

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

Trustees' report and financial statements

Registered number 02853011
Charity number 1026588

Year ended 31 December 2011

Contents

Report of the trustees	<i>2-13</i>
Statement of trustees' responsibilities	<i>14</i>
Independent Auditor report to the trustees of Médecins Sans Frontières (UK)	<i>15-16</i>
Statement of financial activities	<i>17</i>
Balance sheet	<i>18</i>
Cash flow statement	<i>19</i>
Notes	<i>20-33</i>

Report of the trustees

for the year ended 31 December 2011

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 2011. 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 2011

1.1 Trustees

Dr Sidney Wong	Chair	(from 3 April 2011)
Mr Paul Foreman	Chair	(resigned 3 April 2011)
Mr Gareth Barrett		appointed 11 June 2011
Mr Oliver Behn		appointed 11 June 2011
Dr Simon Burling		resigned 11 June 2011
Mr James Copeland		
Dr Margaret Fitzgerald		
Ms Tania Kelly		appointed 11 June 2011
Mr Jean-Marie Kindermans		
Ms Ulrike Pilar von Pilcha		
Ms Elizabeth Smith		
Ms Frances Stevenson		
Ms Jacqueline Tong		resigned 11 June 2011
Mr Peter Young		appointed 11 June 2011

1.2 Executive Director

Mr Marc DuBois

1.3 Company Secretary

Mr Jehangir Gandhi

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 02853011) 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' based 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 2011

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 2011, 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 2011 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 2011 the MSF UK Fundraising team raised a total of £23.5m in private income, almost exactly the same as the previous year, and a considerable achievement given the significant funding received last year for the Haiti earthquake and the difficult economic climate which seriously affected most other charities' income.

Regular donations remained stable at £10 million. Such donations now account for 48% of our unrestricted private income, ensuring core financial stability and security. For every pound spent on fundraising in the UK in 2011 we raised £10 of private income, which is considerably above the normal return for UK charities.

The major emergency in 2011 was the malnutrition crisis in Somalia and the resulting refugee influx into Kenya and Ethiopia, whereas last year it was the devastating earthquake in Haiti and the floods in Pakistan. As there was one major emergency in 2011 compared to two last year, the restricted private income funding has seen a decrease from £5.8m in 2010 to £4m in 2011.

The number of field staff placed by the Human Resources (HR) department of the London office rose to 246 in 2011, which is a small increase on the record level of 239 in 2010.

2011 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 1,025 total days spent in the field, representing especially significant contributions from members of the Manson Unit, the Programmes Unit and the Communication team.

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 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 2011 there were over 35 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 2011, 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 diseases such as sleeping sickness and kala azar, which cause huge numbers of deaths yet receive scant attention in the West.

The malnutrition crisis in south-central Somalia, the series of emergencies unfolding in the newly created country of South Sudan and the measles epidemic in the Democratic Republic of Congo are examples of humanitarian emergencies that continue to challenge MSF's limited resources. Security remained a pressing issue in many parts of the world, and in certain countries our staff were put at an unacceptably high risk.

At the time of writing, two of our Spanish colleagues remain held hostage in Somalia following their abduction from northern Kenya on 13th October. And sadly, two staff members were killed as a result of a shooting in MSF's compound in Mogadishu on 29th December. The victims were Belgian and Indonesian nationals. Philippe Havet, a 53-year-old from Belgium, was an experienced emergency coordinator who had been working with MSF since 2000. Andrias Keiluhu, better known as 'Kace', was a 44-year-old medical doctor who had worked with MSF since 1998. These incidents are a chilling reminder of the violent conflict MSF staff face when working in and around Somalia. The Trustees extend their condolences to the family and friends of the bereaved.

Somalia: Violent conflict & the unfolding of a humanitarian crisis

After twenty years of conflict, the plight of Somalis in 2011 remained catastrophic. This year Somalis faced the devastating effects of drought, compounding a long-lasting conflict and the absence of a functioning healthcare system. In the first half of 2011 we witnessed the worsening nutritional situation in south-central Somalia, with the number of malnourished children admitted to our therapeutic feeding centres steadily increasing.

