

Médecins Sans Frontières
(Company limited by guarantee)

Directors' report and
financial statements

Year ended 31 December 2012

Registered number: 464033

Charity registration number: 18196

Médecins Sans Frontières

(Company limited by guarantee)

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Médecins Sans Frontières

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Directors and other information

Directors

Dr. Simon Collins (Chairman)
M. Bernadette Orbinski Burke
Mr Marc Dubois (United States of America)

Secretary

Ms Jane-Ann McKenna

Registered office

9 - 11 Upper Baggot Street
Dublin 4

Auditor

KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2

Bankers

Bank of Ireland
College Green
Dublin 2

Solicitors

Kilroys
Solicitors
69 Lower Lesson Street
Dublin 2

Médecins Sans Frontières

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Directors' report

The directors present their report, together with the audited financial statements of the company, for the year ended 31 December 2012.

Principal activities and business review

Médecins Sans Frontières ('MSF') is the leading international non-governmental organisation for emergency medical aid. We provide independent medical relief to victims of war, disasters and epidemics in over 60 countries around the world. We strive to provide assistance to those who need it most, regardless of ethnic origin, religion or political affiliation. In order to get access to and care for the most vulnerable, MSF's operational policies must remain scrupulously independent of governments, as well as religious and economic powers.

We rely on private individuals for the majority of our funding. In the field, we conduct our own assessments, manage projects directly and monitor the impact of our aid. We campaign locally and internationally for 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, approximately 2,500 doctors, nurses, logistics specialists, engineers and other professionals of all nationalities leave on field assignments and work closely with thousands of local staff.

The MSF Ireland office was set up in April 2006 and functions, for operational purposes, as a branch office of MSF UK. The office is currently staffed with 3 full-time employees, comprising of a Head of Office, a Fundraising Manager and a Communications Manager. In addition, several office and field volunteers support activities with communications, administration, fundraising, presentations and recruitment.

MSF Ireland supports MSF's fieldwork through recruiting volunteers, raising vital funds and raising awareness of humanitarian crises among the general public and key decision makers in Ireland. MSF Ireland works closely with the MSF UK office where a specialist medical team, known as the Manson Unit, works directly with the field project teams to help solve urgent clinical issues. In addition, experienced personnel from both offices regularly provide direct support to field teams in their area of expertise.

Constitution

The Irish office became an incorporated body in Ireland on 6 November 2008 and was set-up as a company limited by guarantee (Company number 464033). A three-person Irish Board of Directors was established with Dr Simon Collins appointed as Chairman. MSF Ireland is recognised by the Revenue Commissioners as having charitable status (Registration Number: CHY 18196).

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Directors' report *(continued)*

Constitution *(continued)*

The governing document of the company is its Memorandum & Articles of Association, where the objective is 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".

THE CHARTER OF MÉDECINS SANS FRONTIÈRES

- 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, gender, religion, creed or political affiliation.
- Médecins Sans Frontières observes strict neutrality and impartiality in the name of universal medical ethics and the right to humanitarian assistance and demands full and unhindered freedom in the exercise of its functions.
- Médecins Sans Frontières' volunteers undertake to respect their professional code of ethics and to maintain complete independence from all political, economic and religious powers.
- As volunteers, members are aware of the risks and dangers of missions they undertake, and have no right to compensation for themselves or their beneficiaries other than that which Médecins Sans Frontières is able to afford them.

Directors and secretary

The Médecins Sans Frontières directors and secretary in office during the year and at the date of this report are set out on page 1.

International organisational structure

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

All of 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. Resources are provided between the entities on an arm's length basis and all sections are separate legal entities.

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Directors' report *(continued)*

International organisational structure *(continued)*

MSF exists to save lives, alleviate suffering and protect human dignity among populations in crisis throughout the world. MSF Ireland contributes directly to that mission by effectively and efficiently contributing to the financial, human and operational requirements of the Operational Centre in Amsterdam ('OCA'), as well as the other MSF Operational Centres.

