

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

Trustees' report and financial statements

Registered number 2853011  
Charity number 1026588

31 December 2010

## **Report of the trustees**

for the year ended 31 December 2010

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 2010. The financial statements have been prepared in accordance with the accounting policies set out in note 2 to the financial statements and comply with the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" revised in March 2005.

### **1 REFERENCE AND ADMINISTRATIVE DETAILS**

Year ended 31 December 2010

#### **1.1 Trustees**

Mr Paul Foreman	Chair from 3 July 2010 (resigned 3 April 2011)
Ms Jacqueline Tong	Chair to 3 July 2010
Dr Simon Buckley	Treasurer (resigned 3 December 2010)
Mr Timothy Boucher	resigned 27 August 2010
Dr Simon Burling	
Mr James Copeland	Treasurer (appointed 15 October 2010)
Dr Margaret Fitzgerald	
Mr James Kambaki	resigned 4 June 2010
Mr Jean-Marie Kindermans	appointed 3 December 2010
Ms Helene Lorinquer	resigned 5 August 2010
Ms Ulrike Pilar von Pilcha	
Ms Elizabeth Smith	
Ms Frances Stevenson	Vice Chair (to 3 July 2010)
Dr Sidney Wong	Vice Chair (from 3 July 2010 to 3 April 2011) Chair (from 3 April 2011)

#### **1.2 Executive Director**

Mr Marc DuBois

#### **1.3 Company Secretary**

Mr Jehangir Ghandhi

#### **1.4 Main advisors to the charity are:**

*Auditors:*

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

*Bankers:*

Bank of Scotland  
38 Threadneedle Street  
London  
EC2P 2EH

*Solicitors:*

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

## **2 STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **2.1 Constitution**

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

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

### **2.2 THE CHARTER OF MEDECINS SANS FRONTIERES**

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

## **2.3 Trustees and Executive**

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

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

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

## **2.4 International Organisational Structure**

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

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

MSF in Ireland was registered as a separate legal entity in November 2008. This change in legal structure has led to the results of MSF Ireland being excluded from the results of MSF (UK) since the 2009 report and accounts. Operationally, the UK and Ireland continue to work in close collaboration, with the manager of the Irish operations sitting on the UK management team. In addition, plans and projections of UK and Ireland are produced together, the two offices work in an integrated fashion and all plans are consolidated for purposes of presentation to the International Office.

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

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

## **2.5 Risk Management**

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

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

### **3 AIMS AND OBJECTIVES FOR THE PUBLIC BENEFIT**

Médecins Sans Frontières (MSF) is a leading international non-governmental organisation for emergency medical aid. We provide independent medical relief to victims of war, disasters and epidemics in over 60 countries around the world. We strive to provide assistance to those who need it most, regardless of ethnic origin, religion or political affiliation.

To get and maintain access to and care for the most vulnerable, MSF's operational policies must remain scrupulously independent of governments, as well as religious and economic powers. We rely on private individuals for the majority of our funding. In the field, we conduct our own assessments, manage projects directly and monitor the impact of our aid. We advocate locally and internationally for greater respect for humanitarian law and the right of civilians to impartial humanitarian assistance. We also campaign for fairer access to medicines and health care for the world's poorest people.

MSF is a voluntary organisation. Each year around 2,500 doctors, nurses, logistics specialists and engineers of all nationalities leave on field assignments. They work closely with tens of thousands of local staff whose work is of equally vital importance.

The Trustees confirm that they have referred to the Charity Commission guidance on Public Benefit when reviewing the Trust's aims and objectives and in setting the grant making policy for the year and in planning future activities.

### **4 ACHIEVEMENTS AND PERFORMANCE 2010**

#### **4.1 UK Office Activities**

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

As mentioned above, MSF UK shares responsibility for running field operations under the umbrella of Operational Centre Amsterdam (OCA), along with MSF Holland, MSF Germany and MSF Canada. In 2010, OCA ran emergency medical projects in 26 countries, half of which are in Africa and the remainder largely in Central and South Asia. See section 4.2 for an operational overview of the work of all five MSF Operational Centres (based out of Amsterdam, Barcelona, Brussels, Geneva and Paris). In 2010 MSF UK gave 69% of the unrestricted money we raised to support the work of the Operational Centre Amsterdam and the majority of the rest (30%) to the Operational Centre Brussels (OCB).

The UK office supports MSF's field work through raising funds, recruiting volunteers, and raising awareness of humanitarian crises among the general public and key decision makers in the UK and Ireland. A specialist medical team known as the Manson Unit works directly with the field projects to help solve urgent clinical problems. In addition, experienced personnel from several other departments in the UK office regularly provide direct support to field teams in their areas of expertise.

The raising of private donations is critical to MSF's operational capacity, flexibility, and independence. In 2010 the MSF UK Fundraising team raised a total of £23.5m in private income, a 31% increase on the £17.9m of the previous year and a considerable

achievement given the difficult economic climate which seriously affected most other charities' income.

Regular donations remained stable at £10 million. Such donations now account for 54% of our unrestricted private income, ensuring core financial stability and security. For every pound spent on fundraising in the UK in 2010 we raised £10 of private income, which is considerably above the normal return for UK charities.

The two major emergencies in 2010 were the devastating earthquake in Haiti and the floods in Pakistan. As a result restricted private income funding has seen a significant increase from £1.2m in 2009 to £5.8m in 2010.

The UK, along with the rest of the MSF movement, responded very rapidly to challenges posed by the calamitous earthquake in Haiti in January 2010, and to the ensuing cholera epidemic later in the year. The generosity of our donors to the earthquake meant that our fundraising team had to gear up their thanking and administration functions, our press teams worked around the clock and our Human Resources team recruited a large number of expatriate staff to deal with the consequences of the earthquake. In addition, our epidemiologists and medical staff in the UK's Manson Unit were called upon to give professional and technical advice to the field teams.

