

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

Trustees' report and financial statements

Registered number 02853011  
Charity number 1026588

Year ended 31 December 2012

---

## **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 2012

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 2012. 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 2012

#### 1.1 Trustees

Mr Paul McMaster                      Chair      (appointed 23 June 2012)

Dr Sidney Wong                      Chair      (resigned 23 June 2012)

Mr Gareth Barrett

Mr Oliver Behn

Mr James Copeland

Ms Fiona Dudley                      appointed 23 June 2012

Dr Margaret Fitzgerald              resigned 23 June 2012

Ms Victoria Keilthy                      appointed 23 June 2012

Ms Tania Kelly

Mr Jean-Marie Kindermans

Ms Ulrike Pilar von Pilcha              resigned 17 April 2012

Ms Elizabeth Smith

Ms Frances Stevenson                      resigned 23 June 2012

Mr Peter Young

#### 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 gender, 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 makes a contribution to the running of field operations, primarily under the umbrella of 'Operational Centre Amsterdam' (OCA), along with MSF Holland and MSF Germany.

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 2012**

#### **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 makes a contribution to the running of field operations, primarily through a partnership under the umbrella of Operational Centre Amsterdam (OCA), along with MSF Holland and MSF Germany. In 2012, OCA ran emergency medical projects in 28 countries, half of which are in Africa and the remainder largely in Central and South Asia.

In 2012 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). MSF UK also provides substantial support in other forms – human resources, advocacy support and communications expertise – to all five MSF operational centres (based out of Amsterdam, Barcelona, Brussels, Geneva and Paris). See section 4.2 for an operational overview of the work of all five MSF Operational Centres.

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 2012 the MSF UK Fundraising team raised a total of £21.4m in private income which is a considerable achievement given the significant funding received last year for the Somalia malnutrition crisis and the difficult economic climate which seriously affected most other charities' income.

Regular donations increased by 7% to £10.5 million. Such donations now account for 49% of our unrestricted private income, ensuring core financial stability and security. For every pound spent on fundraising in the UK in 2012 we raised £10 of private income, which is considerably above the normal return for UK charities.

Restricted income was particularly high in 2011 due to the malnutrition crisis in Somalia and the resulting refugee influx into Kenya and Ethiopia.

The number of field staff placed by the Human Resources (HR) department of the London office saw a reduction to 174 in 2012, compared to the record level of 246 in 2011. The reason for the decrease is primarily due to the increase in the length of field contracts undertaken by expatriate staff in 2012.

2012 was a year in which the UK office made extensive contributions to the field, both in terms of direct operational support 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 1,127 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.

Finally, the sterling work of the network of university student societies, the 'Friends of MSF' is noteworthy. At the end of 2012 there were around 30 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 2012, 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.

2012 proved to be a challenging year, which included civil wars in Syria and northern Mali and refugee crisis in South Sudan and northern Kenya. MSF staff assisted civilians in some of the most insecure and dangerous areas of Syria, working out of three field hospitals, the location of which remain secret for fear of retaliation. MSF are one of the main suppliers of medical care to the thousands of Sudanese refugees stranded without food or drinking water in South Sudan's Upper Nile State after fleeing fighting in neighbouring Sudan. Through 2012 MSF provided around 14,000 medical consultations per month to half a million Somalis living in extreme conditions and fear in the Dadaab refugee camp in Kenya.

Security remained a pressing issue in many parts of the world, and in certain countries our staff faced challenging security risks. At the time of writing, our Spanish colleagues Blanca Thiebaut and Montserrat Serra still remain held hostage in Somalia following their abduction from northern Kenya on 13th October 2011. Incidents such as these are a chilling reminder of the violent conflict MSF staff face when working in and around Somalia. We call on all Somalis including community leaders and the authorities in control of areas in Somalia where MSF's kidnapped colleagues are being detained, to do everything possible to facilitate their safe release. The Trustees send a message of support to the family and friends of Blanca and Montserrat.

### **Africa – Conflict & Poverty in the Central African Republic (CAR)**

MSF works in five of CAR's 17 prefectures, supporting nine hospitals and 36 health centres, mainly in the more unstable border areas, where it can be very difficult for people to access healthcare. Thousands of people in the CAR have taken temporary refuge in the bush to escape violence, and are living without proper shelter or safe drinking water.

