

Médecins Sans Frontières Australia

ABN 74 068 758 654

Financial Report for the Financial Year

Ended 31 December 2014

Médecins Sans Frontières Australia

Financial report for the financial year ended 31 December 2014

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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 2014. 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:

Dr Stewart Condon	Elected 28 May 2011. President Médecins Sans Frontières Australia from 22 June 14. Resident of Australia. Senior Coordinating Doctor- Assistance, International SOS. Attended eleven out of eleven Directors' meetings.*
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 seven out of seven 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 three out of four Directors' meetings.*
Mr Hichem Demortier	Treasurer Médecins Sans Frontières Australia from 20 May 2012. Elected 28 May 2011; re-elected 26 April 2014. Resident of Australia. Global and Tropical Health Programs Manager, Menzies School of Health Research. Attended ten out of eleven Directors' meetings.*
Ms Veronique Avril	Re-elected 19 May 2012. Resident of France. Special Advisor (City of Paris). Attended three out of eleven Directors' meetings. Attended all Médecins Sans Frontières France Directors' meetings as the Board Representative of Médecins Sans Frontières Australia.
Mr Constantinos Asprouloupos	Re-elected 28 May 2011 and 18 May 13. Resident of Australia. Vice President Médecins Sans Frontières Australia from 16 July 2014. Senior Program Manager, Deakin University. Attended ten out of eleven Directors' meetings.
Ms Beth Hilton Thorp	Elected 18 May 2014. Lawyer and consultant. Resident of Australia. Attended eleven out of eleven Directors' meetings.
Ms Katrina Penney	Elected 18 May 2014. Registered Nurse and Midwife. Manager, Refugee Health Screening Service, Auckland. Resident of New Zealand. Attended ten out of eleven Directors' meetings.
Ms Susanne Weress	Appointed to the Board 28 March 2012. Elected 28 May 2012. Resident of Australia. Consultant clinical pharmacist/educator to Western NSW for NPS MedicineWise. Attended eleven out of eleven 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 zero out of three Directors' meetings.*
Mr Anthony Flynn	Elected to the Board 26 April 2014. Registered Nurse. Resident of Australia. Attended seven out of seven Directors' meetings
Dr Marianne Gale	Appointed to the Board 20 August 2014. Medical Doctor. Resident of Australia. Public Health Officer, New South Wales Ministry of Health. Attended four out of four Directors' meetings.*

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

Dr Nicholas Coatsworth – retired 26 April 2014

Dr Claire Rieux – resigned 16 April 2014

Dr Stewart Condon – re-elected 26 April 2014

Mr Matthew Cleary – resigned 21 June 14

Mr Hichem Demortier – re-elected 26 April 2014

Dr Marianne Gale – appointed as a casual vacancy 20 August 2014

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, and from 26 April 2014. 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 Médecins Sans Frontières ("MSF") 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 MSF; 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 2014 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 2015.

PERFORMANCE MEASURES

The company measures performance through the establishment and monitoring of benchmarks including:

- 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 in fundraising achieved over a multi-year timeframe

The performance against these key performance indicators is as follows:

- 16 countries with 47 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 2014 emergencies, 2014 awareness campaign conducted, advocacy furthered in response to MSF Access Campaign objectives, Syria, Central African Republic, Papua New Guinea, Liberia, Sierra Leone, and Guinea;
- 47 new recruitments and 181 field placements made during 2014 in accordance with identified needs;
- Financial resources allocated 80% social mission costs to 20% administration in 2014; and
- 9.2% private revenue growth achieved in 2014 (higher than expected revenue generated by the fundraising program, and from public response to the 2014 Ebola emergency).

REVIEW OF OPERATIONS

The net operating surplus for the financial year to 31 December 2014 was \$2,240,692 (2013: \$3,321,505 surplus).

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 2014, Médecins Sans Frontières Australia committed \$37,466,100 (2013: \$32,053,000) of funds to the field to Médecins Sans Frontières France, and \$14,706,900 (2013: \$13,737,000) to Médecins Sans Frontières Switzerland.

In selecting the projects which Médecins sans Frontieres Australia supports through its grant payments to Operational Centre Paris and Operational Centre Geneva, the DFAT list of developing countries is consulted to ensure compliance requirements are fulfilled.

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 2014 is \$71,890 (2013: \$73,761). 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 2014 by volunteer field staff to Médecins Sans Frontières Operational Centres to be approximately \$2,801,372 (2013: \$2,597,153).

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 \$863,581 (2013: \$624,172).

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 \$110,000 (2013: \$135,000). 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 (estimates above are based on high level analysis only).