In the previous year we had signed a contract for £1.2 million with the UK government (DFID). This sum came in the form of a block grant, money given for our emergency work in West Africa over a period of 2 years. £1m of this was spent in 2010. Effectively this is ring-fenced money, allowing MSF to respond to emergencies in West Africa secure in the knowledge that the funds are readily available.

The number of field staff placed by the Human Resources (HR) department of the London office rose to 239 in 2010, well above our target of 200. To support this increase, 2010 saw the introduction of a new and much improved HR database, 'HERO', to manage personnel records, as well as a new information system 'Eskimo', which was developed as a bolt-on to MSF's email system and manages UK staff absence and personnel information. Both new systems are working well and easing the daily workload of the HR staff.

2010 was a year in which the office made extensive contributions to the field, both in terms of direct operational engagement and in terms of resources delivered. It also showed a mounting recognition within the MSF movement of the role played by the UK in terms of medical programming, advocacy and communications. One indicator of the demand for operational staff was the 1,062 total days spent in the field, a 30 percent increase over 2009 (which was a 10 percent increase over 2008), and representing especially significant contributions from members of the Manson Unit, the Programmes Unit and the Communication team. UK staff members were requested for such demanding positions serving as the intersectional press officer in Haiti, and handling difficult operational negotiations/advocacy around Somalia, Pakistan and Afghanistan.

The Manson unit continued with their medical support, focussing on epidemiology and the treatment of multi-drug resistant tuberculosis. The Programme unit continued with their focus on exit strategies, on how best to withdraw from country programmes, and on medical advocacy and issues surrounding the politicization of aid. The Programme unit offered considerable advocacy support to MSF's missions in Afghanistan, Pakistan and Somalia.

Finally, the sterling work of the network of university student societies, the 'Friends of MSF' is noteworthy. At the end of 2010 there were 25 such societies at universities around the UK, primarily made up of medical students. As well as providing a pool of future medical field 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.

## **4.2 Operations Overview**

This section provides an overview of the work of all five MSF operational centres. In 2010, MSF's programmes continued to provide essential medical services, for free, in some of the world's most remote and dangerous areas, responding to natural disasters and epidemics, treating the victims of war and sexual violence, providing care for those with HIV and TB, and lobbying for more funding and research into neglected diseases such as sleeping sickness and kala azar, which cause huge numbers of deaths yet receive scant attention in the West. Crises such as the earthquake in Haiti, the floods in Pakistan, mass lead poisoning in Nigeria and malnutrition in the Sahel region of Africa all prompted emergency responses. In the Democratic Republic of Congo, violent conflict and insecurity continued to take a terrible toll on the health of the population, while sexual violence was increasingly used as a weapon of war. Security remained a pressing issue in many parts of the world, and in countries where our international staff were put at unacceptably high risk, such as Iraq, we adopted new practices such as running programmes 'remotely' from neighbouring countries. A major new challenge of the past year was how to deliver aid in countries like Afghanistan and Pakistan, where the environment is highly politicised and militarised, and where demonstrating our independence, impartiality and neutrality is more vital than ever.

### **Emergency response: Haiti earthquake**

When an earthquake struck Haiti in January, causing massive devastation, MSF launched its largest ever rapid emergency response. Within minutes of the quake, MSF teams were treating the wounded; within hours, professionals from around the world were volunteering to drop everything and leave for Haiti, and donations from the public were pouring in. MSF donors around the world, including the generous support of donors in the UK, would eventually pledge around £90 million for the combined MSF movement towards our efforts in Haiti.

MSF had been working in Haiti for the past 19 years, providing healthcare to marginalised communities who, even before the earthquake, were in desperate need. With 30 international and almost 800 Haitian staff working in three hospitals, MSF teams had the local knowledge, medical staff and supplies already in place to enable them to immediately help as many people as possible. Tragically, twelve of MSF's Haitian staff died in the quake, and many others lost relatives, suffered injuries or were made homeless; it was a disaster that left no one unscathed. MSF made a massive contribution towards the survival and recovery of many thousands of Haitians. By the end of the year, MSF staff had performed more than 16,000 surgical operations and treated more than 350,000 patients.

### **Cholera outbreak: Haiti**

Towards the end of the year, international attention returned to Haiti when cholera swept across the island. MSF led the response, and treated 120,000 patients – as many as 60 percent of the total number of people treated – in 47 specialised cholera treatment centres throughout Haiti. Thankfully, the disease is relatively simple to treat, when caught in time, and success rates are very high – almost 99 percent of our patients made a full recovery.

### **Disaster response: Pakistan floods**

The devastating floods which swept through Pakistan in late July inundated large swathes of the country and caused destruction on a massive scale. Triggered by torrential rains, the floods washed away crops, submerged and destroyed villages, and caused an estimated 1,700 deaths. Twenty million people were affected by the disaster. MSF was the first international emergency organisation to respond to the disaster in many flood-hit areas

and – as in Haiti – was able to react immediately because it already had medical staff on the ground, having worked in the country since 1988. The flood response was a major challenge, both in terms of the scale of adversity faced by its people and in terms of the difficulties of delivering humanitarian aid in a highly politicised and insecure environment. MSF staff provided more than a million litres of clean water every day, 68,903 relief kits and more than 17,000 tents. Our medical staff, who performed an extra 96,656 consultations, were particularly shocked to discover the very high levels of malnutrition among rural families, and treated more than 5,000 malnourished children.