Two years ago, worried by the severe health problems we were seeing each day in our clinics and hospitals, but lacking strong data on what was actually going on, MSF conducted five separate retrospective mortality surveys in different parts of the country. Mortality rates are consistently above the emergency threshold countrywide, indicating an urgent need for large-scale medical assistance. Recorded death rates were particularly high, caused by a high prevalence of preventable, and treatable, diseases, a failed health system and years of conflict.

Despite this, funding for health is declining. In the report *State of Silent Crisis*, MSF called for greater medical assistance in the Central African Republic.

Towards the end of 2012 there was a significant rebel advance that swept through CAR as the rebel coalition Seleka entered and took over several towns. MSF is continuing its work in the towns of Ndélé, Kabo and Batangafo, and setting up supplementary activities in areas that are likely to be worst affected.

### **Africa – Responding to a refugee crisis in South Sudan**

More than 170,000 people fleeing armed conflict in Sudan's Blue Nile and South Kordofan states are struggling to survive in five refugee camps located in a very inhospitable, harsh stretch of land in Maban County, South Sudan. Infrastructure, health care and water are extremely limited, and people in the camps are now wholly dependent on humanitarian agencies.

MSF is treating patients, setting up emergency medical care, ensuring people have drinking water and helping malnourished children. We have been working in the region since November 2011 and have scaled up our work in response to the growing crisis, as well as working to draw the emergency to the attention of the world's media.

"The key for preventing cholera is to ensure sufficient access to clean drinking water, and to have appropriate sanitation and hygiene facilities," says Paul Critchley, MSF emergency coordinator in Maban County. "We are currently tackling an escalating hepatitis E outbreak in the camps, so we know that sanitation conditions here are not yet adequate. Hepatitis E is spread in similar ways to cholera, and this reinforces the need to do all we can to prevent cholera breaking out too."

With no easy access routes, it was a challenge for MSF to bring in nineteen 200-litre fridges, the generators to keep them running and the 290,000 vials of vaccine. Despite the logistical challenges, the innovative approach to cholera-prevention is justified in a situation where a population is exceptionally vulnerable and where the consequences of an outbreak would be particularly devastating.

In Maban County, we currently have four field hospitals and eight out-patient health-posts. We have 106 international and 874 locally recruited staff working in the camps, who carry out around 7,600 consultations per week. We treat and distribute around 2.5 million litres of water each week.

### **Africa – Lead Poisoning in Nigeria**

MSF has been continuously working in Nigeria since 1996. In March 2010, we were alerted to a high number of child fatalities in Zamfara state, northern Nigeria—an estimated 400 children died. Laboratory testing later confirmed high levels of lead in the blood of the surviving children.



MSF is a central player in treating lead poisoning in Zamfara state, and is responding to the acute phase of this emergency. MSF has for the moment controlled mortality, but patients with lead poisoning will require significant long-term treatment and follow-up. MSF treats the sickest children at its inpatient facility in Anka hospital.

The root cause of the lead poisoning crisis is unsafe artisanal mining and ore processing. People who engage in mining and ore processing must be given access to facilities and programs to allow them to safely mine and process ore without exposing themselves or others to toxic lead.

In May 2012, MSF, the Nigeria Centre for Disease Control and the Nigerian Federal Ministry of Health held an International Conference on Lead Poisoning, with a special focus on the Zamfara crisis, which brought together leading medical, environmental and mining experts, government policy makers, and traditional leadership.

### **Asia – Responding to crisis in Pakistan**

MSF has been working in Pakistan with Pakistani communities and Afghan refugees who are victims of armed conflict and natural disasters or who lack access to medical care.

In early September 2012, the MSF team working in the eastern reaches of Pakistan's Balochistan province expanded their existing services to include basic health care for people affected by heavy monsoon rains lashing the area.

The needs became apparent as heavy monsoon rains flooded the town of Dera Murad Jumali and surrounding areas, forcing thousands of families to abandon their homes and seek shelter on the sides of roads in makeshift tents. In response, MSF's team supplied water to 20 water tanks and two 15 cubic meter water bladders to ensure that there would be safe drinking water for thousands of people who otherwise cannot access it. MSF was providing more than 650,000 litres of clean drinking water to the displaced people every day.

In addition, teams set up a temporary 10-bed Diarrhoea Treatment Centre in Dera Murad Jamali's Civil Hospital to treat patients diagnosed with acute watery diarrhoea.