Risk management

The Directors of MSF Ireland have responsibility for, and are aware of, the risks which the charity faces. They are confident that adequate and sufficient systems of internal control are in place to minimise financial risk. We also believe that, due to the small size of the Irish organisation, a separate internal audit function is not necessary.

Other operational and business risks are reviewed, particularly bearing in mind the unavoidable dangers faced by personnel recruited by the Irish office. All possible safeguards are put in place in the field to avoid any security incidents. The Board of Directors is responsible for reviewing the risks highlighted on the risk register on a regular basis.

Fundraising

During the year, MSF Ireland had total incoming resources of €1,761,000 (2011: €2,256,000) from the general public, Irish Aid grants and the provision of staff to the field. MSF Ireland would particularly like to thank all our private donors and Irish Aid for their continued generosity, which has directly supported our medical activities in Myanmar, South Sudan, Syria, DRC, Somalia, Niger and Central African Republic.

The raising of private donations is critical to MSF Ireland's operational capacity, flexibility, and independence. In 2012, MSF Ireland raised a total of €675,000 (2011: €806,000). The decrease in private donations year on year reflects the absence of a high profile emergency appeal during 2012.

Regular gifts by standing order or direct debit are the core of MSF Ireland's financial growth and security. These gifts enable MSF Ireland to deliver a regular 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 and, in 2012, amounted to €355,000 (2011: €334,000).

Loyalty is a key goal of our fundraising work, and, in 2012, MSF Ireland maintained our commitment to send relevant and timely information to our supporters, providing reports on how funds are spent. This is part of our Supporter Promise, which includes commitments not to share the personal data of supporters with other organisations.

In 2012, MSF Ireland recognised a total of €909,000 (2011: €1,220,000) in grants from Irish Aid. This was primarily spent on our emergency work in Central African Republic and Niger.

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Directors' report *(continued)*

Fundraising *(continued)*

Grant making policy: The allocation of grants from unrestricted income is decided on the basis of needs identified by MSF (Holland) and MSF (Belgium). In certain cases, grants from unrestricted income are allocated according to specific requests made by other MSF sister organisations. In 2012, grants from unrestricted income were made to the Democratic Republic of Congo (DRC), Syria and Myanmar.

Restricted funds: Restricted funds represent grants, donations and legacies, which can only be used for particular purposes specified by the donors. Grants derived from non-institutional restricted income are allocated to MSF sister organisations according to the requests of the donors.

Project review and progress during 2012 of the work of all 5 MSF Operational Centres

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, without charge to the recipient, in some of the world's most remote and dangerous areas. Our main activities include responding to natural disasters and epidemics, treating the victims of war and sexual violence, providing care for those with HIV and TB, and lobbying for more funding and research into neglected diseases such as sleeping sickness and kala azar, which cause huge numbers of deaths, yet receive scant attention in the West.

2012 proved to be a challenging year, which saw escalating civil wars in Syria and northern Mali and refugee crises 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. In South Sudan's Upper Nile State, MSF are one of the main suppliers of medical care to the thousands of Sudanese refugees stranded without food or drinking water, after fleeing fighting in neighbouring Sudan. Similarly, in Kenya, 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.

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, 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 Directors 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 CAR have sought refuge in the bush to escape violence, and are living without proper shelter or safe drinking water.

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Directors' report *(continued)*

Africa – Conflict & poverty in the Central African Republic (“CAR”)

Two years ago, concerned by the level of severe health problems our medical teams were treating every day in our clinics and hospitals, MSF decided to conduct five separate retrospective mortality surveys in different parts of the country. Mortality rates were found to be 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, national funding for health is declining. In the report ‘CAR: State of Silent Crisis’ published in December 2011, 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 is setting up supplementary activities in areas that are likely to be worst affected.