### **Aid in a military setting: Afghanistan**

MSF returned to Afghanistan in late 2009, after a five-year absence, because of the overall deterioration of healthcare provision in the country. Because of our complete financial independence from Western and Afghan government sources, and by direct and transparent negotiations with all the warring parties, we managed to re-establish our presence in the south of the country quickly. MSF's strict no-weapons policy in all medical facilities, as well as a purely needs-based approach to providing aid, has helped us to win the trust of our patients and has encouraged us to expand our operations into other parts of the country, such as Kunduz province in Afghanistan's troubled north. While other agencies lament the lack of "humanitarian space", we see it opening up – a result of our independence and our dedication to simply helping Afghans in need, without any other agenda.

### **Violent conflict: Somalia**

After twenty years of conflict, the plight of Somalis in 2010 remained catastrophic. In the area around Mogadishu, more than 250,000 displaced people were living in an extremely insecure environment, exposed to violence on a daily basis. Water supplies were unreliable, food distributions irregular, and access to healthcare extremely limited. Across the country, millions of people urgently required healthcare, and will continue to do so. In 2010, MSF worked in ten regions of Somalia, with more than 1,300 Somali staff providing medical care on the ground. Serious insecurity and acts of violence against international staff make it hard to keep expatriates in Somalia on a permanent basis, resulting in a lot of the management of projects being done from Kenya. Somalis who have managed to flee the country also receive medical care and psychological support from MSF teams, be they stuck in camps in northern Kenya, Yemen, Malta, Greece or other areas where migration to Europe is commonplace.

### **Neglected diseases and affordable medicines**

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

The past year was marked by a major setback over international commitments to treat people with HIV/AIDS in developing countries. Flying in the face of mounting evidence that earlier treatment with better drugs is the best way to tackle the pandemic, international donors started to turn their backs on investment, causing funding to stagnate and threatening to destroy the advances made in the past decade. To make the situation worse, in 2010 the European Commission launched aggressive trade policies that threatened to severely restrict people's access to lifesaving medicines, by stopping



companies from producing low-cost 'generic' drugs, including most of those used to treat HIV/AIDS patients in the developing world. MSF launched a global campaign "Europe! Hands off our medicine!" to challenge these measures and ensure medicines are available and affordable to everyone who needs them.

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

### **Childhood malnutrition**

There are 195 million children under five affected by malnutrition, 90 percent of whom are in Africa. Most of the damage caused by malnutrition occurs before children reach their second birthday. This is the critical window of opportunity, when the quality of a child's diet has a profound, sustained impact on health as well as on physical and mental development. MSF increased the number of its malnutrition programmes, to 120 programmes across 36 countries, and treated a total of 250,000 children. The Access Campaign also had a major success in influencing policy on food aid, helping to ensure that malnourished children are no longer fobbed off with sub-standard food supplements that fail to meet their nutritional needs.

### **Vaccination programmes**

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

The new low-cost vaccine against meningitis A received a formal stamp of approval from the World Health Organization (WHO) in 2010, which is hugely encouraging for the 430 million people at risk of the disease in the 'meningitis belt' of sub-Saharan Africa. The vaccine costs just 40 US cents a dose, and MSF began using it in Mali, Burkina Faso and Niger.

### **Drug-resistant tuberculosis**

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

### **4.3 UK Office growth**

Partly as a result of a movement-wide agreed control on numbers of staff at headquarter offices, the number of full-time employees stayed stable in the UK office in 2010.

The number of office volunteers giving their time to support MSF UK work continued to grow, following a trend that really took off in 2007 and was repeated in the following years.

The Irish office, established in April 2006, became an incorporated body in Ireland and attained charity status in November 2009. A three-person Irish Board of Directors was established, and Dr Simon Collins appointed as Chairman. As was the case last year, the change in legal structure resulted in the results of MSF Ireland being excluded from the results of MSF (UK) in the 2010 report and accounts. However, for operational purposes the UK and Irish offices continue to work in a closely collaborative and integrated fashion, with the manager of the Irish operations sitting on the UK management team and plans and budgets being agreed jointly.

## **5 FINANCIAL REVIEW**

### **5.1 Grant-making Policy**

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

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

### **5.2 Fundraising Activities**

#### **Key Performance Indicators**

The percentage of UK expenditure covered by regular gifts is 205% (2009: 215%). The cost of raising £1 for private funds has fallen from 12 pence to 10 pence.

During the year, the charity had total incoming resources of £26.6m (2009: £20.0m) from the general public, provision of staff to the field, bank interest, DFID. This represents a increase of 33% from 2009, including a 31% increase in private funds from £17.9m to £23.5m, and an increase in institutional funding from £0.2m to £1.0m. The percentage of private to institutional income is 96% (2009: 99%).

Regular gifts by direct debit and standing order are the core of MSF UK's financial growth and security. They deliver a predictable flow of funds, which can be used according to need, and which are not reliant on media attention. Regular giving is the bedrock of MSF's financial independence. In 2010 donations by direct debit and standing order were £9.8m (2009: £10.0m). Despite the difficult economic climate we managed to almost maintain our income from our loyal long-term committed supporters.

Loyalty is a key goal of our fundraising work, and in 2010 MSF UK maintained our commitment to send relevant and interesting information to our supporters, providing reports on how funds are spent. This is part of our Supporter Promise, published on the MSF UK website, which includes commitments not to share personal data of supporters with other organisations, or to send constant fundraising appeals to our donors. The increase in the rate of growth of spontaneous giving is due to the increased media coverage of MSF's work.

Restricted private donations of £5.8m (2009: £1.2m) represent a significant increase over the prior year. The reason for the increase was primarily the result of the generosity of our donors', and in particular their response to the Haiti earthquake and Pakistan floods. The restricted funds have been rapidly transferred to support MSF work to assist people at risk

in these crises. Restricted income includes £0.1m (2009 £0.2m) raised by The Sunday Times Appeal for MSF, for which we have been a beneficiary for the second year in 2010.

