

Médecins Sans Frontières Australia

ABN 74 068 758 654

Financial Report for the Financial Year

Ended 31 December 2013

Médecins Sans Frontières Australia

Financial report for the financial year ended 31 December 2013

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Médecins Sans Frontières Australia

Directors' report

The directors of Médecins Sans Frontières Australia submit herewith the annual financial report of the company for the financial year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors' report as follows:

The names and particulars of the directors during or since the end of the financial year are:

Mr Matthew Cleary	President Médecins Sans Frontières Australia from 29 August 2012. Elected 19 May 2012. Resident of Australia. Executive Officer, St Vincent de Paul Society NSW Support Services. Attended nine out of nine Directors' meetings.*
Dr Nicholas Coatsworth	Vice President Médecins Sans Frontières Australia from 29 August 2012. Re-elected 28 May 2011. Resident of Australia. Deputy Director, Disaster Preparedness and Response, National Critical Care and Trauma Response Centre. Attended six out of nine Directors' meetings.*
Mr Hichem Demortier	Treasurer Médecins Sans Frontières Australia from 20 May 2012. Elected 28 May 2011. Resident of Australia. Global and Tropical Health Programs Manager, Menzies School of Health Research. Attended nine out of nine Directors' meetings.*
Ms Veronique Avril	Re-elected 19 May 2012. Resident of France. Special Advisor (City of Paris). Attended two out of nine Directors' meetings. Attended all Médecins Sans Frontières France Directors' meetings as the Board Representative of Médecins Sans Frontières Australia.*
Mr Constantinos Asproloupos	Re-elected 28 May 2011 and 18 May 13. Resident of Australia. Senior Program Manager, Deakin University. Attended nine out of nine Directors' meetings.
Dr Stewart Condon	Elected 28 May 2011. Resident of Australia. Coordinating Doctor for International SOS. Attended nine out of nine Directors' meetings.*
Ms Jane Coster	Elected 22 May 2010. Resident of New Zealand. Registered Nurse/Midwife, Development Manager NZ Ministry of Foreign Affairs and Trade. Attended three out of three Directors' meetings.
Ms Beth Hilton Thorp	Elected 18 May 2013. Lawyer and consultant. Resident of Australia. Attended six out of six Directors' meetings.*
Ms Katrina Penney	Elected 18 May 2013. Registered Nurse and Midwife. Manager, Refugee Health Screening Service, Auckland. Resident of New Zealand. Attended six out of six Directors' meetings.*
Ms Susanne Weress	Appointed to the Board 28 March 2012. Elected 28 May 2012. Resident of Australia. Consultant pharmacist/educator to the Western NSW Medicare Local. Attended eight out of nine Directors' meetings.*
Dr Claire Rieux	Appointed to the Board 15 June 2012. Member of the Board of Medecins Sans Frontières France. Resident of France. Hematologist, University Hospital of Creteil. Attended three out of nine Directors' meetings.*

*The above named Directors held office during and since the end of the financial year except for:

Ms Jane Coster – resigned 18 May 13

Mr Constantinos Asproloupos – resigned 10 April 13 and re-elected 18 May 13

Ms Katrina Penney – elected 18 May 13

Ms Beth Hilton Thorp – elected 18 May 13

Médecins Sans Frontières Australia

Directors' report (continued)

COMPANY SECRETARY

Mr P. McPhun, Executive Director of Médecins Sans Frontières Australia since 6 December 2010 and Company Secretary of Médecins Sans Frontières Australia from 11 December 2010 until 10 March 2013. Worked for Médecins Sans Frontières in various roles since 1997. Holds an MSc in Humanitarian and Development Practices from Oxford Brookes University.

Ms Melanie Triffitt, Head of Finance and Administration of Medecins sans Frontieres Australia since 15 August 2011 and Company Secretary of Medecins sans Frontieres since 10 March 2013.

SHORT-AND LONG-TERM OBJECTIVE AND STRATEGY

The company's short-and long-term objective are to:

- Build medico-operational relevance;
- Build reputation and identity of the MSF brand; and
- Generate resources for activation of international humanitarian assistance.

The company's strategy for achieving these objectives includes:

- Provide medico-operational input into MSF field operations with an emphasis on mother and child health and enhance MSF Australia's role as a relevant MSF office with medical expertise in the MSF movement;
- Market the organisations medical humanitarian action to all identified audiences, advocate on behalf of populations in crisis and contribute to improving the quality of medical and operational communication aims of the MSF movement;
- Recruit, prepare and provide professional skilled and motivated career staff prepared for the field and matched to meet needs within the MSF movement from Australia and New Zealand; and
- Encourage the Australian public to financially engage with MSF Australia with enthusiasm, conviction and commitment.

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year to 31 December 2013 have been:

- Provision of medical expertise in mother and child health through direct visits to MSF medical humanitarian projects overseas, technical support and oversight, preparation of medical field staff, medical training, medico-operational research, medical communications and medical policy development.
- Operational participation in the field projects of the international movement of Médecins Sans Frontières, through financing field operations assignment of field staff humanitarian relief workers; participation as faculty in various Australian and international training courses for such field staff; and evaluation missions to field projects.
- Community education in the form of dissemination of public information on humanitarian and development issues; provision of materials and source people to journalists in the print and electronic media; publication of newsletters; participation in seminars; and guest lectureships at secondary schools and universities.

Médecins Sans Frontières Australia

Directors' report (continued)

- Liaison with institutions and individuals in Australia and internationally, with a view to obtaining funding or other operational support for field projects, and for co-ordination with other organisations involved in overseas humanitarian relief.
- Fundraising from the general public in order to finance the field operations of Médecins Sans Frontières.