Africa – The plight of children in Niger

Niger is a land-locked country that straddles the Sahara Desert and the savannah just to the south, known as the Sahel. MSF runs 21 nutritional programs in the Sahel region. Of the 56,000 severely malnourished children treated by MSF in the Sahel between January and the end of June 2012, more than 36,000 were treated in Niger.

The following is excerpted from a briefing document entitled “Malnutrition in the Sahel: one million children treated – what’s next?” released in July 2012 by MSF:

“Nutritional crises are recurrent and cyclical in the Sahel. In a region where malnutrition rates always hover near the warning level, the number of malnutrition cases rises every year during the “hunger season.” Additional factors like food price fluctuations, poor harvests, population movement and epidemics can come into play, as in certain areas in eastern Chad and southern Niger. In the latter region, an additional 5,000 children (compared to 2011) were admitted into MSF programmes between January and June 2012. In the Malian refugee camps in Burkina Faso, Mauritania and Niger, children are also increasingly vulnerable.

However, malnutrition is a public health problem in the Sahel and an emergency, humanitarian response cannot be the only option. Governments, donors, NGOs and U.N. agencies today recognise the need to shift towards longer-term solutions. To do so, we must learn from the scientific and medical progress achieved in recent years and over the long term, continue using approaches that have proven to be effective. They include treatment with therapeutic ready-to-use foods and prevention using milk-based supplemental foods.”

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Directors' report *(continued)*

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.

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. MSF is providing emergency medical and nutritional care in all five refugee camps, whilst also ensuring sufficient access to clean drinking water. In an environment such as this, the risk of an outbreak of water-borne diseases such as Cholera and Hepatitis E is particularly high. During the year, MSF tackled an escalating Hepatitis E outbreak in the camps, and implemented a Cholera Vaccination Campaign.

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 required. Despite the logistical challenges, this 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.

Syria – Healthcare in danger

Since the first protests broke out in Syria in March 2011, the country has spiralled into all-out war. Violent fighting continues between the national army and opposition groups who have gained territory – and civilians pay a heavy price. As the conflict intensifies, health workers and medical facilities continue to receive threats while medical structures are targeted and destroyed.

MSF has opened three hospitals in northern Syria and has treated 16,000 patients and carried out 1,300 surgical operations. MSF teams are also giving assistance to Syrian refugees in Lebanon, Iraq, Jordan and Turkey. MSF remains committed to assisting all victims of the conflict and will continue to expand its activities, where possible, in Syria and surrounding countries.

Democratic Republic of Congo – Condition 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 is still volatile, marked by shifting alliances between armed groups, ongoing military

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Directors' report *(continued)*

Democratic Republic of Congo – Condition critical *(continued)*

operations, instability, insecurity, banditry and violence. An already fragile humanitarian situation in eastern DRC deteriorated further last November after the border city of Goma fell to M23 rebels, with hundreds of people injured and thousands displaced from their homes.

In response, MSF teams set up additional emergency response activities, treating victims of violence and providing assistance to newly displaced people in and around Goma. We were also able to maintain several large reference hospitals and dozens of health centres that provide free healthcare to thousands every month throughout the region during this time.

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. In a report released in February 2012 entitled 'Lives in the Balance', 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. All donors now have a real opportunity, and responsibility, 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. We also work to raise awareness and create debate about these crises through our policy of "témoignage".

This means that MSF acts as a witness and will speak out, either in private or in public, about the plight of populations in danger for whom we work. In doing so, MSF sets out to 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, this may mean a project coordinator meeting with the military commander of an area to explain what MSF is, what we do, and why we do it. MSF works under the premise that there is no guaranteed "humanitarian space" for our programmes, so we must constantly advocate for the various sides in a conflict or various officials and

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Directors' report *(continued)*

Worldwide - Advocacy and témoignage *(continued)*

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. MSF has advocacy positions in several headquarter offices around the world staffed by people who relay MSF's field needs, priorities, and experiences to international and regional actors. 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. In DRC, we highlighted how persistent insecurity precluded the delivery of aid to many desperately in need of it. We have also 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.