Legacy income has seen a significant increase from £2.0m to £2.7m.

### **5.3 Reserves Policy**

MSF UK has a policy of maintaining a target of six months of UK expenditure as an acceptable level of unrestricted reserves – with three months as the lowest and 12 months as the highest acceptable levels. The unrestricted reserves at 31 December 2010 amount to £3.8m (2009 restated: £3.5m) and include £0.4m (2009: £0.7m) of legacy income that had not been realised at that date and therefore could not be allocated to MSF aid projects and campaigns. The budgeted UK expenditure for 2011 is £5.5m. The unrestricted reserves equates to approximately eight months' planned UK expenditure (2009: seven and a half months). The level of restricted funds is always kept to a minimum. We aim to spend any restricted funds as soon as possible after they are received.

### **5.4 Voluntary help and support**

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

We are also grateful to the many volunteers who give up their time to help out in the office. During 2010, volunteers provided a total of approximately 1,768 days (2009: 1,388 days) of time. We are extremely appreciative of their support and willingness to help out with any task.

### **5.5 Statement of Recommended Practice (SORP) 2005**

The annual report and accounts for the year ended 31 December 2010 have been prepared in accordance with the Governing document of MSF and in compliance with the Companies Act 2006, the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) and with applicable accounting standards.

## **6 FUTURE OUTLOOK**

*Our three overarching strategic objectives are:*

- To contribute directly to MSF's fieldwork and achievement of operational ambitions through the direct support of operations and by contributing to MSF's medical care and aid to beneficiaries
- To strengthen MSF's capacity to influence external medical, humanitarian and other stakeholders in order to improve medical care and the policy and practice of aid
- To generate the necessary resources for MSF's operational programmes through the provision of high quality human resources, predictable financial resources together with playing a leading role in the development and dissemination of MSF communications.

To meet the above strategic objectives, in 2011 we plan to focus on:-

**(a) Increased integrated work across areas of specific added value and competence**

Upon a foundation of robust resource generation, MSF-UK will capitalize on the specific added value to MSF arising from our location in London's unique political, humanitarian, media, NGO, tropical medical, academic, corporate and multicultural setting. Our goal is to influence practice and policy so that humanitarian aid and medical care are better able to save lives, alleviate suffering, and promote human dignity, both within and beyond MSF. To achieve this, we hold as our foremost priority the building of an integrated capacity in:

- medical expertise and medical-humanitarian field experience;
- critical reflection and analysis of policy and practice;
- advocacy and communication.

These areas of work should not be seen as contained within specific departments, and include working with members of MSF's Access Campaign who share the London office. Where possible, the energy and resources of the entire office should contribute to achieving change, in addition to providing direct support of field operations. To do so requires careful planning and closer working relationships across departments and sections.

For MSF-UK, one key challenge in this direction is to move beyond issues of content and to shift the manner in which we work, particularly the manner in which we develop, plan and implement ideas interdepartmentally. Already a strong suit of this office, one enhanced greatly by the office's flat, open structures as well as its' culture, the aim is to integrate work across departments further. This may require improving the way in which we organize cross-departmental work through informal networks and groups or the establishment of joint planning for some initiatives or areas. The overall strategic objectives are clear. Better approaches and ways of working – the "How?" – are not yet fully developed.

**(b) Strengthen Leadership and Management Capacity in MSF-UK.**

Following on from last year, MSF-UK will continue to build on the development of the leadership team, including heads of departments and heads of units. And it remains a goal that all office staff should understand the collective direction and purposes. This understanding comes not from the dissemination of documents, but through leadership that creates an increased sense of unity, an office where there is a greater feeling that the success/failure of one department is shared across the floor.

Last year, improvements were achieved in terms of building the Management team understanding of its role and function. In the coming year we need to take this a step further by discussing and responding to the challenges related in particular to MSF's social mission. Whereas the Management team must continue to ensure the integrity and vitality of income flows and strengthen MSF-UK's contribution to the human resources so critical to our success in the field, at the same time leadership of this section requires a capacity to position the work of the office within an increasingly complex MSF architecture, and to do so with an eye on the future. For MSF-UK to remain effective and for it to remain of added value to the MSF movement, the agenda of the management team must change in this direction, as well as the broader office's engagement these topics.

### **(c) Smarter Engagement with the MSF Movement**

The MSF movement is in the midst of reforming its governance structure. That process will continue to place demands on the office in the course of 2011, and we again highlight the importance of maintaining a focus on engagement with MSF's operations. Intersectional cooperation, collaboration and coordination across the entire spectrum of MSF is accelerating, including implementation of improved lab diagnostics, the development of web-based communications material and the establishment of standardized job descriptions for the field.

By virtue of its location, its reputation, and its influence, MSF-UK is in a position to contribute greatly to these intersectional developments. With that potential come risks to time and focus. MSF-UK must therefore be smart strategically in terms of our engagement needing to understand that official platforms carry weight and importance but also the need to engage with informal networks. Finally, there is a need to be both smart and opportunistic to broker intersectional solutions, because the UK section combines a vantage point outside the MSF operational centres and has the influence and relationships to help resolve intersectional issues.

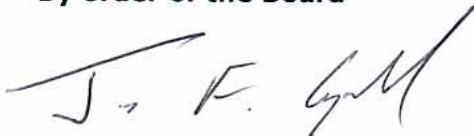
## **7 AUDITORS**

### **Disclosure of Information to Auditors**

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

In accordance with Section 485 of the Companies Act 2006, a resolution for the re-appointment of KPMG LLP as auditors is to be proposed at the forthcoming Annual General Meeting.