Médecins Sans Frontières Australia

Directors' report (continued)

MONEY SPENT

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 2014 Médecins Sans Frontières Australia spent \$60,423,751 to the social mission therefore representing 80% of total expenditure (2013: \$53,671,981 or 80%). A number of factors impact the ratio and will continue to be ongoing factors:

- Nil institutional funding in 2014 (2013: \$Nil), which is expected to continue in 2015.
- 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.
- Administrative and Fundraising requirements.

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 and officers 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

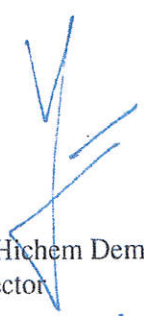
The auditor's independence declaration is included on page 9 of the financial report.

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

On behalf of the Directors


Dr Stewart Condon
Director

Sydney, *1st April* 2015


Mr Hichem Demortier
Director

Sydney, *01 April* 2015

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

In relation the audit of the financial statements of Médecins Sans Frontières Australia for the financial year ended 31 December 2014, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for profits Commission Act 2012*, to the best of my knowledge and belief, there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Australian Charities and Not-for profits Commission Act 2012* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.



Ernst & Young
Ernst & Young

Loretta Di Mento
Partner
Sydney
Date: 1 April 2015

Independent auditor's 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 2014, 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 the *Australian Charities and Not-for-Profits Commission Act 2012* 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 *Australian Charities and Not-for-Profits Commission Act 2012*. 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.

Opinion

In our opinion the financial report of Médecins Sans Frontières Australia is in accordance with the *Corporations Act 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a. giving a true and fair view of the company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards and the *Corporations Regulations 2001* and the *Australian Charities and Not-for-Profits Commission Act 2012*.

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 Company has been properly drawn up and associated records have been properly kept during the financial year ended 31 December 2014, in all material respects, in accordance with:
 - a. sections 9(6) and 10 of the *NSW Charitable Fundraising Regulations 2008*;
 - b. sections 20(1), 22(1-2), 24(1-3) of the *NSW Charitable Fundraising Act 1991*;
 - c. the *WA Charitable Collections Act (1946)*; and
 - d. 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 2014 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
Date: 1 April 2015

Médecins Sans Frontières Australia

Directors' declaration

In accordance with a resolution of the directors of Médecins Sans Frontières Australia, I state that in the opinion of the directors:

- (a) The financial statements and notes of the Médecins Sans Frontières Australia are in accordance with the Corporation Act 2001 and the Australian Charities and Not-for-Profits Commission Act 2012, including:
- (i) giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and the Australian Charities and Not-for-Profits Commission Regulation 2013;
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Directors

Dr Stewart Condon
Director

Sydney, 15th April 2015

Mr Hichem Demortier
Director

Sydney, 01 April 2015

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 2014 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, 01 April 2015

Médecins Sans Frontières Australia

Statement of Comprehensive Income for the financial year ended 31 December 2014

	Note	2014	2013
		\$	\$
Revenue	4(a)	76,412,254	70,190,954
<i>Social mission costs</i>			
Field costs		(56,516,233)	(49,722,209)
Other project costs		(2,228,367)	(2,469,332)
Community education expenses		(1,679,151)	(1,480,440)
<i>Total social mission costs</i>		<u>(60,423,751)</u>	<u>(53,671,981)</u>
<i>Administration costs</i>			
Fundraising costs		(10,806,130)	(9,956,454)
Administration expenses		(2,941,681)	(3,241,014)
<i>Total fundraising and administration costs</i>		<u>(13,747,811)</u>	<u>(13,197,468)</u>
Surplus before tax	4(b)	2,240,692	3,321,505
Income tax expense		-	-
Surplus for the year from continuing operations		<u>2,240,692</u>	<u>3,321,505</u>
<i>Other comprehensive income</i>			
Total comprehensive surplus for the year		<u>2,240,692</u>	<u>3,321,505</u>

Notes to the financial statements are included on pages 19 to 42.