The nature of each of these activities has not changed significantly during the year. They are described in the Annual Review that will be available to the public from July 2014.

PERFORMANCE MEASURES

The company measures performance through the establishment and monitoring benchmarks:

- Operational demand for Sydney medical unit expertise in mother and child health continues;
- Field communications, awareness raising, lobby and advocacy furthered through intervention of the Sydney communications department;
- Australian and New Zealand recruitment and placement executed to meet resource needs identified within the MSF movement;
- Proportion of financial resource allocation between social mission and administrative costs within a range of 79-81% social mission and 19-21% administration costs; and
- 6 to 8% year on year growth achieved over a multi-year timeframe

The performance against these key performance indicators is as follows:

- 17 countries with 34 projects required and received technical oversight, field support and some degree of training in mother and child health;
- Media engagement conducted in response to all 2013 emergencies, 2013 awareness campaign conducted, advocacy furthered in response to MSF Access Campaign objectives, Syria, Central African Republic, Papua New Guinea and Myanmar field missions;
- 41 new recruitments and 184 field placements made during 2013 in accordance with identified needs;
- Financial resources allocated 80% social mission costs to 20% administration in 2013; and
- 12.7% private revenue growth achieved in 2013 (higher than expected revenue generated by the fundraising program, and from public response to the 2013 Philippines emergency)].

REVIEW OF OPERATIONS

The net operating surplus for the financial year to 31 December 2013 was \$3,321,505 (2012: \$2,451,955 deficit).

CHANGES IN STATE OF AFFAIRS

During the financial year there was no significant change in the state of affairs of the company, other than that referred to in the financial statements or notes thereto.

Médecins Sans Frontières Australia

Directors' report (continued)

Médecins Sans Frontières Australia continued the strategy of face to face fundraising whereby the organisation contracts a third party to approach members of the public, in public places, to recruit new field partners. The financial impact continues to be that a cost is created at the outset that is more than made up over subsequent years of income. Médecins Sans Frontières Australia continues to diversify its sources of funding, and to increase the proportion of funding that comes from regular field partner donations.

From January 2007, Médecins Sans Frontières Australia started contracting and paying field staff directly from Australia when they go to the field. Field staff are seconded to and managed by the Operational Centres running the project.

The financial impact of this is not significant as the salary cost incurred by Médecins Sans Frontières Australia is recharged to the relevant Operational Centres.

During 2013, Médecins Sans Frontières Australia committed to \$32,053,000 (2012: \$31,780,000) of funds to the field to Médecins Sans Frontières France, and \$13,737,000 (2012: \$13,620,000) to Médecins Sans Frontières Switzerland.

DONATIONS IN KIND

Over the course of the year the company has received donations in kind from a number of sources. These donations may be physical assets for use in the company, items to be sent to the field or services provided to Médecins Sans Frontières at reduced rates.

The value of donations in kind received during the year to 31 December 2013 to be \$73,761 (2012: \$131,327). This amount has been brought to account in the financial statements.

VOLUNTARY ASSISTANCE AND FIELD STAFF

In addition to donations in kind the company recruits a number of staff in the field for Médecins Sans Frontières Operational Centres. There are five Médecins Sans Frontières Operational Centres and they are located in Belgium, France, Holland, Spain and Switzerland. Many of the field staff are professional staff. The company estimates the total salaries forgone for the year ended 31 December 2013 by volunteer field staff to Médecins Sans Frontières Operational Centres to be approximately \$2,597,153 (2012: \$3,699,911).

The company estimates that the total salaries forgone by field staff to Médecins Sans Frontières Operational Centres who undertook missions of less than three months to be approximately \$624,172 (2012: \$845,974).

Médecins Sans Frontières Australia also have a number of volunteers who freely give their time in the Australia office to assist in office based activities. The estimated value of this is approximately \$135,356 (2012: \$101,058).

This time donated by office volunteers, and salaries which would have been paid to the volunteers sent to the field, are not brought to account in the financial statements since they cannot be reliably measured.

Médecins Sans Frontières Australia

Directors' report (continued)

MONEY SPENT IN SOCIAL MISSION

The mission of Médecins Sans Frontières Australia is to provide humanitarian assistance to populations in danger and to increase awareness of the plight of these populations. The international Médecins Sans Frontières movement as a whole targets an '80/20 rule' whereby at least 80% of expenditure is directly devoted to this social mission. In 2013 Médecins Sans Frontières Australia spent \$53,671,981 to the social mission therefore representing 80% of total expenditure (2012: \$52,759,416 or 80%). A number of factors impact the ratio and will continue to be ongoing factors:

- Nil institutional funding in 2013 (2012: \$Nil), which is expected to continue in 2014.
- Maintaining sufficient levels of cash reserves in subsequent years to preserve the safety of operational funding.
- Responding to the operational needs of the Operational Centres.

SUBSEQUENT EVENTS

There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

FUTURE DEVELOPMENTS

It is likely that in future financial years the company will continue to provide operational, financial and human resource support to the field operations of Médecins Sans Frontières financed substantially by income from private fundraising. Where possible, subject to the availability of resources, the company intends to increase its level of support for the field operations of Médecins Sans Frontières.

DIVIDENDS

Under the terms of the company's constitution, the company is not authorised to pay dividends.

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the company paid a premium in respect of a contract insuring the directors of the company (as listed on page 3 of the financial report) against a liability incurred as such a director to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Information about the remuneration of directors and senior management is set out in note 5 of the financial report on page 27.