Limited access to good-quality emergency obstetric care means women in Pakistan face significant risks during childbirth. In insecure areas, travel restrictions make access even more difficult. In Khyber Pakhtunkhwa province, MSF staff delivered more than 7,000 babies in Dargai and Timurgara hospitals. In May 2012, MSF opened a women's hospital in Peshawar district. The 30-bed hospital focuses on providing care during complicated pregnancies and births. MSF also supports ante and postnatal care at clinics run by the local authorities. MSF has also opened a paediatric hospital in Quetta, the provincial capital. The 50-bed hospital provides free neonatal and paediatric care, including an inpatient therapeutic feeding centre.

### **Asia – Drug Resistant TB in Uzbekistan**

TB and its drug resistant forms (DR-TB) are a threat to global health around the world. The disease kills approximately 1.8 million people each year and is also a growing challenge in the Central Asia region, where there is a high prevalence of TB and DR-TB. In many places, access to an exact diagnosis for drug-resistance is still lacking. As a consequence, the majority of people suffering from TB remain undiagnosed and hence untreated.

DR-TB is widespread in Uzbekistan. Treatment is arduous – side effects are common, and include nausea, headaches and sleep disturbances – and takes up to two years. Understandably, it can be very difficult for patients to complete the course of treatment. MSF's programme includes a range of approaches, which all contribute to improving adherence.

Educating patients about DR-TB, the medication and the side effects enables them to better understand and manage their disease. Psychological assistance, in the form of individual, group and family counselling sessions, supports patients in coping with the physical and social effects both of having TB and being on treatment.

More practical social support, such as help with transport and food, is also provided. Amid signs that Uzbekistan's commitment to tackling TB is strengthening, MSF expanded its programme to three more districts in 2012.

### **Asia – HIV and TB treatment in Myanmar**

Myanmar, the least developed country in Southeast Asia, is one of the lowest recipients of Official Development Aid in the world. With political reform being reciprocated by greater engagement from the international community, there is a real opportunity to put access to treatment for people living with HIV and TB at the top of donor priority lists.

MSF is the largest provider of HIV treatment in Myanmar, treating around 23,000 patients. In a report released in February 2012, we highlighted the critical need for increased HIV and TB treatment in the country.

According to the report, 85,000 people in urgent need of lifesaving anti-retroviral therapy in Myanmar are today unable to access it. Of an estimated 9,300 people newly infected with MDR-TB each year, so far just over 300 have been receiving treatment.

Recent political reforms in Myanmar have been reciprocated by greater engagement from the international community. Donors have a real opportunity, and responsibility, to help build on those foundations laid to address the gap between need and access to treatment for those living with HIV and TB in Myanmar.

### **Worldwide - Advocacy and témoignage**

For many, MSF is synonymous with emergency medical teams tackling disasters, wars and epidemics around the world. But we also work to raise awareness and create debate about these crises through our policy of "témoignage".

This means MSF acts as a witness and will speak out, either in private or in public, about the plight of populations in danger for whom we work. In doing so, MSF sets out to alleviate human suffering, to protect life and health and to restore respect for human beings and their fundamental human rights.

MSF's operational advocacy occurs both in and out the field. On the ground, it might mean a project coordinator meeting with the military commander of an area to pressure against harassment of our patients at roadside checkpoints. MSF works under the premise that there is no guaranteed "humanitarian space" for our programs, so we must constantly advocate for the various sides in a conflict or various officials and members of government to respect the neutrality of our medical structures and our medical work.

Away from the field, our advocacy takes place in capital cities, halls of government, and with other organizations or international institutions. In addition, we advocate for neglected patients, for more effective delivery of humanitarian aid, and for specific needs we see in the field.

For example, in South Sudan last year, we called for a swifter, more focused response to growing refugee situations in the north and east. And in DRC, we highlighted how persistent insecurity precluded the delivery of aid to many desperately in need of it. We also have advocated on broader topics, such as the shortcomings of the United Nations cluster system. Likewise, we advocate for greater access to specific and effective tools and drugs for patients. This has happened with treatments for malaria, for HIV, for TB, and other diseases. In many cases, MSF collected evidence to demonstrate the efficacy of a new treatment regimen. In many others, MSF and its Access Campaign push pharmaceutical companies to make their products available at affordable prices for people in developing and often deeply impoverished countries.

## **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 202% (2011: 193%). 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 £23.9m (2011: £26.2m) from the general public, provision of staff to the field and bank interest. This represents a decrease of 8.8% from 2011, and is mainly a result of lower restricted income from major emergency appeals. As was the case in 2011, we received no government funding in 2012.

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 2012 donations by direct debit and standing order were £10.5m (2011: £9.8m). Despite the difficult economic climate we increase our income from our loyal long-term committed supporters by over 7%.