Strategic planning

MSF UK & Ireland produced a three-year strategic plan to cover the period 2012-2014. MSF Ireland has built a strong foundation for fundraising and as a base for public awareness and the challenge ahead is to capitalise and build on this base to further grow income and strengthen public awareness. For 2013, the core objectives from 2012 will be retained whilst continuing the development of activities in Ireland and maintaining proven cost-effectiveness. Activities will continue to be consolidated with the strategic plans of MSF UK and of the Operational Centre in Amsterdam.

Message from the Directors of MSF Ireland

The Directors are particularly grateful to the personnel that we sent out to field projects during the year. 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 Dublin office. We are extremely grateful for all their support.

Results

The deficit for the year is as set out in the Income and Expenditure account on page 14.

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Directors' report *(continued)*

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act 1990 with regard to books of account by employing personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account are maintained at MSF UK, 67-74 Saffron Hill, London EC1N 8QX and regular returns are made to the company's registered office at 9-11 Upper Baggot Street, Dublin 4.

Post balance sheet events

There were no significant post balance sheet events which affect the financial statements.

Auditor

In accordance with Section 160(2) of the Companies Act, 1963, the auditor, KPMG, Chartered Accountants, will continue in office.

On behalf of the board



Bernadette Orbinski Burke
Director



Dr. Simon Collins
Director

1 May 2013

Médecins Sans Frontières

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice in Ireland, comprising applicable company law and the accounting standards issued by the Accounting Standards Board and promulgated by the Institute of Chartered Accountants in Ireland.

The company's financial statements are required by law to give a true and fair view of the state of affairs of the company and of its surplus or deficit for that period.


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


- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Acts of 1963 to 2012. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Acts of 1963 to 2012.

On behalf of the board


Bernadette Orbinski Burke
Director


Dr. Simon Collins
Director

Independent auditor's report to the members of Médecins Sans Frontières

We have audited the financial statements ('financial statements') of Médecins Sans Frontières for the year ended 31 December 2012 which comprise the Income and Expenditure Account, Balance Sheet, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by The Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the company's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 11, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Ethical Standards for Auditors issued by the Auditing Practices Board.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of the company's affairs as at 31 December 2012 and of its deficit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Acts 1963 to 2012.

Independent auditor's report to the members of Médecins Sans Frontières (*continued*)

Matters on which we are required to report by the Companies Acts 1963 to 2012

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

The financial statements are in agreement with the books of account and, in our opinion, proper books of account have been kept by the company.

In our opinion, the information given in the directors' report 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 provisions in the Companies Acts 1963 to 2012 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.


Conor O'Dowd

for and on behalf of
KPMG

Chartered Accountants, Statutory Audit Firm
1 Stokes Place, St. Stephen's Green, Dublin 2

1 May 2013

Médecins Sans Frontières

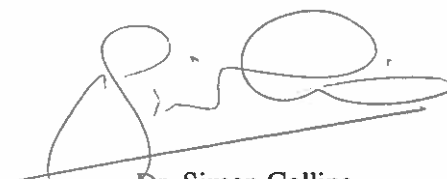
Income and expenditure account for the year ended 31 December 2012

	Notes	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Incoming resources					
Donations, legacies and similar income	2	601	74	675	806
Grants for operational programmes	3	-	909	909	1,220
Supply of staff to overseas projects	4	177	-	177	230
Total incoming resources		778	983	1,761	2,256
Resources expended					
Costs of generating funds	5	225	-	225	190
Charitable activities	6	551	983	1,534	2,024
Governance costs	7	12	-	12	12
Total resources expended		788	983	1,771	2,226
Net (expended) incoming resources before taxation	8	(10)	-	(10)	30
Taxation	11	-	-	-	-
Net (expended) incoming resources after taxation		(10)	-	(10)	30

The company had no recognised gains or losses in the financial year or preceding financial year other than those dealt with in the income and expenditure account.