The same period saw a sudden massive influx of refugees crossing the border from Somalia to the refugee camps of Dadaab in Kenya and Dolo Alto in Ethiopia. Living conditions for refugees in overcrowded camps were deteriorating, as services were unable to respond to such a massive influx.

Throughout 2011 MSF has run medical projects in up to 22 different locations in south-central Somalia, the epicentre of the crisis, as well as running large scale refugee camps in Ethiopia and Kenya. We have treated over 95,000 patients for malnutrition, and vaccinated almost 235,000 children against measles.

South Sudan: Emergencies unfolding one after another

Six months after the birth of South Sudan as the world's newest independent country, a series of emergencies are unfolding that require urgent humanitarian responses. Médecins Sans Frontières has scaled up into full emergency mode in Upper Nile State to respond to the sudden influx of thousands of refugees fleeing conflict in neighbouring Sudan. Around the town of Agok in Northern Bahr al Ghazal State MSF is facing the spectre of a food shortage and has launched a preventive supplementary feeding programme for children who risk becoming malnourished in the months ahead.

In late 2010 we saw a significant increase in the incidence of kala azar in southern Sudan. Anyone can be affected by the disease – children, adults, pregnant women, the elderly. This outbreak is particularly bad; we've seen almost eight times the number of cases as the previous year. In Malakal we undertook an emergency intervention by establishing some outreach clinics for treatment and also by supporting the kala azar ward in Malakal Hospital. The biggest challenge here is simply movement - the only way to reach Malakal is by air. We have to fly in all our drugs, equipment, bed nets and blankets. Then, once on the ground in Malakal, it's incredibly difficult to move around and reach the outlying areas.

Democratic Republic of Congo: Condition still critical

Decades of conflict and a lack of government investment have made it hard for people in the Democratic Republic of Congo (DRC) to access basic healthcare. Epidemics have spread unchecked and treatment of deadly diseases has been neglected.

The eastern DRC context is still volatile, marked by shifting alliances between armed groups, ongoing military operations, instability, insecurity, banditry, and violence.

Attacks against civilians and aid organisations are rising, making both the population and humanitarian aid workers increasingly vulnerable. Rape, murder, kidnapping, and random acts of violence are daily occurrences for millions of people. The ability of Médecins Sans Frontières to provide free and lifesaving healthcare is at times limited by this instability, which continues to push people from their homes.

Since late 2010, there has been a measles epidemic in DRC. More than 14 million children have been vaccinated, including more than three million by MSF.

Niger: Malnutrition

Even when receiving good care in a high-quality nutrition programme, between three and five percent of patients suffering severe acute malnutrition will die. For some years, MSF's nutrition projects in Niger have been implementing a preventive approach. Children under two years of age who are suffering moderate malnutrition or are at risk of malnutrition are given ready-to-use supplementary food before their condition can deteriorate to the level of severe acute malnutrition. MSF teams screened and treated children for malnutrition, trained staff, provided supervision and supplied medicines to 19 health centres spread across the departments of Dakoro, Guidan Roumdji, Madarounfa, and in Maradi commune.

Haiti: The ongoing cholera epidemic

One year since the start of the ongoing cholera epidemic in Haiti, people all over the country are still threatened by the deadly disease. Healthcare services and measures to prevent the spread of cholera are still inadequate.

Since the first cases of cholera were identified in October 2010, more than 465,000 Haitians have fallen ill and more than 6,500 people have died, according to Haiti's Ministry of Health. The ongoing rainy season is facilitating the spread of the disease. Since the beginning of the cholera epidemic in October 2010, MSF has treated more than 160,000 patients for cholera, about 35% of total cases reported nationwide. MSF teams are currently responding to cholera in the Martissant, Carrefour, Delmas, Choscal, and Drouillard neighbourhoods of Port-au-Prince; and in the Ouest, Nord, and Artibonite departments.