Médecins Sans Frontières Australia

Directors' report (continued)

Auditor's Independence Declaration

The auditor's independence declaration is included on page 9 of the financial report.

Signed in accordance with a resolution of the directors made pursuant to s298(2) of the Corporations Act 2001.

On behalf of the Directors



Mr Matthew Cleary
Director

Sydney, 13 March 2014



Mr Hichem Demortier
Director

Sydney, 13 March 2014



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Auditor's Independence Declaration to the Directors of Médecins Sans Frontières Australia

In relation to our audit of the financial report of Médecins Sans Frontières Australia for the financial year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Loretta Di Mento
Partner
Sydney
13 March 2014



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Independent audit report to the members of Médecins Sans Frontières Australia

Report on the financial report

We have audited the accompanying financial report of Médecins Sans Frontières Australia, which comprises the statement of financial position as at 31 December 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *Australian Accounting Standards*.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the financial report.



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Opinion

In our opinion, the financial report of Company is in accordance with the *Corporations Act 2001*, including:

- i giving a true and fair view of the company's financial position as at 31 December 2013 and of its performance for the year ended on that date; and
- ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Report on the requirements of the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulations 2008 and the requirements of the WA Charitable Collections Act (1946) and the WA Charitable Collections Regulations (1947)

We have audited the financial report as required by Section 24(2) of the *NSW Charitable Fundraising Act 1991* and the *WA Charitable Collections Act (1946)*. Our procedures included obtaining an understanding of the internal control structure for fundraising appeal activities and examination, on a test basis, of evidence supporting compliance with the accounting and associated record keeping requirements for fundraising appeal activities pursuant to the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2008* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)* (collectively referred as "*Charitable Fundraising Acts*").

Because of the inherent limitations of any assurance engagement, it is possible that fraud, error or non compliance may occur and not be detected. An audit is not designed to detect all instances of non compliance with the requirements described in the above-mentioned Acts and Regulations as an audit is not performed continuously throughout the period and the audit procedures performed in respect of compliance with these requirements are undertaken on a test basis. The audit opinion expressed in this report has been formed on the above basis.

Opinion

In our opinion:

- a) the financial report of the Company has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2013, in all material respects, in accordance with:
 - i. sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - ii. sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;
 - iii. the *WA Charitable Collections Act (1946)*; and
 - iv. the *WA Charitable Collections Regulations (1947)*.



- b) the money received as a result of fundraising appeals conducted by the company during the financial year ended 31 December 2013 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Acts and Regulations.

Ernst & Young

Ernst & Young

L. Di Mento

Loretta Di Mento
Partner
Sydney
13 March 2014

Médecins Sans Frontières Australia

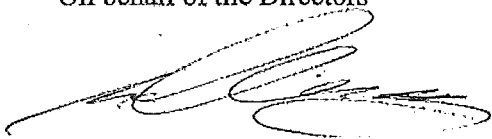
Directors' declaration

The directors' declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
- (b) In the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors



Mr Matthew Cleary
Director

Sydney, 13 March 2014



Mr Hichem Demortier
Director

Sydney, 13 March 2014

Médecins Sans Frontières Australia


Declaration by a Principal Officer in respect of fundraising appeals

I, Hichem Demortier, director of Médecins Sans Frontières Australia declare that in my opinion:

- (a) the financial statements and notes thereto give a true and fair view of all income and expenditure of Médecins Sans Frontières Australia with respect to fundraising appeals conducted by the organisation;
- (b) the Statement of Financial Position as at 31 December 2013 gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the organisation;
- (c) the provisions of the Charitable Fundraising Act 1991 and the Charitable Collections Act 1946 and the regulations under these Acts and the conditions attached to the authorities have been complied with by the organisation; and
- (d) the internal controls exercised by Médecins Sans Frontières Australia are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

Mr Hichem Demortier
Director

Sydney,



13 Jan 2014

Médecins Sans Frontières Australia

Statement of Comprehensive Income for the financial year ended 31 December 2013

	Note	2013	2012
		\$	\$
Revenue	4(a)	70,190,954	63,031,251
<i>Social mission costs</i>			
Field costs		(49,722,209)	(49,326,332)
Other project costs		(2,469,332)	(2,185,015)
Community education expenses		(1,480,440)	(1,248,069)
<i>Total social mission costs</i>		<u>(53,671,981)</u>	<u>(52,759,416)</u>
<i>Administration costs</i>			
Fundraising costs		(9,956,454)	(9,475,020)
Administration expenses		(3,241,014)	(3,248,770)
<i>Total fundraising and administration costs</i>		<u>(13,197,468)</u>	<u>(12,723,790)</u>
Surplus/(Deficit) before tax	4(b)	3,321,505	(2,451,955)
Income tax expense		-	-
Surplus/(Deficit) for the year from continuing operations (ii)		<u>3,321,505</u>	<u>(2,451,955)</u>
<i>Other comprehensive income</i>			
Total comprehensive surplus (deficit) for the year		<u>3,321,505</u>	<u>(2,451,955)</u>

A full year income statement which complies with the requirements of the Charitable Fundraising Act 1991 is set out in Note 22 of the financial report on page 38.

Notes to the financial statements are included on pages 19 to 43.