On behalf of the board


Bernadette Orbinski Burke
Director


Dr. Simon Collins
Director


Médecins Sans Frontières

Balance sheet at 31 December 2012

	<i>Notes</i>	2012 €'000	2011 €'000
Fixed assets			
Tangible assets	<i>12</i>	-	3
Current assets			
Debtors	<i>13</i>	407	341
Cash at bank and in hand	<i>20</i>	352	201
		759	542
Creditors: amounts falling due within one year	<i>14</i>	(490)	(266)
Net current assets		269	276
Net assets	<i>17</i>	269	279
Funds			
Unrestricted funds	<i>15</i>	269	279
Restricted funds	<i>16</i>	-	-
Net funds	<i>17</i>	269	279

On behalf of the board


Bernadette Orbinski Burke
Director


Dr. Simon Collins
Director

Médecins Sans Frontières

Cash flow statement for the year ended 31 December 2012

	<i>Notes</i>	2012 €'000	2011 €'000
Cash flow from operating activities	<i>19</i>	151	50
		<hr/>	<hr/>
Increase in cash in the year	<i>20</i>	151	50
		<hr/> <hr/>	<hr/> <hr/>

Médecins Sans Frontières

Notes

forming part of the financial statements

1 Accounting policies

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

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board as promulgated by the Institute of Chartered Accountants in Ireland.

Income recognition

Income is reflected in the income and expenditure account when the effect of the transaction or other event results in an increase in the charity's assets.

When the charity provides services in accordance with agreements, the income is recognised when the service is provided. Income due but not yet received at the year end is included in debtors and funds already received in relation to future years but not yet expended are shown in creditors as deferred income. All statutory grants are treated as restricted grants.

Non-statutory grants and donations are recognised when there is evidence of entitlement. Voluntary income is recognised when the income is received.

Donated services, goods and facilities are not quantified in the income and expenditure account.

Cost allocation

Expenditure is analysed between resources expended on charitable activities, governance costs and the costs of generating funds. Resources expended on charitable activities comprise all the resources applied in undertaking work to meet charitable objectives. These costs include direct costs of undertaking these activities, together with the support costs incurred to enable these activities to be undertaken.

Receivables

Receivables comprise the value of donations and grants receivable at the end of the accounting period.

Legacies

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

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Notes (continued)

1 Accounting policies (continued)

Income from supply of staff to overseas projects

Income associated with the invoicing of other MSF sections for the costs of recruitment and remuneration of personnel working on our overseas projects are accounted for on a receivable basis.

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.

Restricted funds

Restricted funds represent donations received which can only be used for particular purposes.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less estimated residual value, on a straight line basis over their expected useful lives, as follows:

Computer equipment	-	3 years
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Pensions

Pension benefits are met by payments to an external defined contribution scheme administered by a third party. Contributions are charged to the profit and loss in the period in which they fall due.

Taxation

No taxation is provided for in these financial statements as the company enjoys charitable status.

Foreign currencies

Trading activities denominated in foreign currencies are recorded in euro at actual exchange rates as of the date of the transaction. Current monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is reported as an exchange gain or loss in the income and expenditure account.

Operating leases

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

Médecins Sans Frontières

Notes (continued)

2 Incoming resources from generated funds - donations, legacies and similar income

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Appeals income	125	53	178	304
Legacies	3	-	3	-
Corporate	5	7	12	28
Trust	24	-	24	22
Committed giving	355	-	355	334
Other donations	89	14	103	118
	<hr/>	<hr/>	<hr/>	<hr/>
Total voluntary income	601	74	675	806
	<hr/>	<hr/>	<hr/>	<hr/>

3 Incoming resources from generated funds – grants for operational programmes

	2012 €'000	2011 €'000
Irish Aid		
Sri Lanka	-	34
South Sudan	9	572
Democratic Republic of Congo	-	310
Niger	450	304
Central African Republic	450	-
	<hr/>	<hr/>
	909	1,220
	<hr/>	<hr/>