Zimbabwe: Fighting HIV/AIDS

An estimated 1.2 million adults and children are living with HIV in Zimbabwe. Only 55 per cent of the almost 600,000 people in urgent need of life-prolonging antiretroviral (ARV) treatment are receiving it. Médecins Sans Frontières (MSF) operates HIV/AIDS programmes in health clinics in Bulawayo city, Beitbridge, Epworth, Gweru, Tsholotsho and Buhera. Each programme provides comprehensive HIV/AIDS care, offering counselling, testing, treatment and the prevention of mother-to-child transmission of the virus.

The cost of transport restricts access to the few functioning hospitals providing ARV treatment, which puts patients at risk of interrupting their treatment, especially those living in remote areas such as Buhera and Tsholotsho. MSF seeks to remedy this by decentralising services from hospitals to rural clinics, bringing free HIV care closer to patients' homes. MSF has also implemented task-shifting and clinical mentoring – training nurses in routine HIV care, including the administration of ARV drugs, so that more staff are able to treat more patients in more locations.

Iraq: Trauma care and specialist services

Médecins Sans Frontières (MSF) has been attempting to fill some of the gaps that have been identified in obstetric care, mental health and other specialised services. It has also sustained its training and support for general surgery and its reconstructive programme for severely wounded people who are brought to neighbouring Jordan for treatment.

A more recent development has been in the neglected area of mental healthcare. Hospital staff from the Ministry of Health were trained as counsellors by MSF and are now working in units in two hospitals in Baghdad and one in Fallujah. MSF are running sessions to reduce the mental trauma patients were experiencing from their exposure to violence and insecurity. The counsellors are supported by video-conferencing systems, which allow international staff to work with them from outside the country.

Neglected diseases and affordable medicines

The news in November 2011 that the Global Fund was to cancel its annual funding round due to lack of donor support was a major setback. Countries will have to wait until 2014 before they find out if they have new funds to put more people on treatment for HIV or drug-resistant TB, or roll out diagnostic tests for malaria. The funding gaps across global health are now acute, putting at risk a decade of progress at fighting these three big killer diseases.

Treating people with drug-resistant TB is a long, expensive, difficult and complex process. Over the last ten years we estimate that less than 1% of people with drug-resistant TB have had access to appropriate treatment, and as a result some 1.5 million have died. Without the economies of scale, the cost of treatment remains high when compared to the

cost of treatment for standard TB. MSF has doubled the numbers on treatment over the decade, and is advocating for increased international commitment to scale up treatment in many countries affected by the disease.

Despite progress with some worm diseases, the continued neglect of widespread and deadly tri-tryps or kinetoplastids diseases such as Chagas, kala azar (visceral leishmaniasis) and sleeping sickness (Human African Trypanosomiasis) remain a major cause for concern. It has been 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 for these most neglected of diseases, or to increase access for patients to treatments that are already available.

4.3 UK Office

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 2011.

The number of office volunteers giving their time to support MSF UK work was much appreciated by the Trustees.

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 2011 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 193% (2010: 205%). The cost of raising £1 for private funds has stayed the same at 10 pence.

During the year, the charity had total incoming resources of £26.2m (2010: £26.6m) from the general public, provision of staff to the field, bank interest, DFID. This represents a decrease of 1.5% from 2010, with private funds almost the same as the previous year at £23.5m, and a decrease in institutional funding from £1.0m to zero in 2011.

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 2011 donations by direct debit and standing order were £9.8m (2010: £9.8m). 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 2011 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 £4m (2010: £5.8m) represent a decrease over the prior year. The reason for the decrease was primarily the result of one major emergency in 2011, namely the Somalia malnutrition crisis, as against two in 2010 being 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.

Legacy income has seen a significant increase from £2.7m to £3.8m.