Médecins Sans Frontières Australia

Statement of Financial Position as at 31 December 2013

	Note	2013 \$	2012 \$
Current assets			
Cash and cash equivalents	20(a)	11,196,760	8,421,199
Trade and other receivables	8	536,114	618,061
Other	9	78,726	135,129
Total current assets		<u>11,811,600</u>	<u>9,174,389</u>
Non-current assets			
Plant and equipment	7	735,339	891,013
Other	10	208,519	208,519
Total non-current assets		<u>943,858</u>	<u>1,099,532</u>
Total assets		<u>12,755,458</u>	<u>10,273,921</u>
Current liabilities			
Trade and other payables	11	1,286,406	2,229,147
Provisions	12	289,566	226,768
Total current liabilities		<u>1,575,972</u>	<u>2,455,915</u>
Non-current liabilities			
Provisions	13	442,907	402,932
Total non-current liabilities		<u>442,907</u>	<u>402,932</u>
Total liabilities		<u>2,018,879</u>	<u>2,858,846</u>
Net assets		<u>10,736,579</u>	<u>7,415,074</u>
Equity			
Retained Surplus	15	10,736,579	7,415,074
Total equity		<u>10,736,579</u>	<u>7,415,074</u>

Notes to the financial statements are included on pages 19 to 43.

Médecins Sans Frontières Australia

Statement of Changes in Equity for the financial year ended 31 December 2013

	Note	Retained Surplus \$	Total \$
		<hr/>	<hr/>
Balance at 1 January 2012		9,867,029	9,867,029
Deficit for the year		(2,451,955)	(2,451,955)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		<hr/> (2,451,955)	<hr/> (2,451,955)
Balance at 31 December 2012		7,415,074	7,415,074
Surplus for the year		3,321,505	3,321,505
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<hr/> 10,736,579	<hr/> 10,736,579
Balance at 31 December 2013	15	<hr/> 10,736,579	<hr/> 10,736,579

Notes to the financial statements are included on pages 19 to 43.

Médecins Sans Frontières Australia

Statement of Cash Flows for the financial year ended 31 December 2013

	Note	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from donors/supporters		69,809,524	62,545,542
Payments to field		(46,417,008)	(50,796,229)
Payments to suppliers and employees		(21,047,555)	(19,128,791)
Interest received		463,377	701,694
Net cash provided by/(used in) operating activities	20 (b)	2,808,338	(6,677,786)
Cash flows from investing activities			
Payments for plant and equipment		(32,777)	(639,040)
Net cash used in investing activities		(32,777)	(639,040)
Net increase/(decrease) in cash and cash equivalents		2,775,561	(7,316,826)
Cash and cash equivalents at the beginning of the financial year		8,421,199	15,738,025
Cash and cash equivalents at the end of the financial year	20(a)	11,196,760	8,421,199

Notes to the financial statements are included on pages 19 to 43.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

1. GENERAL INFORMATION

Médecins Sans Frontières Australia is a public company limited by guarantee, incorporated and operating in Australia.

Principal registered office and principal place of business:

Level 4
1-9 Glebe Point Road
Glebe, NSW 2037

Tel: (02) 8570 2600

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial report is a general purpose financial report, which has been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations and complies with other requirements of the law.

Basis of Preparation

The financial report has been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Standards and Interpretations affecting amounts reported in the current period

Standards and Interpretations adopted with no effect on financial statements

In the current year the company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has had no significant financial effect on these financial statements.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective:

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
<ul style="list-style-type: none">• <i>AASB 1053 Application of Tiers of Australia Accounting Standards</i>	Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2014	31 December 2014
<ul style="list-style-type: none">• <i>AASB 9 Financial Instruments (December 2010), AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010), AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures</i>	Applies on a modified retrospective basis to annual periods beginning on or after 1 January 2015	31 December 2015

The directors anticipate that the adoption of the Standards and Interpretations in future periods will have no material financial impact on the financial statements of the company.

Significant accounting policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial report.

(a) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Donations in kind and voluntary assistance

Over the course of the year the company has received donations in kind from a number of sources. These donations may be items to be sent to the field or services provided at reduced rates. Donations in kind of plant and equipment are recorded at fair value. Items to be sent to the field and services provided for no consideration are also brought to account in the financial statements at the fair value of the items or services received.

In addition to donations in kind, both office volunteers and field staff sent to the field donate their time to Médecins Sans Frontières Australia. This time donated by office volunteers and salaries foregone by volunteers sent to the field are not brought to account in the financial statements since they cannot be reliably measured.

(c) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the company in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) Fundraising expenses

Fundraising expenses include those costs, which are directly attributable to fundraising, such as function expenses, promotions, printing and mailing and employee expenses. These expenses are brought to account in the period in which they are incurred.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Trade and other receivables

Trade and other receivables, which comprise amounts due from Médecins Sans Frontières International entities, GST recoverable and others, are recognised and carried at original invoice amount. The carrying amount of the receivable is deemed to reflect fair value. These receivables are non-interest bearing.

An allowance for doubtful debts is made when there is objective evidence that the company will not be able to collect the debts. Bad debts are written off when identified.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivable as payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Income tax

Section 50-5 of the Income Tax Assessment Act provides that certain bodies will be exempt from income tax. The company is exempt from income tax in accordance with the Act; accordingly no provision for income tax has been recorded.

(h) Leased assets

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased asset to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in a manner consistent with the basis on which they are determined

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Leased assets (continued)

Lease incentives

Lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefits of incentives are recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(i) Payables

Trade payables and other accounts payable are recognised when the company becomes obliged to make future payments resulting from the purchase of goods and services.