Loyalty is a key goal of our fundraising work, and in 2012 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 £1.9m (2011: £4.0m) represent a decrease over the prior year. The 2011 amount was high due to the Somalia malnutrition crisis. The restricted funds have been rapidly transferred to support MSF work to assist people at risk in these crises.

Legacy income has seen a decrease from £3.8m to £2.6m. As can be seen from note 3 to the accounts, increases and decreases in legacy income is often a timing issue.

### **5.3 Reserves Policy**

In 2012 the Trustees reassessed the risk to MSF UK. Following this reassessment they approved a change to the reserves policy.

Under this policy MSF UK will maintain in reserves a target of 4.5 months of budgeted UK expenditure as an acceptable level of unrestricted reserves (2011 : 6 months). This change in policy has allowed us to reduce reserves by committing additional funds to projects in the field in 2012. Accrued legacy income is to be excluded from the reserves calculation.

The budgeted UK expenditure for 2013 is £6.0m. The unrestricted reserves at 31 December 2012 amount to £3.5m (2011: £5.0m) and include £0.7m (2011: £1.3m) of

legacy income that had not been realised at that date and therefore could not be allocated to MSF aid projects and campaigns.

Excluding the £0.7m of legacy accrual funds that have not been realised at the end of the year and therefore cannot be allocated to projects, the unrestricted reserves amount to £2.8m or 5.6 months budgeted UK expenditure (2011 : 6.7 months). The Trustees believe this is within an acceptable margin of the target reserves of 4.5 months of budgeted UK expenditure. 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 2012, volunteers provided a total of approximately 1,612 days (2011: 1,456 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 2012 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 2013 we will be focusing on the following priorities:**

MSF will continue to respond to the most acute humanitarian and medical needs around the world. We will continue to try and be present where we are most needed, be it with people caught in conflicts, natural disasters, hit by outbreaks of disease or who are neglected or persecuted. As well as substantial ongoing commitments in sub-Saharan Africa, unrest in the Middle East and North Africa (MENA) region continues to cause

concern, most particularly with the civil war in Syria and the consequences for people both there and in neighbouring countries.

We will, as ever, seek to focus our efforts towards filling the gaps left by other aid providers, bringing our significant expertise in war surgery and emergency hospital management. In addition we will deliver and advocate for better, more effective treatments for many neglected diseases, especially drug-resistant tuberculosis (TB). With the arrival of two new promising TB drugs onto the market, MSF will start a clinical trial across a number of different sites, seeking to significantly shorten, ease and make more effective, the cure of this deadly disease.

This DR-TB trial is particularly exciting for MSF UK as the Manson Unit, already extremely productive across a number of medical topics, is now poised to provide active support. With a project team of three or four people based in the UK office this initiative, to span several years, will draw upon the strengths of our well-integrated communications, policy analysis, and lobbying/campaigning capabilities. We will execute this project in co-operation with our colleagues in MSF Holland, who have recently been awarded a €6m grant from the Dutch postcode lottery to undertake this ambitious project. As well as the TB trial, MSF UK will provide active support to all MSF operations - providing vital human and financial resources, but also advice, advocacy support and communications expertise as required.

Other priorities for the UK office will be more national in focus. In 2013 we will consolidate and expand our fundraising activities; a new campaigns manager joins the team at the beginning of 2013 and recruitment of new donors, as well as excellence in our dealings with existing donors, is our goal. Consolidation of activities and strategy across fundraising and communications will assist in meeting this objective and we look forward to the launch of a new, responsive, website at the beginning of 2013. In addition we have ambitious plans for improving our public engagement work around the UK that will see us linking human resources, association, advocacy, fundraising and communications objectives in strengthened community work.

Our London office is a bustling, busy place, for both better and worse, and 2013 will see us focusing on creating efficient, smart working practices and a productive environment. Our annual plan includes increases in output that are not matched by our comparatively modest demand for increased resources and so 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).

In order to better contribute to MSF's field operations the Human Resources department has embarked on improving talent management and performance of UK staff. This will be further developed and implemented over the coming years, with a particular focus of building medical leadership into the development of our expatriate doctors and nurses.

Finally, we will use 2013 to ready ourselves for the arrival of a new Executive Director in 2014. In recognition of the importance of this pivotal role, the Trustees have commenced the recruitment plan, with an objective to ensure the orderly hand over to a new Executive Director in early 2014.

