration of Trustees (see below), permissible expenses, meeting and secretarial costs.

These costs have been allocated between the key activities undertaken, on the basis of full-time equivalent headcount.

	2016	2015
	£'000	£'000
Support costs		
General support costs	651	717
Governance costs	99	103
	750	820
Allocation of support costs to activities		
Fundraising support	213	262
Operational Staff support	160	147
Medical & Programme support	243	242
Témoignage & Advocacy support	134	169
	750	820

Trustees' remuneration, expenses and donations

Governance costs include remuneration of £7,500 paid to the Chair for 60 days of paid work (2015: £7,937 for 63 days). This remuneration is sanctioned by the charity's Memorandum and Articles of Association. No other Trustee received compensation for his/her role as Trustee.

Javid Abdelmoneim was paid £1,235 (plus £124 pension and £17 NI) as a field medical doctor for three weeks in July and August 2016. The medical work he conducted in that mission was independent from his responsibilities on the Board and the recruitment for the position was done on an arms' length basis. He stood down from the Board during that period.

MSF UK's AGM was hosted by ARUP, where Peter Young is a director. Hire of the venue was provided pro bono with £7,649 (2015: £6,103) reimbursed by MSF UK for staff and catering costs. Cost includes VAT.

During the year, £28,086 was reimbursed for directly incurred expenses on MSF UK business for 14 Trustees (2015: £32,000 to 12 Trustees). Trustees' expenses comprise principally the cost of international travel to attend meetings and to visit MSF projects worldwide.

9. Net movement in funds

	2016	2015
	£'000	£'000
Net movement in funds for the year is stated after charging:		
Auditor's remuneration for statutory audit	22	25
Auditor's remuneration for other services	6	4
Exchange gains/(losses)	175	(40)
Gain/(loss) on disposal of fixed assets	-	(6)

10. Staff numbers and costs

The total number of UK contracted employees throughout the year was:

	2016	2015
Operational staff working overseas in MSF projects	319	342
Recruitment and support of operational staff	27	19
Fundraising	27	23
Medical & Programme support	21	26
Témoignage & Advocacy	24	16
Support and governance	15	13
TOTAL	433	439

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

	2016	2015
Operational staff working overseas in MSF projects	103	103
Recruitment and support of operational staff	15	11
Fundraising	19	19
Medical & Programme support	17	17
Témoignage & Advocacy	17	12
Support and governance	10	10
TOTAL	181	172

The costs of employing staff during the year were:

	2016	2015
	£'000	£'000
Wages & salaries	5,204	4,693
Social security costs	491	432
Pension costs	503	445
TOTAL	6,198	5,570

The number of employees with total compensation (excluding employer pension costs) greater than £60,000 is:

	2016	*2015*
Between £60,000 and £70,000	0	2
Between £70,000 and £80,000	1	1

Employer contributions to defined contribution pension schemes on behalf of staff paid over £60,000 amount to £13,322 (2015: £28,311).

11. Tangible fixed assets

	Furniture & Equipment	Computer hardware & Software	Structural Alterations	**TOTAL**
	£'000	£'000	£'000	£'000
Cost				
At beginning of period	171	353	574	1,098
Additions	5	234	-	239
Disposals	-	-	-	-
TOTAL	176	587	574	1,337
Depreciation				
At beginning of period	51	196	84	331
Charge for the period	42	72	97	211
Disposals	-	-	-	-
TOTAL	93	268	181	542
Net book value				
At beginning of period	120	157	490	767
At end of period	83	319	393	795

12. Debtors

	2016	2015
	£'000	£'000
MSF Entities	1,667	1,107
Legacies receivable	1,732	7,736
Other debtors	2,656	3,117
Prepayments and deferred charges	288	291
TOTAL	6,343	12,251

13. Creditors: amounts falling due within one year

	2016	2015
	£'000	£'000
MSF Entities	17,587	8,871
Tax and social security	219	194
Deferred income	736	101
Accruals	509	524
Other creditors	879	1,371
TOTAL	19,930	11,061

Note that the £17.6 million creditor balance to MSF entities relates to operational and other grants due to MSF sections (see note 6).

14. Movements in funds

	1 January 2016	Income	Expenditure	Transfers	31 December 2016
	£'000	£'000	£'000	£'000	£'000
Unrestricted funds					
General fund	7,109	45,924	(53,964)	5,935	5,004
Designated fund - legacies	7,736	931	-	(6,935)	1,732
Designated fund - fundraising	-			1,000	1,000
Subtotal	14,845	46,855	(53,964)	-	7,736
Restricted funds					
Afghanistan	-	252	(252)	-	-
Burundi	-	171	(171)	-	-
Haiti	-	174	(174)	-	-
HIV projects	-	149	(149)	-	-
Jordan	-	60	(60)	-	-
Lebanon	-	443	(443)	-	-
Migration in Europe	44	252	(296)	-	-
Nigeria	-	733	(733)	-	-
Philippines response	243	1	(244)	-	-
South Africa	25	-	(25)	-	-
South Sudan	-	1,630	(1,630)	-	-
Syria Crisis	-	2,263	(2,263)	-	-
Yemen	-	1,054	(1,054)	-	-
Manson Unit	-	44	(44)	-	-
Other	15	37	(45)	-	7
Subtotal	327	7,263	(7,583)	-	7
TOTAL FUNDS	15,172	54,118	(61,547)	-	7,743