### **By order of the Board**



James Copeland  
Treasurer

Date: 15<sup>th</sup> April 2011

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

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

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

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

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

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

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 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.

## **Independent auditor's report to the members of Médecins Sans Frontières (UK) Limited**

We have audited the financial statements of Médecins Sans Frontières (UK) for the year ended 31 December 2010 set out on pages 17 to 33. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the 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 14, 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 (APB'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 APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

### **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 2010 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 matter prescribed by the Companies Act 2006**

In our opinion the information in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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

A. Mead

**A Mead (Senior Statutory Auditor)**

20 April 2011

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

1 Forest Gate

Brighton Road

Crawley

West Sussex

RH11 9PT



## Statement of Financial Activities

(incorporating an income and expenditure account)

for the year ended 31 December 2010

		Unrestricted	Restricted	2010	2009
				Total	Total
	Note	£'000	£'000	£'000	Restated *
					£'000
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Voluntary income					
Donations, legacies and similar income	3	17,670	5,844	<b>23,514</b>	17,941
Grants for operational programmes	5	-	1,019	<b>1,019</b>	181
Income from other charitable activities	4	2,007	-	<b>2,007</b>	1,858
Investment income	6	22	-	<b>22</b>	24
Other income	3	15	-	<b>15</b>	3
Total incoming resources		<u>19,714</u>	<u>6,863</u>	<u><b>26,577</b></u>	<u>20,007</u>
<b>Resources Expended</b>					
Costs of generating funds					
Costs of generating voluntary income	7	2,387	-	<b>2,387</b>	2,100
Charitable activities					
Operational programmes	8	16,916	6,708	<b>23,624</b>	17,413
Governance costs	9	71	-	<b>71</b>	64
Total resources expended		<u>19,374</u>	<u>6,708</u>	<u><b>26,082</b></u>	<u>19,577</u>
<b>Net income for the year</b>	<b>10</b>	<b>340</b>	<b>155</b>	<b>495</b>	<b>430</b>
Fund balances brought forward at 1 January (as previously reported)	17	3,221	212	<b>3,433</b>	
Prior period adjustment	17	265	-	<b>265</b>	
Fund balances brought forward at 1 January (restated)	17	<u>3,486</u>	<u>212</u>	<u><b>3,698</b></u>	<u><b>3,268</b></u>
Fund balances carried forward at 31 December	19	<u>3,826</u>	<u>367</u>	<u><b>4,193</b></u>	<u><b>3,698</b></u>

There are no recognised gains and losses other than those in the statement of financial activities. Therefore no statement of total recognised gains and losses has been prepared.

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

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

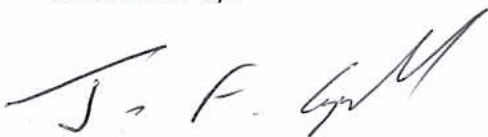
\* Results of the previous year have been restated as detailed in Note 15.

## Balance Sheet

at 31 December 2010

	Note	2010	2009
		£'000	Restated * £'000
<b>Non-current assets</b>			
Fixed assets	14	73	80
Investment	13	-	-
		<u>73</u>	<u>80</u>
<b>Current assets</b>			
Debtors	15	1,957	2,147
Cash at bank and in-hand		5,425	4,314
		<u>7,382</u>	<u>6,461</u>
<b>Creditors</b>			
Amounts falling due within one year	16	<u>(3,262)</u>	<u>(2,843)</u>
<b>Net current assets</b>		<u>4,120</u>	<u>3,618</u>
<b>Net assets</b>	19	<u>4,193</u>	<u>3,698</u>
<b>Funds</b>			
Unrestricted	17	3,826	3,486
Restricted	18	367	212
<b>Net funds</b>		<u>4,193</u>	<u>3,698</u>

These financial statements were approved by the board of trustees on the 15<sup>th</sup> April 2011 and were signed on its behalf by:



James Copeland  
 Treasurer

\* Results of the previous year have been restated as detailed in Note 15.  
 The notes on pages 20 to 33 form part of these financial statements.

## Cash flow statement

for the year ended 31 December 2010

	Note	2010 £'000	2009 £'000
Cash flow from operating activities	22	1,126	2,110
Return of investments and servicing of finance			
Interest received	6	22	24
Capital expenditure and financial investment			
Purchase of fixed assets	14	(37)	(62)
Proceeds from disposal of assets		-	1
		<hr/>	<hr/>
(Decrease) / increase in cash in the year	23	<b>1,111</b>	<b>2,073</b>
		<hr/> <hr/>	<hr/> <hr/>

## Notes

(forming part of the financial statements)

### 1 Legal status

Médecins Sans Frontières (UK) is a registered charity and a company limited by guarantee. On winding up each person who is a member at that date is liable to contribute a sum not exceeding £1 towards the assets of the company. As at 31 December 2010 the company has 367 (2009, 339) 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, with the exception of gift aid as stated in note 15.

#### Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 2006, the Statement of Recommended Practice: Accounting and Reporting by Charities (March 2005), and under the historical cost convention.

#### Donations

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

#### Grants payable and receivable

Grants from the Department for International Development (DFID) and other institutional donors are accounted for on a receivable basis.

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

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

The grant payable is recognised in the accounting period when expenditure in accordance with the grant conditions are met.

#### Legacies

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

#### Income from supply of staff to overseas projects

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

## Notes (continued)

### 2 Accounting policies (continued)

#### Cost of generating funds

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

#### Charitable expenditure

Grants payable to partner organisations consist of grants from DFID.

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

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

Support costs include all costs relating to management and administration including the salary costs of the Executive Director and the head of the finance.

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

#### Governance Costs

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

#### Taxation

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

#### Purpose of funds

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

Unrestricted funds consist of donations for general use by the organisation. This fund is available for use to meet possible shortfalls in revenue and unforeseen increases in expenditures.