## **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**



Paul McMaster  
Chair

Date: 22<sup>nd</sup> March 2013

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. Under that law they are required to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the excess of expenditure over income for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

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

## **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 2012 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2012 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 May*

**Nicola 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

*25<sup>th</sup> March 2013*

**Statement of Financial Activities**  
**(incorporating an income and expenditure account)**  
 for the year ended 31 December 2012

		Unrestricted	Restricted	2012	2011
				Total	Total
	Note	£'000	£'000	£'000	£'000
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Voluntary income					
Donations, legacies and similar income	3	19,536	1,875	21,411	23,472
Income from other charitable activities	4	2,451	-	2,451	2,698
Investment income	5	18	-	18	24
Other income	3	12	-	12	3
Total incoming resources		22,017	1,875	23,892	26,197
<b>Resources Expended</b>					
Costs of generating funds					
Costs of generating voluntary income	6	2,080	-	2,080	2,376
Charitable activities					
Operational programmes	7	21,371	1,850	23,221	22,972
Governance costs	8	66	-	66	66
Total resources expended		23,517	1,850	25,367	25,414
<b>Net income for the year</b>	9	(1,500)	25	(1,475)	783
Fund balances brought forward at 1 January	16	4,976	-	4,976	4,193
Fund balances carried forward at 31 December	18	3,476	25	3,501	4,976

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 2012

	Note	2012	2011
		£'000	£'000
<b>Non-current assets</b>			
Fixed assets	13	66	52
Investment	12	-	-
		<u>66</u>	<u>52</u>
<b>Current assets</b>			
Debtors	14	1,737	2,378
Cash at bank and in-hand	22	6,840	7,445
		<u>8,577</u>	<u>9,823</u>
<b>Creditors</b>			
Amounts falling due within one year	15	<u>(5,142)</u>	<u>(4,899)</u>
<b>Net current assets</b>		<u>3,435</u>	<u>4,924</u>
<b>Net assets</b>	18	<u>3,501</u>	<u>4,976</u>
<b>Funds</b>			
Unrestricted	16	3,476	4,976
Restricted	17	25	-
<b>Net funds</b>		<u>3,501</u>	<u>4,976</u>

These financial statements were approved by the board of trustees on the 22<sup>nd</sup> March 2013 and were signed on its behalf by:



James Copeland  
 Treasurer



Paul McMaster  
 Chair

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

## Cash flow statement

for the year ended 31 December 2012

	<i>Note</i>	<b>2012</b> <b>£'000</b>	2011 £'000
Cash flow from operating activities	<i>21</i>	<b>(571)</b>	2,013
Return of investments and servicing of finance			
Interest received	<i>5</i>	<b>18</b>	24
Capital expenditure and financial investment			
Purchase of fixed assets	<i>13</i>	<b>(52)</b>	(17)
		<hr/>	<hr/>
(Decrease)/Increase in cash in the year	<i>22</i>	<b>(605)</b>	2,020
		<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 2012 the company has 388 (2011: 375) 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 2011 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	2012 Total £'000	2011 Total £'000
<b>Donations, legacies and similar income</b>				
Appeals	2,707	899	<b>3,606</b>	4,148
Legacies	2,641	-	<b>2,641</b>	3,835
Corporate	1,175	214	<b>1,389</b>	1,602
Trust	1,239	460	<b>1,699</b>	2,276
Committed Giving	10,313	198	<b>10,511</b>	9,768
Other donations	1,461	104	<b>1,565</b>	1,843
	<hr/>	<hr/>	<hr/>	<hr/>
	19,536	1,875	<b>21,411</b>	23,472
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other income</b>				
Foreign exchange gain	7	-	<b>7</b>	-
Other	5	-	<b>5</b>	3
	<hr/>	<hr/>	<hr/>	<hr/>
	12	-	<b>12</b>	3
	<hr/>	<hr/>	<hr/>	<hr/>
	19,548	1,875	<b>21,423</b>	23,475
	<hr/>	<hr/>	<hr/>	<hr/>

MSF UK is aware of potential future legacy income for further amounts estimated at £1,385,000 (2011 £569,000) 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.

In addition to potential future legacy income, MSF received a discretionary legacy of £2,735,000 in January 2013. This discretionary legacy is not recognised in the figures above as MSF was notified of the sum by the executors of the estate after 31 December 2012.