(j) Plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on plant and equipment and is calculated on a straight-line basis so as to write off the net cost of each asset over its expected useful life to its residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired

The recoverable amount of property, plant and equipment is the higher of fair value less costs of disposal and value in use. Depreciated replacement cost is used to determine value in use where the assets are not held principally for cash generating purpose and would be replaced if the company was deprived of it. Depreciated replacement cost is the current replacement cost of an item of plant and equipment less, where applicable, accumulated depreciation to date, calculated on the basis of such cost. Value in use for all other assets is a discounted cash flow calculation

An impairment loss exists when the carrying value of an asset exceeds its estimated recoverable amount. The asset is then written down to its recoverable amount.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Plant and equipment (continued)

For plant and equipment, impairment losses are recognised in the statement of comprehensive income.

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal, when the item is no longer used in the operations of the company or when it has no sale value. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(k) Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of provision.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

(m) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised net of the amounts of goods and services tax (GST) payable to the Australia Taxation Office.

1) Revenue from fundraising

Donations

Donations collected, including cash and goods for resale, are recognised as revenue when the company gains control, economic benefits are probable and the amount of the donation can be measured reliably.

Legacies & Bequests

Legacies & bequests are recognised when the company is received.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2) Investment income

Investment income mainly represents the interest income. Interest income is recognised as it accrues, using the effective interest method.

3) Asset sales

The gain or loss on disposal of all non-current assets is determined as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of Australian Accounting Standards requires to make judgments, estimates and assumptions to be made about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements that management has made that have the most significant effect on the amounts recognised in the financial statements:

- i. Provisions for employee entitlements – management judgement is applied in determining the future increase in wages and salaries, future on cost rates and experience of employee departures and expected period of service. Refer to note 14 for further details.
- ii. Make good provisions - Provisions for future costs to return certain leased premises to their original condition are based on the company's past experience with similar premises and estimates of likely restoration costs. These estimates may vary from the actual costs incurred as a result of conditions existing at the date the premises are vacated.
- iii. Estimation of the useful lives of assets - The estimation of the useful lives of assets has been based on historical experience. In addition, the condition of the assets is assessed where necessary and considered against the remaining useful life. Adjustments to useful lives are also made when considered necessary.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

4. REVENUE

	2013 \$	2012 \$
(a) Revenue		
Revenue from operations consisted of the following items:		
Fundraising revenue:		
Donations	66,191,647	58,751,194
Interest revenue:		
Bank deposits	463,377	701,694
Sales revenue:		
Sales of merchandise	-	194
Other revenue:		
Recharge for services to Médecins Sans Frontières International entities	3,375,547	3,402,097
Other income	86,622	44,745
Non-monetary income (donations-in-kind)	73,761	131,327
	<u>70,190,954</u>	<u>63,031,251</u>

(b) Surplus/(Deficit) before income tax

Surplus/(Deficit) before income tax has been arrived at after crediting/ (charging) the following gains and losses:

Net (loss) from sale of plant and equipment	(2,288)	(3,904)
Net gain/(loss) from foreign exchange rate movement	23,246	(21,422)

Surplus/(Deficit) before income tax has been arrived at after charging the following expenses:

Funds to the field to Médecins Sans Frontières International entities	45,810,000	45,400,000
Depreciation of non-current assets	186,163	131,120
Employee benefits, including superannuation benefits	6,990,820	6,315,569
Payments to superannuation funds	519,079	503,439
Operating lease rental expenses: Minimum lease payments	389,738	321,491

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

5. KEY MANAGEMENT PERSONNEL REMUNERATION

The directors and other members of key management personnel of Médecins Sans Frontières Australia during the year were

- Mr Matthew Cleary (President, non-executive)
- Dr Nicholas Coatsworth (Vice President, non-executive)
- Mr Hichem Demortier (Treasurer, non-executive)
- Ms Veronique Avril (non-executive)
- Mr Constantinos Asproloupos (non-executive), elected 18 May 2013
- Dr Stewart Condon (non-executive)
- Ms Jane Coster (non-executive), resigned on 18 May 2013
- Ms Beth Hilton Thorp (non-executive), elected 18 May 2013
- Ms Katrina Penney (non-executive), elected 18 May 2013
- Ms Susanne Weress (non-executive)
- Dr Claire Rieux (non-executive)
- Mr Paul McPhun (Executive Director and Company Secretary until 10 March 2013)
- Mr John Burns (Head of Fundraising)
- Dr Myrto Schaefer (Head of Project Unit)
- Mr James Nichols (Head of Communications)
- Mr Robin Sands (Head of Field Human Resources)
- Ms Melanie Triffitt (Head of Finance & Administration and Company Secretary from 10 March 2013)

The directors provide their services on a voluntary basis. During the course of their duties, business expenses incurred by the directors were reimbursed (note 17). The aggregate compensation of the key executive management personnel of the company is set out below:

	2013	2012
	\$	\$
Short term employee benefits	909,457	838,844

6. REMUNERATION OF AUDITORS

Audit of the financial report	48,350	52,500
Other non-audit services – taxation advice (other audit firm)	5,880	4,940
	<u>54,230</u>	<u>57,440</u>

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

7. PLANT AND EQUIPMENT

	Office equipment at cost \$	Furniture and fittings at cost \$	Total \$
Gross carrying amount			
Balance at 1 January 2012	543,506	365,466	908,972
Additions	67,475	851,565	919,040
Disposals	(91,258)	(265,735)	(356,993)
Balance at 1 January 2013	519,723	951,296	1,471,019
Additions	27,652	5,125	32,777
Disposals	(31,880)	-	(31,880)
Balance at 31 December 2013	515,495	956,421	1,471,916
Accumulated depreciation and impairment			
Balance at 1 January 2012	(490,866)	(311,109)	(801,975)
Depreciation expense	(38,604)	(92,516)	(131,120)
Disposals	90,494	262,595	353,089
Balance at 1 January 2013	(438,977)	(141,029)	(580,006)
Depreciation expense	(45,974)	(140,189)	(186,163)
Disposals	29,592	-	29,592
Balance at 31 December 2013	(455,359)	(281,218)	(736,577)
Net book value			
As at 31 December 2012	80,746	810,267	891,013
As at 31 December 2013	60,136	675,202	735,339

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

7. PLANT AND EQUIPMENT (CONTINUED)

The following estimated useful lives are used in the calculation of depreciation:

- Office and equipment 3 years
- Furniture and fittings (i) 5 years or over the term of the lease

(i) Leasehold improvements have been included into the category of Furniture and fittings above.