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 budgeted UK expenditure for 2012 is £6.4m. The unrestricted reserves at 31 December 2011 amount to £5.0m (2010: £3.8m) and include £1.3m (2010: £0.4m) of legacy income that had not been realised at that date and therefore could not be allocated to MSF aid projects and campaigns. As a result of this increase in unrealised legacy income the unrestricted reserves now equate to approximately nine and a half months' planned UK expenditure (2010: eight 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 2011, volunteers provided a total of approximately 1,456 days (2010: 1,768 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 2011 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

The three overarching objectives in our 2012-2014 Strategic Plan are as follows:

Strategic Purpose 1: To improve the lives of people in crisis by making a positive impact to MSF's fieldwork and operational ambitions

Strategic Purpose 2: To use MSF's field experience to influence external medical, humanitarian and other stakeholders to improve medical care and the policy and practice of aid

Purpose 3: Effective Foundation: To ensure robust services, relationships, and governance to achieve Strategic Purposes 1 and 2

These three broad categories are then broken down into Objectives, and each objective carries a number of Main Directions.

In 2012 we will be focusing on three key office-wide priorities:

1. Improving medical-humanitarian aid policy and practice – internally and externally
2. Improving and extending our relationships with key internal and external stakeholders
3. Focusing on creating smart working practices and an efficient environment

1. Improving Medical-Humanitarian Aid Policy and Practice – internally and externally

We believe MSF UK has an important role to play in improving the way that aid is delivered to people in need. This includes of course the quality and pertinence of the aid that MSF delivers itself, but also with our advocacy work we seek to change the behaviour of others, be they governments, other aid organisations, the medical community or pharmaceutical companies.

Under this shared priority our focus will include the following key areas:

- Monitor and react to (seek to change!) British government and British NGO policy and activities on humanitarian aid and civil-military issues.
- Change TB (including Multi Drug Resistant TB) diagnosis and treatment through targeted advocacy towards donors, other NGOs and ministries of health
- Contribute to improved evidence-informed decision making

2. Improving and extending our working relationships with key internal and external stakeholders

Relationships are our most important asset – these are not just words in our strategic plan. First and foremost, the humanitarian business must be centred on people. Our field work is about people helping other people; our donors give not to an organisation, but to help the staff on the ground help the people in need. In the UK it is our people – whether patients, staff, returned expats or even supporters – who make the case for other people to support our work. It is also clear that MSF's relative isolation is a weakness, and that to improve its performance in the field it must establish relationships with people and institutions outside MSF – medical bodies, universities, other NGOs and journalists.

Investment in these relationships – with emphasis on giving them a human content – underpins every element of our success.

Under this shared priority our focus will include the following key areas:

- Establish a strong working partnership with the Operational Centre Amsterdam in accordance with the new manifesto and further develop active relationships with other Operational Centres and key sections
- Increase the productivity of our current and returned field staff by improving our management and relationships
- Begin capitalizing upon our relationship with Friends of MSF, donors and non-financial supporters to the benefit of fundraising, recruitment, advocacy and communications.
- Maintain strong and committed staff and volunteers in the offices in London and Dublin
- Develop stronger and more influential links with other key external stakeholders, e.g. other NGOs, medical and academic institutions, journalists and other influencers

3. Focusing on creating efficient, smart working practices and a productive environment

The annual plan includes increases in output that are not matched by our comparatively modest demand for increased resources. In part, this increase in productivity reflects our efforts to improve the value of collaborations (see above). In part, this increase in productivity must be generated by a more effective and efficient set of work practices in the office. In particular, we must take advantage of the potential advances in digital and information technology. And, as highlighted in the strategic plan, we must also ensure that the office remains conducive to work given the growth in the number of people using the office (i.e., including also international positions).

Under this shared priority our focus will include the following key areas:

- Use new digital tools and the opportunity of developing our new website to improve our performance
- Advances in Information Technology are used to improve performance and data management
- Suppliers of services to the office are productive and cost-efficient
- Physical office environment adapted to better suit the changing and growing needs of MSF UK staff, volunteers and visitors

7 AUDITOR

Disclosure of Information to Auditor

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 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: 27th April 2012

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 2011 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

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 2011 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

N M May

9th May 2012

N M May (Senior Statutory Auditor)