#### Fixed assets and depreciation

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

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

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

Intangible fixed assets have been capitalised at cost.

#### Liabilities

Liabilities are recognised on an accruals basis.

#### Foreign currencies

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

#### Operating leases

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

**Notes (continued)**

**2 Accounting policies (continued)**

**Pensions**

The company contributes to employees' 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 has an investment in MSF Enterprises Limited. This subsidiary is a fully owned subsidiary of MSF (UK).

**3 Donations, legacies and similar income**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2010 Total £'000</b>	2009 Total £'000
<b>Donations, legacies and similar income</b>				
Appeals	1,992	2,599	<b>4,591</b>	1,574
Legacies	2,693	-	<b>2,693</b>	2,052
Corporate	699	1,258	<b>1,957</b>	1,135
Trust	781	1,240	<b>2,021</b>	1,037
Committed Giving	9,513	279	<b>9,792</b>	9,993
Other donations	1,992	468	<b>2,460</b>	2,150
	<hr/>	<hr/>	<hr/>	<hr/>
	17,670	5,844	<b>23,514</b>	17,941
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other income</b>				
Foreign exchange gain	10	-	<b>10</b>	-
Other	5	-	<b>5</b>	3
	<hr/>	<hr/>	<hr/>	<hr/>
	15	-	<b>15</b>	3
	<hr/>	<hr/>	<hr/>	<hr/>
	17,685	5,844	<b>23,529</b>	17,944
	<hr/>	<hr/>	<hr/>	<hr/>

MSF UK is aware of potential future legacy income for further amounts estimated at £880,000 (2009 £824,000). However, for these amounts the estimate of what will be received is not sufficiently reliable, or there is uncertainty with regard to the entitlement, thus this is not recognised in the figures above.

**4 Income from other charitable activities**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2010 Total £'000</b>	2009 Total £'000
Income from supply of staff to overseas projects	2,007	-	<b>2,007</b>	1,858
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

**5 Grants for operational programmes**

	<b>2010</b>	2009
	<b>£'000</b>	£'000
<b><u>UK Govt. - Department for International Development (DFID):</u></b>		
Niger	<b>1,019</b>	181

All the income arising under the above contracts is considered to be restricted to particular projects.

**6 Investment income**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2010 Total £'000</b>	2009 Total £'000
Bank interest	22	-	<b>22</b>	24

Notes (continued)

7 Costs of generating voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	2010 Total £'000	2009 Total £'000
Salaries, Pensions & Tax	416	-	416	354
Travel & Subsistence	7	-	7	6
Other Personnel Costs	23	-	23	12
Office Costs (including depreciation)	111	-	111	98
Professional costs	17	-	17	19
Promotional costs	1,813	-	1,813	1,611
	<hr/>	<hr/>	<hr/>	<hr/>
	2,387	-	2,387	2,100
	<hr/>	<hr/>	<hr/>	<hr/>

8 Operational programmes

	Unrestricted Funds £'000	Restricted Funds £'000	2010 Total £'000	2009 Total £'000
Institutional grants transferred to MSF Sections (refer note 5)	-	1,019	1,019	181
	<hr/>	<hr/>	<hr/>	<hr/>
Funds allocated to MSF aid projects and campaigns				
Bangladesh	139	1	140	100
Bolivia	-	-	-	8
Burkina Faso	-	5	5	3
Burundi	235	15	250	433
Central African Republic	700	-	700	300
Chad	276	24	300	300
China	-	-	-	20
Colombia	650	-	650	300
Democratic Republic of Congo	1,198	152	1,350	1,300
Ethiopia	400	-	400	300
Haiti	1	3,317	3,318	300
India	1,050	-	1,050	1,150
Iraq	100	-	100	119
Iraq children of war	-	694	694	-
Indonesia	-	-	-	2
Kenya	299	1	300	190



Notes (continued)

Note 8 continued...

	Unrestricted Funds £'000	Restricted Funds £'000	2010 Total £'000	2009 Total £'000
Lesotho	-	-	-	160
Liberia	-	-	-	550
Malawi	467	166	633	550
Mali	-	-	-	80
Moldova	-	-	-	50
Mozambique	-	-	-	160
Myanmar	648	52	700	260
Nepal	-	-	-	50
Niger	311	39	350	400
Nigeria	399	1	400	500
Pakistan	-	870	870	300
Palestine	-	3	3	47
Papua New Guinea	298	2	300	100
Russia	999	1	1,000	700
Sierra Leone	349	1	350	490
Somalia	684	16	700	700
Somaliland	300	-	300	-
South Africa	350	-	350	160
Sri Lanka	99	1	100	190
Sudan	711	39	750	1,163
Swaziland	500	-	500	-
Thailand	350	-	350	200
Turkmenistan	-	-	-	50
Uganda	199	1	200	150
Uzbekistan	99	1	100	50
Zimbabwe	503	287	790	900
Access to Essential Medicines Campaign	74	-	74	97
	<b>12,388</b>	<b>5,689</b>	<b>18,077</b>	<b>12,882</b>
<b>Medical &amp; programme support</b>				
Salaries, Pensions & Tax	555	-	556	528
Travel & Subsistence	68	-	68	51
Other Personnel Costs	26	-	26	14
Office Costs (including depreciation)	95	-	95	100
Professional costs	17	-	17	18
Promotional costs	15	-	15	23
	<b>776</b>	<b>-</b>	<b>776</b>	<b>734</b>