8. TRADE AND OTHER RECEIVABLES

	2013	2012
	\$	\$
Amounts due from Médecins Sans Frontières International entities	444,943	455,332
Goods and services tax (GST) recoverable	52,503	73,901
Other	38,668	88,828
	<u>536,114</u>	<u>618,061</u>

9. OTHER

	2013	2012
	\$	\$
Insurance prepayment	74,696	130,836
Inventories	4,030	4,293
	<u>78,726</u>	<u>135,129</u>

10. OTHER NON-CURRENT ASSET

	2013	2012
	\$	\$
Rental bond	208,519	208,519

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

11. TRADE AND OTHER PAYABLES	2013	2012
	\$	\$
Trade payables	477,125	738,968
Amounts due to Médecins Sans Frontières International entities	-	718,472
Accruals	809,281	771,707
	<u>1,286,406</u>	<u>2,229,147</u>
12. CURRENT PROVISIONS		
Employee benefits (note 14)	289,566	226,768
	<u>289,566</u>	<u>226,768</u>
13. NON-CURRENT PROVISIONS		
Employee benefits (note 14)	162,907	122,932
Make good provision (note 14)	280,000	280,000
	<u>442,907</u>	<u>402,932</u>
	Employee benefits	Make Good Provision
	\$	\$
14. PROVISIONS		
Balance at 1 January 2013	349,700	280,000
Additional provisions recognised	159,933	-
Provisions utilised/released	(57,159)	-
	<u>452,473</u>	<u>280,000</u>

The provision for make good represents the present value of the expenditure required to settle the make good obligation at the reporting date.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

15. RETAINED SURPLUS	2013	2012
	\$	\$
Balance at the beginning of the financial year	7,415,074	9,867,029
Net surplus/(deficit)	3,321,505	(2,451,955)
Balance at end of financial year	10,736,579	7,415,074

16. MEMBERS GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the Constitution states that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2013, the number of members was 275 (2012: 289).

17. RELATED PARTY DISCLOSURES

Médecins Sans Frontières Australia provides services to and receives services from Médecins Sans Frontières International entities.

The Board of Médecins Sans Frontières Australia approved the reimbursement of the following business expenses incurred by the directors of the company in the course of their duties as a Director during the year. This information is also available on the Médecins Sans Frontières Australia website.

	\$		\$
Mr Dino Asproloupos	681	Mr Hichem Demortier	780
Ms Jane Coster	151	Ms Beth Hilton-Thorp	255
Mr Stewart Condon	472	Ms Katrina Penney	3,896
Ms Susanne Weress	4,327	Mr Matt Cleary	2,591

18. SUBSEQUENT EVENTS

There has not been any other matter or circumstance, that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operation of the company, the results of those operations, or the state of affairs of the company in future financial years.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

19. COMMITMENTS

Operating leases

Leasing arrangements

The company has entered into commercial leases of office facilities and office equipment. The lease of office facilities is with a 5 years term and provided the company with a right of renewal. This operating lease contract contains rent increases per year equivalent to the minimum of 2.5% and CPI. The lease terms of office equipment range from 4 to 5 years. These lease contracts do not have an option to renew the lease nor the option to purchase the leased asset at the expiry of the lease period

	<u>2013</u>	<u>2012</u>
	\$	\$
<u>Non-cancellable operating lease payments</u>		
Not longer than 1 year	402,106	389,897
Longer than 1 year and not longer than 5 years	1,024,657	1,415,102
Longer than 5 years	-	-
	<u>1,426,763</u>	<u>1,804,999</u>

In respect of non-cancellable operating leases, the following liabilities have been recognised:

Non-current liability:	<u>2013</u>	<u>2012</u>
	\$	\$
Make good provision (note 13)	<u>280,000</u>	<u>280,000</u>

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

20. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2013	2012
	\$	\$
Cash and cash equivalents	11,196,760	8,421,199

(b) Reconciliation of deficit for the period to net cash flows from operating activities

Surplus/(Deficit) for the year	3,321,505	(2,451,955)
Depreciation	186,163	131,120
Loss on disposal on assets	2,288	3,904
Changes in net assets and liabilities:		
Increase/(Decrease) in assets:		
Current receivables	81,947	215,984
Other current assets	56,403	(12,337)
Non-current assets	-	57,749
Increase/(Decrease) in liabilities:		
Current payables	(942,741)	(4,485,339)
Current provisions	62,798	(162,919)
Non-current provisions	39,975	26,007
Net cash from operating activities	(2,808,338)	(6,677,786)

21. FINANCIAL INSTRUMENTS

(a) Capital Risk Management

The capital structure of the company includes cash and cash equivalents and retained earnings.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Categories of Financial Instruments

	2013	2012
	\$	\$
Financial assets		
Trade and other receivables	536,114	618,061
Cash and cash equivalents	11,196,760	8,421,199
	<u>11,732,874</u>	<u>9,039,260</u>
Financial liabilities		
Trade and other payables	1,286,406	2,229,147

The carrying amount reflected above represents the company's maximum exposure to credit risk for such loans and receivables.