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 2011

		Unrestricted	Restricted	2011	2010
				Total	Total
	Note	£'000	£'000	£'000	£'000
Incoming Resources					
Incoming resources from generated funds:					
Voluntary income					
Donations, legacies and similar income	3	19,825	3,647	23,472	23,514
Grants for operational programmes	5	-	-	-	1,019
Income from other charitable activities	4	2,698	-	2,698	2,007
Investment income	6	24	-	24	22
Other income	3	3	-	3	15
Total incoming resources		<u>22,550</u>	<u>3,647</u>	<u>26,197</u>	<u>26,577</u>
Resources Expended					
Costs of generating funds					
Costs of generating voluntary income	7	2,376	-	2,376	2,387
Charitable activities					
Operational programmes	8	18,958	4,014	22,972	23,624
Governance costs	9	66	-	66	71
Total resources expended		<u>21,400</u>	<u>4,014</u>	<u>25,414</u>	<u>26,082</u>
Net income for the year	10	1,150	(367)	783	495
Fund balances brought forward at 1 January	17	<u>3,826</u>	<u>367</u>	<u>4,193</u>	<u>3,698</u>
Fund balances carried forward at 31 December	19	<u><u>4,976</u></u>	<u><u>-</u></u>	<u><u>4,976</u></u>	<u><u>4,193</u></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.

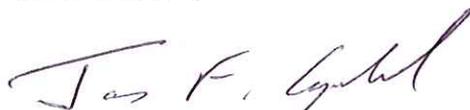
There is no difference between the historical cost surplus and the reported surplus.

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

Balance Sheet
 at 31 December 2011

	Note	2011	2010
		£'000	£'000
Non-current assets			
Fixed assets	14	52	73
Investment	13	-	-
		<u>52</u>	<u>73</u>
Current assets			
Debtors	15	2,378	1,957
Cash at bank and in-hand		7,445	5,425
		<u>9,823</u>	<u>7,382</u>
Creditors			
Amounts falling due within one year	16	(4,899)	(3,262)
		<u>4,924</u>	<u>4,120</u>
Net current assets			
		<u>4,976</u>	<u>4,193</u>
Net assets			
	19	<u>4,976</u>	<u>4,193</u>
Funds			
Unrestricted	17	4,976	3,826
Restricted	18	-	367
		<u>4,976</u>	<u>4,193</u>
Net funds			
		<u>4,976</u>	<u>4,193</u>

These financial statements were approved by the board of trustees on the 27th April 2012 and were signed on its behalf by:



James Copeland
 Treasurer

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

Cash flow statement

for the year ended 31 December 2011

	<i>Note</i>	2011 £'000	2010 £'000
Cash flow from operating activities	22	2013	1,126
Return of investments and servicing of finance			
Interest received	6	24	22
Capital expenditure and financial investment			
Purchase of fixed assets	14	(17)	(37)
Proceeds from disposal of assets		-	-
		<hr/>	<hr/>
Increase in cash in the year	23	2,020	1,111
		<hr/> <hr/>	<hr/> <hr/>

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

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 2011 the company has 375 (2010: 367) members.

2 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 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 either by the charity or 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 is 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 entitlement, for example on grant of probate, and 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) 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 potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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 of £1 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	2011 Total £'000	2010 Total £'000
Donations, legacies and similar income				
Appeals	2,685	1,463	4,148	4,591
Legacies	3,835	-	3,835	2,693
Corporate	1,365	237	1,602	1,957
Trust	654	1,622	2,276	2,021
Committed Giving	9,567	201	9,768	9,792
Other donations	1,719	124	1,843	2,460
	<hr/>	<hr/>	<hr/>	<hr/>
	19,825	3,647	23,472	23,514
	<hr/>	<hr/>	<hr/>	<hr/>
Other income				
Foreign exchange gain	-	-	-	10
Other	3	-	3	5
	<hr/>	<hr/>	<hr/>	<hr/>
	3	-	3	15
	<hr/>	<hr/>	<hr/>	<hr/>
	19,828	3,647	23,475	23,529
	<hr/>	<hr/>	<hr/>	<hr/>

MSF UK is aware of potential future legacy income for further amounts estimated at £569,000 (2010 £880,000). 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	2011 Total £'000	2010 Total £'000
Income from supply of staff to overseas projects	2,698	-	2,698	2,007
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