4 Incoming resources from other activities

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Income from supply of staff to overseas projects	177	-	177	230
	<hr/>	<hr/>	<hr/>	<hr/>

Médecins Sans Frontières

Notes (continued)

5 Costs of generating funds

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Salaries and pensions	45	-	45	49
Travel and subsistence	2	-	2	2
Other personnel costs	1	-	1	1
Office costs (including depreciation)	12	-	12	12
Professional fees	4	-	4	1
Promotion	161	-	161	125
	<u>225</u>	<u>-</u>	<u>225</u>	<u>190</u>

6 Expenditure on charitable activities - operational programmes

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Institutional funds transferred to operational programmes				
Sri Lanka	-	-	-	34
South Sudan	-	9	9	572
Democratic Republic of Congo	-	-	-	310
Niger	-	450	450	-
Central African Republic	-	450	450	304
	<u>-</u>	<u>909</u>	<u>909</u>	<u>1,220</u>

Médecins Sans Frontières

Notes (continued)

6 Expenditure on charitable activities - operational programmes (continued)

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Private grants transferred to operational programmes				
Afghanistan	-	2	2	7
Democratic Republic of Congo	60	-	60	-
Niger	-	-	-	2
Somalia	-	14	14	213
South Sudan	-	45	45	-
South Africa	-	-	-	20
Zimbabwe	-	-	-	50
Iraq	-	-	-	50
Haiti	-	5	5	50
Pakistan	-	1	1	1
Syria	56	7	63	-
Myanmar	60	-	60	-
	<u>176</u>	<u>74</u>	<u>250</u>	<u>393</u>
Medical and programme support				
Salaries and pensions	20	-	20	19
Travel and subsistence	2	-	2	2
Other personnel costs	1	-	1	1
Office costs (including depreciation)	12	-	12	13
Professional fees	4	-	4	1
	<u>39</u>	<u>-</u>	<u>39</u>	<u>36</u>

Médecins Sans Frontières

Notes (continued)

6 Expenditure on charitable activities - operational programmes (continued)

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Recruitment for overseas projects				
Salaries and pensions	13	-	13	12
Travel and subsistence	2	-	2	2
Other personnel costs	1	-	1	1
Office costs (including depreciation)	12	-	12	12
Professional fees	4	-	4	1
	<u>32</u>	<u>-</u>	<u>32</u>	<u>28</u>
Témoignage & advocacy				
Salaries and pensions	66	-	66	65
Travel and subsistence	2	-	2	2
Other personnel costs	2	-	2	1
Office costs (including depreciation)	12	-	12	13
Professional fees	4	-	4	-
	<u>86</u>	<u>-</u>	<u>86</u>	<u>81</u>
International staff				
Costs of employing international staff	177	-	177	230

Médecins Sans Frontières

Notes (continued)

6 Expenditure on charitable activities – operational programmes (continued)

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Support costs				
Salaries and pensions	19	-	19	19
Travel and subsistence	2	-	2	2
Other personnel costs	2	-	2	1
Office costs (including depreciation)	14	-	14	13
Professional costs	4	-	4	1
	<u>41</u>	<u>-</u>	<u>41</u>	<u>36</u>
Total expenditure – operational programmes	<u>551</u>	<u>983</u>	<u>1,534</u>	<u>2,024</u>

7 Governance costs

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Auditor's remuneration	12	-	12	12
	<u>12</u>	<u>-</u>	<u>12</u>	<u>12</u>

8 Net (expended) incoming resources

	2012 €'000	2011 €'000
Net (expended) incoming resources is stated after charging:		
Depreciation	3	5
Auditor's remuneration	11	11
	<u>14</u>	<u>16</u>

Médecins Sans Frontières

Notes (continued)

9 Directors' remuneration

None of the directors received any remuneration during the year or prior year.