(c) Financial risk management objectives

The company's financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables. The main risks arising from the company's financial instruments are market risk, liquidity risk, interest rate risk and credit risk. The company does not use derivative instruments to manage risks associated with its financial instruments.

The directors have overall responsibility for risk management, including risks associated with financial instruments. Risk management policies are established to identify and analyse the risks associated with the company's financial instruments, to set appropriate risk limits and controls and to monitor the risks and adherence to limits. The Finance, Audit and Risk Committee is responsible for monitoring the effectiveness of the company's risk management policies and processes and to regularly review risk management policies and systems, taking into account changes in market conditions and the company's activities. The committee is also responsible for developing and monitoring investment policies.

This note presents information about the company's exposure to liquidity, credit and market risk and its objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

(d) Market Risk

Market risk is the risk that change in market prices will affect the company's income or the value of its holdings of financial instruments.

The company's exposure to market risk is the effect of changes in interest rates and foreign exchange rates which would affect the interest received and payments to related companies in foreign currencies.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

21. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Liquidity Risk

Liquidity risk is the risk tht the company will not able to fund its obligation as they fall due.

The ultimate responsibility for liquidity risk management rests with the board of directors. The company manages liquidity risk by maintaining adequate cash balances and monitoring forecasts and actual cash flow.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments:

Financial Liabilities	On Demand (\$)	Less than 3 months (\$)	3 to 12 months (\$)	1 to 5 years (\$)	Total (\$)
2013					
Non interest bearing					
Trade and other payables	-	1,286,406	-	-	1,286,406
2012					
Non interest bearing					
Trade and other payables	-	2,229,147	-	-	2,229,147

(f) Interest rate risk management

Interest rate risk refers to the risk that the value of financial instruments or cash flow associated with the instruments will fluctuate due to the changes in market interest rate.

The company is exposed to interest rate fluctuations on its cash at bank and time deposits as it invests its surplus funds in variable rate instruments. The company actively monitor interest rates for cash at bacnk and time deposit to maximise interest income..

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

21. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Interest rate risk management (continued)

Maturity profile of financial instruments

The following table details the company's exposure to interest rate risk as at 31 December 2013:

	Weighted Average Effective Interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	Greater than 1 year \$	Total
Financial Assets 2013						
Non interest bearing	-	-	-	-	-	-
Variable interest rate instruments	1.76%	4,629,449	-	-	-	4,629,449
Fixed interest rate instruments	3.76%	-	-	6,500,000	228,569	6,728,569
Total		4,629,449	-	6,500,000	228,569	11,358,018

	Weighted Average Effective Interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	Greater than 1 year \$	Total
Financial Assets 2012						
Non interest bearing	-	-	-	-	-	-
Variable interest rate instruments	3.23%	5,870,392	-	-	-	5,870,392
Fixed interest rate instruments	4.67%	-	2,500,000	-	227,614	2,727,614
Total		5,870,392	2,500,000	-	227,614	8,598,006

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

21. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Interest rate risk management (continued)

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for the company's financial instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the company's:

- net surplus would increase by approximately \$8,715 and decrease by approximately \$8,715 (2012: increase by approximately \$1,700 and decrease by approximately \$1,700). This is mainly attributable to the company's exposure to interest rates on its variable rate instruments.

(g) Fair value

The carrying amount of the financial assets and financial liabilities represents a reasonable approximation of fair value.

(h) Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults.

The company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

22. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

The following disclosure has been made to satisfy the requirements of the Charitable Fundraising Act 1991. Non monetary income and expenses are disclosed separately, unlike the Income Statement where they are included in the relevant income or cost line.

	2013	2012
	\$	\$
Revenue:		
Donations and gifts		
Monetary	62,304,078	56,896,197
Non-monetary (in-kind)	73,761	131,327
Legacies and bequests	3,887,569	1,854,997
Investment income	463,377	701,694
Other income	3,462,169	3,447,036
Total revenue	70,190,954	63,031,251
Expenses:		
International Aid and Development Programs		
Expenditure		
International programs		
Funds to international programs	49,722,209	49,326,332
Program support costs	2,468,632	2,174,588
Community education	1,475,940	1,240,069
Fundraising costs		
Public	9,922,981	9,474,533
Accountability and administration	3,206,326	3,136,357
Non-monetary expenditure (in kind)	73,361	131,327
Total International Aid and Development Programs		
Expenditure	66,869,449	65,483,206
Excess/(Shortfall) of revenue over expenses	3,321,505	(2,451,955)

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

23. DETAILED BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2013

	2013	2012
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	11,196,760	8,421,199
Trade and other receivables	536,114	618,061
Inventories	4,030	4,294
Other financial assets	74,696	130,836
Total Current Assets	<u>11,811,600</u>	<u>9,174,389</u>
Non Current Assets		
Other financial assets	208,519	208,519
Property, plant and equipment	735,339	891,013
Total Non Current Assets	<u>943,858</u>	<u>1,099,532</u>
Total Assets	<u>12,755,458</u>	<u>10,273,921</u>
Liabilities		
Current liabilities		
Trade and other payables	1,151,088	2,127,747
Current tax liabilities	135,318	101,400
Provisions	289,566	226,768
Total current liabilities	<u>1,575,972</u>	<u>2,455,915</u>
Non current liabilities		
Provisions	442,907	402,932
Total Non Current Liabilities	<u>442,907</u>	<u>402,932</u>
Total Liabilities	<u>2,018,879</u>	<u>2,858,847</u>
Net Assets	<u>10,736,579</u>	<u>7,415,074</u>
Equity		
Retained Surplus	10,736,579	7,415,074
Total Equity	<u>10,736,579</u>	<u>7,415,074</u>