5 Grants for operational programmes

	2011	2010
	£'000	£'000
<u>UK Govt. - Department for International Development (DFID):</u>		
Niger	-	1,019
	<hr/> <hr/>	<hr/> <hr/>

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

6 Investment income

	Unrestricted	Restricted	2011	2010
	Funds	Funds	Total	Total
	£'000	£'000	£'000	£'000
Bank interest	24	-	24	22
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

7 Costs of generating voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
Salaries, Pensions & Tax	418	-	418	416
Travel & Subsistence	13	-	13	7
Other Personnel Costs	21	-	21	23
Office Costs (including depreciation)	128	-	128	111
Professional costs	25	-	25	17
Promotional costs	1,771	-	1,771	1,813
	<hr/>	<hr/>	<hr/>	<hr/>
	2,376	-	2,376	2,387
	<hr/>	<hr/>	<hr/>	<hr/>

8 Operational programmes

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
Institutional grants transferred to MSF Sections (refer note 5)	-	-	-	1,019
	<hr/>	<hr/>	<hr/>	<hr/>
Funds allocated to MSF aid projects and campaigns				
Afghanistan	252	308	560	-
Bangladesh	-	-	-	140
Burkina Faso	-	-	-	5
Burundi	500	-	500	250
Central African Republic	79	21	100	700
Chad	898	2	900	300
Colombia	899	1	900	650
Democratic Republic of Congo	536	99	635	1,350
Ethiopia	65	943	1,008	400
Haiti	975	325	1,300	3,318
India	1,800	-	1,800	1,050
Iraq	350	-	350	794
Ivory Coast	453	47	500	-
Kenya	-	15	15	300

Notes (continued)

Note 8 continued...

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
Malawi	-	-	-	633
Mozambique	290	10	300	-
Myanmar	750	-	750	700
Niger	381	19	400	350
Nigeria	850	-	850	400
Pakistan	-	268	268	870
Palestine	-	-	-	3
Papua New Guinea	500	-	500	300
Russia	-	-	-	1,000
Sierra Leone	300	-	300	350
Somalia	31	1,682	1,713	700
Somaliland	231	-	231	300
South Africa	250	-	250	350
Sri Lanka	-	1	1	100
Sudan	580	20	600	750
South Sudan	897	3	900	-
Swaziland	500	-	500	500
Thailand	-	-	-	350
Turkey	-	1	1	-
Uganda	-	-	-	200
Ukraine	300	-	300	-
Uzbekistan	600	-	600	100
Zimbabwe	151	249	400	790
Access to Essential Medicines Campaign	89	-	89	74
	<hr/>	<hr/>	<hr/>	<hr/>
	13,507	4,014	17,521	18,077
	<hr/>	<hr/>	<hr/>	<hr/>
Medical & programme support				
Salaries, Pensions & Tax	580	-	580	556
Travel & Subsistence	63	-	63	68
Other Personnel Costs	35	-	35	26
Office Costs (including depreciation)	113	-	113	95
Professional costs	21	-	21	16
Promotional costs	21	-	21	15
	<hr/>	<hr/>	<hr/>	<hr/>
	833	-	833	776
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

Note 8 continued...

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
Recruitment for overseas projects				
Salaries, Pensions & Tax	348	-	348	319
Travel & Subsistence	11	-	11	17
Other Personnel costs	30	-	30	23
Office Costs (including depreciation)	102	-	102	80
Professional fees	20	-	20	15
Promotional costs	3	-	3	5
	<hr/>	<hr/>	<hr/>	<hr/>
	514	-	514	459
	<hr/>	<hr/>	<hr/>	<hr/>
Témoignage & advocacy				
Salaries, Pensions & Tax	308	-	308	279
Travel & Subsistence	21	-	21	22
Other Personnel costs	16	-	16	10
Office Costs (including depreciation)	75	-	75	76
Professional costs	14	-	14	11
Promotional costs	86	-	86	47
	<hr/>	<hr/>	<hr/>	<hr/>
	520	-	520	445
	<hr/>	<hr/>	<hr/>	<hr/>
International staff				
Costs of employment of international staff	2,698	-	2,698	2,007
	<hr/>	<hr/>	<hr/>	<hr/>
Support costs				
Salaries, Pensions & Tax	395	-	395	318
Travel & Subsistence	18	-	18	16
Other Personnel costs	12	-	12	21
Office Costs (including depreciation)	82	-	82	117
Professional costs	24	-	24	34
Promotional costs	8	-	8	8
Contribution to Intl. Office expenses	347	-	347	327
	<hr/>	<hr/>	<hr/>	<hr/>
	886	-	886	841
	<hr/>	<hr/>	<hr/>	<hr/>
	18,958	4,014	22,972	23,624
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