### 4 Income from other charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
Income from supply of staff to overseas projects	2,451	-	<b>2,451</b>	2,698
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

5 Investment income

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	18	-	18	24
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6 Costs of generating voluntary income

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
Salaries, Pensions & Tax	442	-	442	418
Travel & Subsistence	14	-	14	13
Other Personnel Costs	30	-	30	21
Office Costs (including depreciation)	103	-	103	128
Professional costs	66	-	66	25
Promotional costs	1,425	-	1,425	1,771
	<hr/>	<hr/>	<hr/>	<hr/>
	2,080	-	2,080	2,376
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**Notes** (continued)

**7 Operational programmes**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2012 Total £'000</b>	2011 Total £'000
Funds allocated to MSF aid projects and campaigns				
Afghanistan	300	-	<b>300</b>	560
Bangladesh	9	6	<b>15</b>	-
Burundi	-	-	-	500
Central African Republic	600	-	<b>600</b>	100
Chad	1,000	-	<b>1,000</b>	900
Colombia	-	-	-	900
Democratic Republic of Congo	4,288	112	<b>4,400</b>	635
Ethiopia	1	-	<b>1</b>	1,008
Haiti	1,972	128	<b>2,100</b>	1,300
India	30	10	<b>40</b>	1,800
Iraq	-	-	-	350
Ivory Coast	-	-	-	500
Jordan	-	46	<b>46</b>	-
Kenya	-	-	-	15
Lebanon	-	13	<b>13</b>	-
Lesotho	250	-	<b>250</b>	-
Mali	197	3	<b>200</b>	-
Mozambique	286	14	<b>300</b>	300
Myanmar	1,031	29	<b>1,060</b>	750
Niger	2	68	<b>70</b>	400
Nigeria	923	1	<b>924</b>	850
Pakistan	348	2	<b>350</b>	268
Palestine	-	1	<b>1</b>	-
Papua New Guinea	94	66	<b>160</b>	500
Russia Caucasus	1,000	-	<b>1,000</b>	-
Sierra Leone	499	1	<b>500</b>	300
Somalia	333	67	<b>400</b>	1,713
Somaliland	-	-	-	231

Notes (continued)

Note 7 continued...

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
South Africa	-	-	-	250
Sri Lanka	-	-	-	1
Sudan	600	-	600	600
South Sudan	953	813	1,766	900
Syria Crisis	156	204	360	-
Swaziland	-	-	-	500
Turkey	-	-	-	1
Ukraine	-	-	-	300
Uzbekistan	-	-	-	600
Zimbabwe	921	201	1,122	400
Access to Essential Medicines Campaign	32	65	97	89
Drugs for Neglected Diseases	39	-	39	-
	15,864	1,850	17,714	17,521
<b>Medical &amp; programme support</b>				
Salaries, Pensions & Tax	662	-	662	580
Travel & Subsistence	79	-	79	63
Other Personnel Costs	28	-	28	35
Office Costs (including depreciation)	113	-	113	113
Professional costs	21	-	21	21
Promotional costs	32	-	32	21
	935	-	935	833

**Notes (continued)**

**Note 7 continued...**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2012 Total £'000</b>	2011 Total £'000
<b>Recruitment for overseas projects</b>				
Salaries, Pensions & Tax	354	-	<b>354</b>	348
Travel & Subsistence	8	-	<b>8</b>	11
Other Personnel costs	32	-	<b>32</b>	30
Office Costs (including depreciation)	96	-	<b>96</b>	102
Professional fees	25	-	<b>25</b>	20
Promotional costs	8	-	<b>8</b>	3
	<hr/>	<hr/>	<hr/>	<hr/>
	523	-	<b>523</b>	514
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Témoignage &amp; advocacy</b>				
Salaries, Pensions & Tax	354	-	<b>354</b>	308
Travel & Subsistence	31	-	<b>31</b>	21
Other Personnel costs	14	-	<b>14</b>	16
Office Costs (including depreciation)	92	-	<b>92</b>	75
Professional costs	26	-	<b>26</b>	14
Promotional costs	171	-	<b>171</b>	86
	<hr/>	<hr/>	<hr/>	<hr/>
	688	-	<b>688</b>	520
	<hr/>	<hr/>	<hr/>	<hr/>
<b>International staff</b>				
Costs of employment of international staff	2,451	-	<b>2,451</b>	2,698
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Support costs</b>				
Salaries, Pensions & Tax	415	-	<b>415</b>	395
Travel & Subsistence	15	-	<b>15</b>	18
Other Personnel costs	8	-	<b>8</b>	12
Office Costs (including depreciation)	85	-	<b>85</b>	82
Professional costs	23	-	<b>23</b>	24
Promotional costs	8	-	<b>8</b>	8
Contribution to Intl. Office expenses	356	-	<b>356</b>	347
	<hr/>	<hr/>	<hr/>	<hr/>
	910	-	<b>910</b>	886
	<hr/>	<hr/>	<hr/>	<hr/>
	21,371	1,850	<b>23,221</b>	22,972
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