**Notes (continued)**

**Note 8 continued...**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2010 Total £'000</b>	2009 Total £'000
<b>Recruitment for overseas projects</b>				
Salaries, Pensions & Tax	319	-	<b>319</b>	308
Travel & Subsistence	17	-	<b>17</b>	11
Other Personnel costs	23	-	<b>23</b>	40
Office Costs (including depreciation)	80	-	<b>80</b>	70
Professional fees	15	-	<b>15</b>	22
Promotional costs	5	-	<b>5</b>	9
	<b>459</b>	<b>-</b>	<b>459</b>	<b>460</b>
<b>Témoignage &amp; advocacy</b>				
Salaries, Pensions & Tax	279	-	<b>279</b>	276
Travel & Subsistence	22	-	<b>22</b>	16
Other Personnel costs	10	-	<b>10</b>	18
Office Costs (including depreciation)	76	-	<b>76</b>	62
Professional costs	11	-	<b>11</b>	9
Promotional costs	47	-	<b>47</b>	38
	<b>445</b>	<b>-</b>	<b>445</b>	<b>419</b>
<b>International staff</b>				
Costs of employment of international staff	2,007	-	<b>2,007</b>	1,858
<b>Support costs</b>				
Salaries, Pensions & Tax	318	-	<b>318</b>	319
Travel & Subsistence	16	-	<b>16</b>	18
Other Personnel costs	21	-	<b>21</b>	26
Office Costs (including depreciation)	117	-	<b>117</b>	136
Professional costs	34	-	<b>34</b>	17
Promotional costs	8	-	<b>8</b>	9
Contribution to Intl. Office expenses	327	-	<b>327</b>	354
	<b>841</b>	<b>-</b>	<b>841</b>	<b>879</b>
	<b>16,916</b>	<b>6,708</b>	<b>23,624</b>	<b>17,413</b>

Notes (continued)

9 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	2010 Total £'000	2009 Total £'000
Costs of trustees' meetings	32	-	32	20
Professional liability insurance	7	-	7	7
Audit fees – statutory audit	27	-	27	35
- international combined accounts	5	-	5	2
	71	-	71	64

10 Net movement in funds

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

	2010 Total £'000	2009 Total £'000
Depreciation	44	37
Hire of other assets – operating leases (note 20)	208	210
Auditors' remuneration – statutory audit	27	35
Exchange (gains) / losses	(10)	10

11 Remuneration of directors/trustees

The Chairman received remuneration of £3,500 for 28 days of paid work. The level of remuneration was agreed at the Annual General meeting and is sanctioned by the Memorandum and Articles of Association. None of the other directors/trustees received any remuneration during the period. £24,000 was reimbursed for directly incurred expenses to 12 trustees (2009: £20,000 to 10 trustees). In addition to this trustee indemnity insurance has been purchased at a cost of £7,000 (2009: £7,000).

12 Staff numbers and costs

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

	Number of Employees	
	2010	2009
Private & Institutional Fundraising	11	11
Medical & Programme Support	11	11
Témoignage & Advocacy	7	8
Management & administration	12	9
Recruitment for overseas projects	8	9
UK staff in international projects	106	87
	155	135

## Notes (continued)

### Note 12 continued...

The costs of employing those staff were:	2010 £'000	2009 £'000
Wages & salaries	3,190	2,849
Social security costs	301	260
Pension costs	195	175
	<u>3,686</u>	<u>3,284</u>

Of these total costs, £1.8m (2009: £1.5m) is reimbursed by sister organisations and is included in the £2.0m (2009: £1.85m) cost of international staff (Note 8). In addition, many supporters assist on a voluntary basis. Approximately 1,768 days (equivalent to approximately 6.8 full time employees) of time has been given to the organisation during 2010 by UK office volunteers (2009: 1,388 days by equivalent of 5.3 full time employees).

The number of employees receiving emoluments over £60,000 are:-	2010	2009
£60,001 - £70,000	<u>1</u>	<u>-</u>

Employer contributions to defined pension schemes on behalf of staff paid over £60,000 amount to £6,001.

The Charity operates a pay policy whereby the highest paid employee never earns more than 3 times the lowest paid employee.

## 13 Investments

The Charity owns 100% of the share capital in MSF Enterprises Limited, a subsidiary, incorporated in England and Wales. MSF Enterprises Limited has been a dormant company for the accounting period. The Charity has not prepared consolidated accounts as the subsidiary is dormant. The authorised and called up share capital of MSF Enterprises is 1 ordinary share of £1.

## 14 Tangible Fixed Assets

Fittings, Furniture and other office equipment	2010 £'000	2009 £'000
<b>Cost</b>		
At beginning of period	438	409
Additions	37	62
Disposals	(53)	(33)
At end of period	<u>422</u>	<u>438</u>
<b>Depreciation</b>		
At beginning of period	358	353
Charge for the period	44	37
Disposals	(53)	(32)
At end of period	<u>349</u>	<u>358</u>
<b>Net book value</b>		
At end of period	<u>73</u>	<u>80</u>
At beginning of period	<u>80</u>	<u>56</u>

All assets are used for charitable purposes

Notes (continued)

15 Debtors

	2010	2009
	£'000	Restated * £'000
Amounts due from DFID	404	400
Amounts due from the Elma Foundation	172	-
Amounts due from sister organisations	384	515
Legacies receivable	458	658
Other debtors	133	278
Accrued income (see note below)	360	265
Prepayments and deferred charges	46	31
	<hr/>	<hr/>
	<b>1,957</b>	<b>2,147</b>
	<hr/> <hr/>	<hr/> <hr/>

\* Results of the previous year have been restated to reflect a change in accounting policy whereby gift aid donations are now accounted for in the period of the associated gift. In prior years this income was accounted for in the year of receipt. The Director's are of the opinion that the revised policy is in accordance with Statement of Recommended Practice (SORP) 2005, and is a more appropriate accounting policy. The impact of the change in accounting policy is to increase net income in 2010 by £95,000 (2009 - £nil) and to increase unrestricted funds by £360,000 (2009 - £265,000).