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

24. DETAILED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 January 2012	9,867,029		9,867,029
Deficit of revenue over expenses	(2,451,955)	-	(2,451,955)
Amounts transferred to reserves	-	-	-
Other comprehensive income	-	-	-
Balance at 31 December 2012	7,415,054	-	7,415,054
Deficit surplus of revenue over expenses	3,321,505	-	3,321,505
Amounts transferred to reserves	-	-	-
Other comprehensive income	-	-	-
Balance at 31 December 2013	10,736,579	-	10,736,579

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

25. DETAILS OF FUNDRAISING APPEALS

	2013	2012
	\$	\$
Details of aggregate gross income and total expenses of fundraising appeals (i):		
Newspaper, magazine advertisements & inserts	1,146,295	1,236,492
Acquisition	2,610,335	2,623,380
Bequest	3,887,569	1,854,997
Newsletters/appeals	10,930,981	10,598,504
Other general campaign	2,028,565	2,855,583
Events	750,866	661,777
Field partners	25,768,291	23,540,041
On line	8,673,874	7,541,850
Miscellaneous income	349,083	414,005
Unsolicited income	7,169,115	4,851,916
Telemarketing	2,876,673	2,572,649
	<u>66,191,647</u>	<u>58,751,194</u>
Less: total direct costs of fund raising appeals		
Newspaper, magazine advertisement & inserts	72,767	84,640
Acquisitions	467,191	569,597
Bequest	94,727	43,326
Newsletters/appeals	1,303,747	993,384
Other general campaigns	425,030	468,118
Events	25,835	25,259
Field Partners	4,874,241	4,455,751
On line	68,193	39,812
Telemarketing	1,213,581	1,509,128
	<u>8,545,313</u>	<u>8,189,015</u>
Net surplus obtained from fundraising appeals	<u>57,646,334</u>	<u>50,562,179</u>

(i) The Charitable Fundraising Act 1991 defines income from fundraising appeals as excluding bequests and unsolicited donations. The total income shown above includes both bequests and unsolicited donations, shown as separate items. Income excluding these amounts was \$59,427,404 in 2013 (2012: \$52,044,281). Net surplus excluding these amounts was \$50,882,091 in 2013 (2012: \$43,855,266).

Income is reported against the original donation source, in order to reflect the full income generated by appeals.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

26. FUNDS RECEIVED FROM THE GENERAL PUBLIC APPLIED IN CHARITABLE PURPOSES

	2013 \$	2012 \$
Net surplus obtained from fundraising appeals (i) This was applied to the charitable purposes in the following manner:	57,646,334	50,562,179
Funds to overseas projects	(49,722,209)	(49,326,332)
Administration expenses (ii)	(3,225,295)	(3,184,220)
Balance/(Deficit) applied to operational support at Médecins Sans Frontières Australia	4,698,830	(1,948,373)
Funds to overseas projects were expended by the following parties on behalf of Médecins Sans Frontières Australia:		
Médecins Sans Frontières International	607,008	599,108
Médecins Sans Frontières Holland	20,000	-
Médecins Sans Frontières Switzerland	13,737,000	13,620,000
Médecins Sans Frontières France	32,053,000	31,780,000
Total funds expended	46,417,008	45,999,108
Field staff costs (ii)	3,303,999	3,275,843
Emergency response	1,202	51,381
Total funds to overseas projects	49,722,209	49,326,332

(i) This number is the net surplus from all fundraising appeals, excluding indirect costs of fundraising.

(ii) This number is different than that in the Income Statement due to the fact that non monetary expense has not been included into this balance as it is not funds received from the general public.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2013

27. COMPARISONS OF CERTAIN MONETARY FIGURES & PERCENTAGES

Gross comparisons including fundraising income and costs not covered by the Charitable Fundraising Act 1991

	2013	2012	2013	2012
	\$	\$	%	%
Total cost of fundraising/ Gross income from fundraising	9,956,454 66,191,647	9,475,020 58,751,194	15	16
Net surplus from fundraising/ Gross income from fundraising	56,235,193 66,191,647	49,276,174 58,751,194	85	84
Total cost of services/ Total expenditure (excluding costs of fundraising)	53,671,981 56,912,995	52,759,416 56,008,186	94	94
Total cost of services/ Total income received (net of fundraising costs)	53,671,981 60,234,500	52,759,416 53,556,232	89	99

Comparisons of fundraising income and costs as classified by the Charitable Fundraising Act

Cost of fundraising appeals/ Gross income from fundraising appeals	9,956,454 59,427,404	9,475,020 52,044,281	17	18
Net surplus from fundraising appeals/ Gross income from fundraising appeals	49,470,950 59,427,404	42,569,261 52,044,281	83	82

28. LIST OF TYPES OF FUNDRAISING APPEALS CONDUCTED DURING THE FINANCIAL PERIOD

Newspaper and Magazine Advertisements and Inserts
Direct and Unaddressed Mail Donor Acquisition
Field Partner (Regular Giving) Acquisition and Retention
Trusts and Foundations
Bequest Program
Major Donor Program
Telefundraising Program
Workplace Giving
Online

No single appeal within the types listed above, or other form of fundraising for a designated purpose, generated 10% or more of total income for the period under review.