10 Staff numbers and costs

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

	2012 Number of employees	2011 Number of employees
Private fundraising	1	1
Témoignage & advocacy	1	1
Management	1	1
Irish staff on overseas projects	8	11
	<hr/>	<hr/>
	11	14
	<hr/>	<hr/>

	2012 €'000	2011 €'000
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The costs of employing those staff was

Wages and salaries	286	347
Social security costs	25	31
Pension costs	6	18
	<hr/>	<hr/>
	317	396
	<hr/>	<hr/>

In addition to the above, approximately 338 days (2011: 312 days) (equivalent of 1.3 full time employees for the year) of time has been given to the company during 2012 by more than 8 office volunteers.

MSF operates a pay policy whereby the highest paid employee never earns more than 3 times the lowest paid employee. In 2012, no employee earned over €60,000.

Included in total staff costs is an amount of €176,496 (2011: €230,038) reimbursed by other MSF sections. These staff costs, together with associated expenses, are shown as income in the financial statements (see notes 4 and 6).

11 Taxation

No taxation is payable as the company enjoys charitable status.

Médecins Sans Frontières

Notes (continued)

12 Tangible fixed assets	Computer equipment	
	2012 €'000	2011 €'000
Cost		
At beginning and end of year	17	17
Depreciation		
At beginning of year	14	9
Charge for the year	3	5
At end of year	17	14
Net book value		
At end of year	-	3
At beginning of year	3	8
13 Debtors	2012	2011
	€'000	€'000
Amounts due from other MSF sections to Irish Aid	-	8
Amounts due from MSF UK	356	307
Amounts due from other MSF sections (see below)	23	26
Other debtors and accrued income	28	-
	407	341

During the year, €176,496 (2011: €230,038) was invoiced to other MSF sections. €23,031 (2011: €25,972) is outstanding as at 31 December 2012.

Médecins Sans Frontières

Notes (continued)

14 Creditors: amounts falling due within one year	2012	2011
	€'000	€'000
Amounts received in advance from Irish Aid	125	8
Grants payable to other MSF sections (see below)	261	243
PAYE/PRSI	-	2
Accruals	104	13
	<hr/>	<hr/>
	490	266
	<hr/> <hr/>	<hr/> <hr/>

Grants payable due to other MSF sections represent amounts due to MSF Belgium (€129,600), MSF Holland (€120,400) and MSF Canada (€10,908).

15 Unrestricted funds	2012	2011
	€'000	€'000
At beginning of year	279	244
(Deficit) surplus for the year	(9)	35
	<hr/>	<hr/>
At end of year	270	279
	<hr/> <hr/>	<hr/> <hr/>

16 Restricted funds

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

	At beginning of year €'000	Incoming resources €'000	Resources expended €'000	At end of year €'000
Afghanistan	-	2	(2)	-
Somalia	-	14	(14)	-
South Sudan	-	45	(45)	-
Syria crisis	-	7	(7)	-
Haiti	-	5	(5)	-
Pakistan	-	1	(1)	-
Irish Aid (Note 6)	-	909	(909)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	983	(983)	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

All restricted funds are for specific humanitarian projects in particular areas of the world.

Médecins Sans Frontières

Notes (continued)

17 Analysis of net assets

	Unrestricted funds €'000	Restricted funds €'000	2012 Total €'000	2011 Total €'000
Tangible fixed assets	-	-	-	3
Other net assets	269	-	269	276
	<hr/>	<hr/>	<hr/>	<hr/>
	269	-	269	279
	<hr/>	<hr/>	<hr/>	<hr/>

18 Commitments and contingencies

Commitments

There were no commitments, contracted or otherwise, at 31 December 2012, other than lease commitments. Annual commitments under non cancellable operating leases are as follows:

	Land and buildings 2012 €'000	Other 2012 €'000	2012 Total €'000	Land and buildings 2011 €'000	Other 2011 €'000	2011 Total €'000
Payable on leases in which the Commitment expires:						
- within one year	3	-	3	-	-	-
- one to two years	-	-	-	36	-	36
- two to five years	-	-	-	-	1	1
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3	-	3	36	1	37
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The amounts charged to the income and expenditure account with respect to these contracts in 2012 was €35,720 (2011: €40,000).