**8 Governance costs**

	Unrestricted Funds £'000	Restricted Funds £'000	<b>2012 Total £'000</b>	2011 Total £'000
Costs of trustees' meetings	29	-	<b>29</b>	28
Professional liability insurance	8	-	<b>8</b>	7
Audit fees – statutory audit	24	-	<b>24</b>	26
– international combined accounts	5	-	<b>5</b>	5
	<u>66</u>	<u>-</u>	<u><b>66</b></u>	<u>66</u>

**9 Net movement in funds**

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

	<b>2012 Total £'000</b>	2011 Total £'000
Depreciation	<b>38</b>	38
Hire of other assets – operating leases (note 19)	<b>211</b>	211
Auditor remuneration – statutory audit	<b>24</b>	26
Exchange losses / (gains)	<b>(7)</b>	26
	<u><b>386</b></u>	<u>301</u>

**10 Remuneration of directors/trustees**

The Chairman received remuneration of £ 8,188 for 65.5 days of paid work (2011 : £4,687 for 37 days). 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. £29,000 was reimbursed for directly incurred expenses to 10 trustees (2011: £24,000 to 11 trustees). In addition to this trustee indemnity insurance has been purchased at a cost of £8,000 (2011: £7,000).

**11 Staff numbers and costs**

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

	<b>Number of Employees</b>	
	<b>2012</b>	2011
Private & Institutional Fundraising	<b>11</b>	10
Medical & Programme Support	<b>13</b>	12
Témoignage & Advocacy	<b>8</b>	7
Management & administration	<b>10</b>	8
Recruitment for overseas projects	<b>8</b>	11
UK staff in international projects	<b>85</b>	120
	<u><b>135</b></u>	<u>168</u>

## Notes (continued)

### Note 11 (continued)

The costs of employing those staff were:	<b>2012</b>	2011
	<b>£'000</b>	£'000
Wages & salaries	<b>3,494</b>	3,492
Social security costs	<b>325</b>	316
Pension costs	<b>214</b>	203
	<hr/>	<hr/>
	<b>4,033</b>	4,011
	<hr/> <hr/>	<hr/> <hr/>

The number of employees receiving emoluments over £60,000 are:-	<b>2012</b>	2011
£60,001 - £70,000	<b>1</b>	1
	<hr/> <hr/>	<hr/> <hr/>

Employer contributions to defined pension schemes on behalf of staff paid over £60,000 amount to £6,454.

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

## 12 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.

## 13 Tangible Fixed Assets

Fittings, Furniture and other office equipment

	<b>2012</b>	2011
	<b>£'000</b>	£'000
<b>Cost</b>		
At beginning of period	<b>439</b>	422
Additions	<b>52</b>	17
Disposals	<b>-</b>	-
At end of period	<hr/> <b>491</b> <hr/>	<hr/> 439 <hr/>
<b>Depreciation</b>		
At beginning of period	<b>387</b>	349
Charge for the period	<b>38</b>	38
Disposals	<b>-</b>	-
At end of period	<hr/> <b>425</b> <hr/>	<hr/> 387 <hr/>
<b>Net book value</b>		
At end of period	<hr/> <b>66</b> <hr/>	<hr/> 52 <hr/>
At beginning of period	<hr/> <b>52</b> <hr/>	<hr/> 73 <hr/>

All assets are used for charitable purposes

**Notes** (continued)

**14 Debtors**

	<b>2012</b>	2011
	<b>£'000</b>	£'000
Amounts due from sister organisations	<b>592</b>	617
Legacies receivable	<b>723</b>	1,378
Accrued income	<b>342</b>	242
Prepayments and deferred charges	<b>80</b>	141
	<hr/>	<hr/>
	<b>1,737</b>	2,378
	<hr/> <hr/>	<hr/> <hr/>

**15 Creditors: amounts falling due within one year**

	<b>2012</b>	2011
	<b>£'000</b>	£'000
MSF sister organisation creditors	<b>420</b>	294
MSF sister organisation grants agreed	<b>4,289</b>	4,205
Other tax and social security	<b>115</b>	113
Other creditors	<b>257</b>	218
Accruals	<b>61</b>	69
	<hr/>	<hr/>
	<b>5,142</b>	4,899
	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