16 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Amounts owed to sister organisations by grant funders	404	219
MSF sister organisation creditors	145	135
MSF sister organisation grants agreed	2,372	2074
Conduit funds received not yet transferred to sister organisations	-	121
Other tax and social security	112	70
Other creditors	149	154
Accruals	80	70
	<hr/>	<hr/>
	<b>3,262</b>	<b>2,843</b>
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

17 Unrestricted funds

	2010	2009
	£'000	Restated * £'000
Balance at 1 January (as previously reported)	3,221	
Prior year adjustment	265	
Balance at 1 January (restated)	3,486	3,268
Surplus for the year	340	218
<b>Balance at 31 December</b>	<b>3,826</b>	<b>3,486</b>

\* Results of the previous year have been restated as detailed in Note 15.

18 Restricted Funds

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

	Balance at 1 January 2010 £'000	Incoming Resources £'000	Programme Expenditure £'000	Balance at 31 December 2010 £'000
Afghanistan	-	1	-	1
Bangladesh	-	1	1	-
Burkina Faso	-	5	5	-
Burundi	-	15	15	-
Chad	-	24	24	-
Democratic Republic of Congo	-	152	152	-
Haiti	-	3,317	3,317	-
Iraq children of war appeal	212	602	694	120
Kenya	-	1	1	-
Malawi	-	166	166	-
Myanmar	-	52	52	-
Niger	-	39	39	-
Nigeria	-	1	1	-
Pakistan	-	1,112	870	242
Palestine	-	3	3	-
Papua New Guinea	-	2	2	-
Russia	-	1	1	-
Sierra Leone	-	1	1	-
Somalia	-	15	15	-
Sri Lanka	-	1	1	-
Sudan	-	39	39	-
Uganda	-	1	1	-
Uzbekistan	-	1	1	-
Zimbabwe	-	291	287	4
DFID	-	1,019	1,019	-
	212	6,863	6,708	367

**Notes (continued)**

**Note 18 continued...**

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

**19 Analysis of net assets between funds**

	Fixed Assets £'000	Current Assets £'000	2010 Total £'000	2009 Restated * Total £'000
Restricted assets	-	367	367	212
Unrestricted assets	73	3,753	3,826	3,486
	<u>73</u>	<u>4,120</u>	<u>4,193</u>	<u>3,698</u>

\* Results of the previous year have been restated as detailed in Note 15.

**20 Commitments**

There were no commitments contracted or authorised at 31 December 2010 (31 December 2009: £nil) other than lease agreements. Amounts payable within the next twelve months on leases expiring:-

	2010 Land and Buildings £'000	2010 Other £'000	2009 Land and Buildings £'000	2009 Other £'000
Operating leases which expire:-				
Within 2 – 5 years	<u>198</u>	<u>10</u>	<u>198</u>	<u>12</u>

The amount charged to the SOFA (Statement of Financial Activity) with respect to these contracts in 2010 was £208,000 (2009: £210,000).

**21 Pension arrangements**

The company 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 payable in the year was £195,000 (2009: £175,000) all of which was payable at 31 December 2010. The cost is accounted in the year it arises and there were no outstanding or prepaid amounts at 31 December 2010.

**22 Reconciliation of net incoming resources to operating cash flows**

	2010 £'000	2009 £'000
Net incoming resources	495	430
Bank interest	(22)	(24)
Depreciation charge	44	37
(Increase) / decrease in debtors	190	(118)
Increase/(Decrease) in creditors	419	1,782
(Increase)/Decrease in inventory	-	3
Net cash (outflow) / inflow from operating activities	<u>1,126</u>	<u>2,110</u>

**Notes (continued)**

**23 Analysis of net cash resources**

	At 1 January 2009 £'000	Cash Flow £'000	At 31 December 2009 £'000
Cash in hand & at bank	4,314	1,111	5,425

**24 Related parties**

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

**25 MSF Ireland**

As mentioned in paragraph 2.4 of the Trustees Report, MSF Ireland was incorporated as a separate legal entity in November 2008. Subsequent to incorporation, all activities carried on in Ireland are reflected in the books of MSF Ireland.

MSF UK and MSF Ireland work in close collaboration with each other. The manager of MSF Ireland is a member of the MSF UK management team and both the financial and the operational planning of the two entities is done jointly for the purposes of presentation to the International Office.

The Trustees' report and financial statements of MSF Ireland are publicly available in Ireland.

**26 MSF sister organisations**

MSF Australia  
 PO Box 847  
 Broadway  
 NSW 2007  
 AUSTRALIA

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

MSF Luxembourg  
 70 Rue de Gasperich  
 L-1617 Luxembourg  
 LUXEMBOURG

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

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

MSF Norway  
 Youngstorget 1  
 0181 Oslo  
 NORWAY

MSF Belgium  
 Duprestreet 94  
 B-1090 Brussels-Jette  
 BELGIUM

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

MSF Spain  
 Nou de la Rambla 26  
 08001 Barcelona  
 SPAIN

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

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

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



**Notes (continued)**

**Note 26 continued...**

MSF Denmark  
Kristianiagade 8,2  
DK-2100  
Copenhagen  
DENMARK

MSF Italy  
Via Volturmo 58  
00185 Rome  
ITALY

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

MSF France  
8 rue Saint Sabin  
F-75011 Paris  
FRANCE

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

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

MSF Germany  
Am Kollnischen Park 1  
10179 Berlin  
GERMANY

MSF Ireland  
9-11 Upper Baggot Street  
Dublin 4  
IRELAND

Transactions with the above sister organisations consist of the following:

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

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

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