15. Analysis of net assets between funds

	2016			2015		
	Fixed Assets	Current Assets	TOTAL	Fixed Assets	Current Assets	TOTAL
		£'000			£'000	
Unrestricted funds	795	6,941	7,736	767	14,078	14,845
Restricted funds	-	7	7	-	327	327
TOTAL	795	6,948	7,743	767	14,405	15,172

16. Lease Payments

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

	2016	2015
	£'000	£'000
No later than one year	427	297
Later than one year and not later than five years	854	1,282
TOTAL	1,281	1,579

During the year, operating lease payments totalled £476,442 (2015: £414,000).

17. Pension arrangements

The charity operates a defined contribution group personal pension scheme. The assets of the scheme are held in a separate independently administered fund. The charge in respect of the contributions in the year was £502,565 (2015: £445,000). The cost is accounted in the year it arises with £69,000 outstanding as at end 2016 (2015: nil).

18. Related Party transactions

MSF Enterprises is a fully owned subsidiary of MSF UK. During the year, MSF Enterprises has been dormant.

Both Vickie Hawkins (MSF UK Executive Director) and Gabriel Fitzpatrick (MSF UK Trustee) sit on the Board of MSF Ireland. Given that MSF UK gave grant funding of £684,000 to MSF Ireland in 2016, they are considered related parties. This was declared at the July Board meeting, and Gabriel Fitzpatrick was recused from voting on the grant.

See note 8 on Trustees.

APPENDIX

Structure of Médecins Sans Frontières

Médecins Sans Frontières (MSF) is an international, independent, medical humanitarian organisation that delivers emergency aid to people affected by armed conflict, epidemics, natural disasters and exclusion from healthcare. MSF was founded in 1971 in France in the wake of war and famine in Biafra. We have expanded to become a worldwide movement of current and former field staff, grouped into 24 national and regional associations.

MSF UK: This company and charity. MSF UK is a corporation, a legal entity, distinct from its members, with a legal name, rights, responsibilities, assets and liabilities.

MSF Section: This is the internal term used to denote each of the legal entities which make up MSF. There are 21 affiliated sections worldwide; MSF UK is one.

UK Association: Former and current staff, including volunteers, who are shareholder members of the company of MSF UK, guaranteeing MSF UK's purpose and direction. Internationally, each MSF Section has a similar governance structure involving an Association of staff & volunteers who have worked for MSF.

Operational Centre: MSF projects are delivered internationally by five operational centres located in Amsterdam, Paris, Brussels, Barcelona and Geneva. These directly control field projects, prepare budgets and allocate resources. Each MSF entity is affiliated to a specific Operational Centre; in the case of MSF UK, the affiliation is to Operational Centre Amsterdam.

MSF International: A Swiss non-profit entity which provides coordination, information and support to the whole of MSF. It also hosts our higher governing structures – the IGA, the IB and the ExCom (see below).

International General Assembly (IGA): Constituted of democratically elected members of MSF Associations – two representatives per MSF Section. It meets annually in June to debate and decide issues of policy and strategy. The IGA is the highest authority in MSF; IGA elects the International President and Board, and is charged with safeguarding MSF's medical humanitarian social mission.

International Board (IB): Democratically elected Board with delegated powers from the IGA. It meets about eight times per year to govern MSF International and oversee the ExCom.

Executive Committee (ExCom): Platform comprising the Executive Directors of each MSF Section. The ExCom is charged with providing international executive leadership to MSF, and coordinating the implementation of an international work plan, ensuring reactivity, efficiency, relevance and consistency in MSF's social mission and support activities. There is a smaller "Core ExCom" which is made up of the General Directors of the five operational centres plus two elected members from the wider movement.

Principal Offices

MSF International 78 rue de Lausanne 1211 Genève Switzerland	***MSF Belgium*** seat of ***Operational Centre Brussels*** 46, rue de l'Arbre Bénit 1050 Bruxelles Belgium
MSF France seat of ***Operational Centre Paris*** 8 rue Saint Sabin 75011 Paris France	***MSF Holland*** seat of ***Operational Centre Amsterdam*** Plantage Middenlaan 14 1018 DD Amsterdam The Netherlands
MSF Spain seat of ***Operational Centre Barcelona-Athens*** Nou de la Rambla 26 08001 Barcelona Spain	***MSF Switzerland*** seat of ***Operational Centre Geneva*** 78 rue de Lausanne 1211 Genève Switzerland

Other MSF locations

MSF entities in other countries generally act to recruit operational staff, raise funds and advocate on behalf of populations in danger. A complete and up-to-date list of these entities can be found on our website.[8]

[8] http://www.msf.org.uk/international-msf-offices