16 Unrestricted funds

	2012	2011
	£'000	£'000
Balance at 1 January	4,976	3,826
Surplus /(deficit) for the year	(1,500)	1,150
<b>Balance at 31 December</b>	<b>3,476</b>	<b>4,976</b>

17 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 2012 £'000	Incoming Resources £'000	Programme Expenditure £'000	Balance at 31 December 2012 £'000
Bangladesh	-	6	6	-
Democratic Republic of Congo	-	112	112	-
Haiti	-	128	128	-
India	-	10	10	-
Jordan	-	71	46	25
Lebanon	-	13	13	-
Mali	-	3	3	-
Mozambique	-	14	14	-
Myanmar	-	29	29	-
Niger	-	68	68	-
Nigeria	-	1	1	-
Pakistan	-	2	2	-
Palestine	-	1	1	-
Papua New Guinea	-	66	66	-
Sierra Leone	-	1	1	-
Somalia	-	67	67	-
South Sudan	-	813	813	-
Syria Crisis	-	204	204	-
Zimbabwe	-	201	201	-
Access Campaign	-	65	65	-
	-	1,875	1,850	25

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.

Notes (continued)

**18 Analysis of net assets between funds**

	Fixed Assets £'000	Net Current Assets £'000	2012 Total £'000	2011 Total £'000
Restricted assets	-	25	25	-
Unrestricted assets	66	3,410	3,476	4,976
	66	3,435	3,501	4,976

**19 Commitments**

There were no commitments contracted or authorised at 31 December 2012 (31 December 2011: £nil) other than lease agreements. Amounts payable within the next twelve months on leases expiring:-

	2012 Land and Buildings £'000	2012 Other £'000	2011 Land and Buildings £'000	2011 Other £'000
Operating leases which expire:-				
Within 1 year	-	-	87	-
Within 2 – 5 years	218	-	-	11

The amount charged to the SOFA (Statement of Financial Activity) with respect to these contracts in 2012 was £211,000 (2011: £211,000).

**20 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 £214,000 (2011: £203,000) all of which was payable at 31 December 2012. The cost is accounted in the year it arises and there were no outstanding or prepaid amounts at 31 December 2012.

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

	2012 £'000	2011 £'000
Net (outgoing) / incoming resources	(1,475)	783
Bank interest	(18)	(24)
Depreciation charge	38	38
Decrease / (increase) in debtors	641	(421)
Increase in creditors	243	1,637
Net cash inflow from operating activities	(571)	2,013



Notes (continued)

**22 Analysis of net cash resources**

	At 1 January 2012 £'000	Cash Flow £'000	At 31 December 2012 £'000
Cash in hand & at bank	7,445	(605)	<b>6,840</b>

**23 Related parties**

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

**24 MSF sister organisations and head office**

MSF Australia  
 PO Box 847  
 Broadway  
 NSW 2007  
 AUSTRALIA

MSF Greece  
 15, Xenias St  
 115 27, Athens  
 GREECE

MSF Luxembourg  
 68 Rue de Gasperich  
 1617 Luxembourg  
 LUXEMBOURG

MSF Austria  
 Taborstrasse 10  
 PO Box 53  
 1020 Vienna  
 AUSTRIA

MSF Holland  
 Plantage Middenlaan 14  
 1018 DD Amsterdam  
 THE NETHERLANDS

MSF Norway  
 Postboks 8813 Youngstorget  
 0028 Oslo  
 NORWAY

MSF Belgium  
 94, Rue Dupré  
 1090 Bruxelles  
 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  
 Toronto, Ontario  
 M5S 2T9  
 CANADA

**MSF International (Head office)**  
 rue de Lausanne, 78  
 Case Postale 116  
 1211 Geneve 21  
 SWITZERLAND

MSF Sweden  
 Gjörwellsgatan 28  
 Box 34048  
 100 26 Stockholm  
 SWEDEN

MSF Denmark  
Dronningensgade 68  
1420 København K  
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  
75011 Paris  
FRANCE

MSF Japan  
3F Waseda SIA Building  
1-1 Babashita-cho, Shinjuku-ku  
Tokyo 162-0045  
JAPAN

MSF USA  
333 7<sup>th</sup> Avenue  
New York  
NY 10001-5004  
U.S.A.

MSF Germany  
Am Köllnischen 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 7)

Grants of funding for charitable work in the field (note 7)

Management recharges (note 14 - amounts due from sister organisations; note 15 - MSF sister organisation creditors)