Contingencies

In the normal course of business, the company has provided certain guarantees to its bankers relating to banking arrangements.

Médecins Sans Frontières

Notes (continued)

19 Reconciliation of net incoming resources to cash flows from operating activities

	2012	2011
	€'000	€'000
Net (expended) incoming resources	(10)	30
Depreciation	3	5
(Increase) decrease in debtors	(66)	198
Increase (decrease) in creditors	224	(183)
	<hr/>	<hr/>
Cash flows from operating activities (note 20)	151	50
	<hr/> <hr/>	<hr/> <hr/>

20 Analysis of net cash resources

	At beginning of year €'000	Net cash flows €'000	At end of year €'000
Cash at bank and in hand	201	151	352
	<hr/>	<hr/>	<hr/>

21 Related party transactions

During the year, the company was charged €2,129 (2011: €1,846) in respect of services performed by Wunrok Limited, a company controlled by Dr. Simon Collins. These costs were ultimately recharged to other MSF sections.

MSF Ireland works in close collaboration with MSF UK on a number of issues. The Head of Office of MSF Ireland is a member of the MSF UK management team and the operational and financial planning for the two entities is done jointly for the purposes of reporting to MSF International.

Médecins Sans Frontières

Notes (continued)

22 Other MSF sections

MSF Australia	Suite C, Level 1, 263 Broadway, NSW 2007, Australia
MSF Austria	Taborstrasse 10, 1020 Vienna, Austria
MSF Belgium	Duprestreet 94, B-1090 Brussels-Jette, Belgium
MSF Canada	720 Spadina Avenue, Suite 402, M5S 2T9 Toronto ON, Canada
MSF Denmark	Kristianiagade 8, 2100 Kobenhavn, Denmark
MSF France	8 rue Saint Sabin, F-75011 Paris, France
MSF Germany	Am Kollnischen Park 1, 10179 Berlin, Germany
MSF Greece	15 Xenias St, 115 27 Athens, Greece
MSF Holland	Plantage Middenlaan 14, PO Box 10014, 1001 EA Amsterdam, THE NETHERLANDS
MSF Hong Kong	22/F Pacific Plaza, 410-418 Des Voeux Road West, Sai Wan, Hong Kong
MSF International	Rue de Lausanne 78, Case Postale, 116, 1211 Geneve 21, Switzerland
MSF Italy	Via Magenta 5, 00185 Rome, Italy
MSF Japan	3F Waseda SIA Bldg, 1-1 Babashitacho Shinjuku-ku, Tokyo 162-0045, Japan
MSF Luxembourg	68 Rue de Gasperich, L-1617 Luxembourg, Luxembourg
MSF Norway	Postboks 8813 Youngstorget, 0028 Oslo, Norway
MSF Spain	Nou de la Rambla 26, 08001 Barcelona, Spain
MSF Sweden	Gjorwellsgatan 28, 4 trappor, 10266 Stockholm, Sweden
MSF Switzerland	Rue de Lausanne 78, Case Postale, 116, 1211 Geneve 6, Switzerland
MSF UK	67-74 Saffron Hill, London EC1N 8QX, United Kingdom
MSF USA	333 7 th Avenue, 2 nd Floor, New York NY 10001, USA

Transactions with the other MSF sections consist of the following:

- Institutional funds transferred for operational programmes (see note 6).
- Expense recharges (see notes 10 and 13)

23 Legal status of company

In accordance with Section 24 of the Companies Act, 1963, the company is exempt from including the word 'limited' in its name. The company is limited by guarantee and has no share capital. At 31 December 2011, there were 11 members (2011: 11 members) whose guarantee is limited to €1 each. This guarantee continues for one year after individual membership ceases.

The company, as a charity, is exempt from the reporting and disclosure requirements of the Companies (Amendment) Act, 1986.

24 Approval of financial statements

The directors approved the financial statements on 1 May 2013