9 Governance costs

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
Costs of trustees' meetings	28	-	28	32
Professional liability insurance	7	-	7	7
Audit fees – statutory audit	26	-	26	27
– international combined accounts	5	-	5	5
	<u>66</u>	<u>-</u>	<u>66</u>	<u>71</u>

10 Net movement in funds

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

	2011 Total £'000	2010 Total £'000
Depreciation	38	44
Hire of other assets – operating leases (note 20)	211	208
Auditor remuneration – statutory audit	26	27
Exchange losses / (gains)	26	(10)
	<u>299</u>	<u>269</u>

11 Remuneration of directors/trustees

The Chairman received remuneration of £ 4,687 for 37 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 11 trustees (2010: £24,000 to 12 trustees). In addition to this trustee indemnity insurance has been purchased at a cost of £7,000 (2010: £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	
	2011	2010
Private & Institutional Fundraising	10	11
Medical & Programme Support	12	11
Témoignage & Advocacy	7	7
Management & administration	8	12
Recruitment for overseas projects	11	8
UK staff in international projects	120	106
	<u>168</u>	<u>155</u>

Notes (continued)

Note 12 (continued)

The costs of employing those staff were:	2011	2010
	£'000	£'000
Wages & salaries	3,492	3,190
Social security costs	316	301
Pension costs	203	195
	<hr/>	<hr/>
	4,011	3,686
	<hr/> <hr/>	<hr/> <hr/>

The number of employees receiving emoluments over £60,000 are:-	2011	2010
£60,001 - £70,000	<hr/> 1 <hr/>	<hr/> 1 <hr/>

Employer contributions to defined pension schemes on behalf of staff paid over £60,000 amount to £6,305.

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

	2011	2010
	£'000	£'000
Cost		
At beginning of period	422	438
Additions	17	37
Disposals	-	(53)
	<hr/>	<hr/>
At end of period	439	422
	<hr/> <hr/>	<hr/> <hr/>
Depreciation		
At beginning of period	349	358
Charge for the period	38	44
Disposals	-	(53)
	<hr/>	<hr/>
At end of period	387	349
	<hr/> <hr/>	<hr/> <hr/>
Net book value		
At end of period	52	73
	<hr/> <hr/>	<hr/> <hr/>
At beginning of period	73	80
	<hr/> <hr/>	<hr/> <hr/>

All assets are used for charitable purposes

Notes (continued)

15 Debtors

	2011	2010
	£'000	£'000
Amounts due from DFID	-	404
Amounts due from the Elma Foundation	-	172
Amounts due from sister organisations	617	384
Legacies receivable	1,378	458
Other debtors	-	133
Accrued income	242	360
Prepayments and deferred charges	141	46
	<hr/> 2,378 <hr/>	<hr/> 1,957 <hr/>

16 Creditors: amounts falling due within one year

	2011	2010
	£'000	£'000
Amounts owed to sister organisations by grant funders	-	404
MSF sister organisation creditors	294	145
MSF sister organisation grants agreed	4,205	2,372
Conduit funds received not yet transferred to sister organisations	-	-
Other tax and social security	113	112
Other creditors	218	149
Accruals	69	80
	<hr/> 4,899 <hr/>	<hr/> 3,262 <hr/>

Notes (continued)

17 Unrestricted funds

	2011	2010
	£'000	£'000
Balance at 1 January	3,826	3,486
Surplus for the year	1,150	340
Balance at 31 December	4,976	3,826

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 2011 £'000	Incoming Resources £'000	Programme Expenditure £'000	Balance at 31 December 2011 £'000
Afghanistan	121	187	308	-
Central African Republic	-	21	21	-
Chad	-	2	2	-
Columbia	-	1	1	-
Democratic Republic of Congo	-	99	99	-
Ethiopia	-	943	943	-
Haiti	-	325	325	-
Ivory Coast	-	47	47	-
Kenya	-	15	15	-
Mozambique	-	10	10	-
Niger	-	19	19	-
Pakistan	242	26	268	-
Somalia	-	1,682	1,682	-
Sri Lanka	-	1	1	-
Sudan	-	20	20	-
South Sudan	-	3	3	-
Turkey	-	1	1	-
Zimbabwe	4	245	249	-
	367	3,647	4,014	-

Notes (continued)

Note 18 (continued)

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

19 Analysis of net assets between funds

	Fixed Assets £'000	Net Current Assets £'000	2011 Total £'000	2010 Total £'000
Restricted assets	-	-	-	367
Unrestricted assets	52	4,924	4,976	3,826
	<hr/>	<hr/>	<hr/>	<hr/>
	52	4,924	4,976	4,193
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

20 Commitments

There were no commitments contracted or authorised at 31 December 2011 (31 December 2010: £nil) other than lease agreements. Amounts payable within the next twelve months on leases expiring:-

	2011 Land and Buildings £'000	2011 Other £'000	2010 Land and Buildings £'000	2010 Other £'000
Operating leases which expire:-				
Within 1 year	87	-	-	-
Within 2 – 5 years	-	11	198	10
	<hr/>	<hr/>	<hr/>	<hr/>

The amount charged to the SOFA (Statement of Financial Activity) with respect to these contracts in 2011 was £211,000 (2010: £208,000).

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 £203,000 (2010: £195,000) all of which was payable at 31 December 2011. The cost is accounted in the year it arises and there were no outstanding or prepaid amounts at 31 December 2011.

22 Reconciliation of net incoming resources to operating cash flows

	2011 £'000	2010 £'000
Net incoming resources	783	495
Bank interest	(24)	(22)
Depreciation charge	38	44
(Increase) / decrease in debtors	(421)	190
Increase in creditors	1,637	419
	<hr/>	<hr/>
Net cash inflow from operating activities	2,013	1,126
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

23 Analysis of net cash resources

	At 1 January 2011 £'000	Cash Flow £'000	At 31 December 2011 £'000
Cash in hand & at bank	5,425	2,020	7,445

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 sister organisations and head office

MSF Australia
 PO Box 847
 Broadway
 NSW 2007
 AUSTRALIA

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

MSF Luxembourg
 68 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
 Postboks 8813 Youngstorget
 0028 Oslo
 NORWAY

MSF Belgium
 Duprestreet 94
 B-1090 Brussels-Jette
 BELGIUM

MSF Hong Kong
 22F Pacific Plaza
 410-408 Des Voeux Road West
 Sai Wan
 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 (Head office)
 rue de Lausanne, 78
 Case Postale 116
 1211 Geneve 21
 SWITZERLAND

MSF Sweden
 Gjorwellsgatan 28, 4 tra[[pr
 Box 34048
 10026 Stockholm
 SWEDEN

Notes (continued)

Note 25 (continued)

MSF Denmark
Kristianiagade 8,
DK-2100
Copenhagen
DENMARK

MSF Italy
Via Volturno 58
00185 Rome
ITALY

MSF Switzerland
rue de Lausanne 78
Case Postale 116
1211 Genève 21
SWITZERLAND

MSF France
8 rue Saint Sabin
F-75011 Paris
FRANCE

MSF Japan
3F Waseda SIA Building
1-1 Babashitacho Shinjuku-ku
Tokyo 162-0045
JAPAN

MSF USA
333 7th Avenue
2nd 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)