Médecins Sans Frontières Australia

Statement of Financial Position as at 31 December 2014

	Note	2014 \$	2013 \$
Current assets			
Cash and cash equivalents	20(a)	16,895,907	11,196,760
Trade and other receivables	8	843,177	536,114
Other	9	97,584	78,726
Total current assets		<u>17,836,668</u>	<u>11,811,600</u>
Non-current assets			
Plant and equipment	7	562,905	735,339
Other	10	208,519	208,519
Total non-current assets		<u>771,424</u>	<u>943,858</u>
Total assets		<u>18,608,092</u>	<u>12,755,458</u>
Current liabilities			
Trade and other payables	11	4,846,616	1,286,406
Provisions	12	350,000	289,566
Total current liabilities		<u>5,196,616</u>	<u>1,575,972</u>
Non-current liabilities			
Provisions	13	434,205	442,907
Total non-current liabilities		<u>434,205</u>	<u>442,907</u>
Total liabilities		<u>5,630,821</u>	<u>2,018,879</u>
Net assets		<u>12,977,271</u>	<u>10,736,579</u>
Equity			
Retained Surplus	15	<u>12,977,271</u>	<u>10,736,579</u>
Total equity		<u>12,977,271</u>	<u>10,736,579</u>

Notes to the financial statements are included on pages 19 to 42.

Médecins Sans Frontières Australia

Statement of Changes in Equity for the financial year ended 31 December 2014

	Note	Retained Surplus \$
Balance at 1 January 2013		7,415,074
Surplus for the year		3,321,505
Other comprehensive income for the year		-
Total equity for the year		<u>10,736,579</u>
Balance at 31 December 2013		10,736,579
Surplus for the year		2,240,692
Other comprehensive income for the year		-
Total equity for the year		<u>12,977,271</u>
Balance at 31 December 2014	15	<u><u>12,977,271</u></u>

Notes to the financial statements are included on pages 19 to 42.

Médecins Sans Frontières Australia

Statement of Cash Flows for the financial year ended 31 December 2014

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from donors/supporters		75,548,373	69,809,524
Payments to field		(49,669,249)	(46,417,008)
Payments to suppliers and employees		(20,709,666)	(21,047,555)
Interest received		556,818	463,377
Net cash flows from operating activities	20 (b)	5,726,276	2,808,338
Cash flows from investing activities			
Payments for plant and equipment		(27,129)	(32,777)
Net cash flows used in investing activities		(27,129)	(32,777)
Net increase in cash and cash equivalents		5,699,147	2,775,561
Cash and cash equivalents at the beginning of the financial year		11,196,760	8,421,199
Cash and cash equivalents at the end of the financial year	20(a)	16,895,907	11,196,760

Notes to the financial statements are included on pages 19 to 42.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

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, the Australian Charities and Not-for-Profits Commission Act 2012 and Australian Accounting Standards and Interpretations.

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.

Standards and Interpretations in issue not yet adopted

Certain Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Médecins Sans Frontières Australia for the annual reporting period ended 31 December 2014. The directors have not yet assessed the impact of these new or amended standards (to the extent relevant to Médecins Sans Frontières Australia) and interpretations.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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 used in the office, 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

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date.

They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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 liabilities as a receivable.

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.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(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. 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.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

(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.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 received.

2) Investment income

Investment income mainly comprises 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.

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Notes to the financial statements for the financial year ended 31 December 2014

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

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.

4. REVENUE

	2014	2013
	\$	\$
(a) Revenue		
Revenue from operations consisted of the following items:		
Fundraising revenue:		
Donations	72,256,487	66,191,647
Interest revenue:		
Bank deposits	547,634	463,377
Other revenue:		
Recharge for services to Médecins Sans Frontières	3,473,329	3,375,547
International entities		
Other income	62,914	86,622
Non-monetary income (donations-in-kind)	71,890	73,761
Total Revenue	<u>76,412,254</u>	<u>70,190,954</u>

(b) Surplus before income tax expenses

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

Net loss from sale of plant and equipment	4	2,288
Net gain from foreign exchange rate movement	(4,134)	(23,246)
Funds to the field to Médecins Sans Frontières international entities	52,173,000	45,810,000
Depreciation of non-current assets	199,559	186,163
Employee benefits	6,682,212	6,990,820
Payments to superannuation funds	571,651	519,079
Operating lease rental expenses: Minimum lease payments	<u>403,718</u>	<u>389,738</u>

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 until 22 June 2014, 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)
- Dr Stewart Condon (President from 22 June 2014, non-executive)
- Ms Beth Hilton Thorp (non- executive)
- Ms Katrina Penney (non- executive)
- Ms Susanne Weress (non-executive)
- Dr Claire Rieux (non-executive)
- Mr Anthony Flynn (non-executive), elected 26 April 2014
- Dr Marianne Gale (non-executive), elected 20 August 2014
- Mr Paul McPhun (Executive Director, Company Secretary from 26 April 2014)
- Mr John Burns (Head of Fundraising)
- Dr Myrto Schaefer (Head of Medical 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)
- Ms Sandrine Dupain-Libessart (Interim Head of Finance & Administration from May to November 2014)

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:

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

	2014	2013
	\$	\$
Short term employee benefits	919,318	909,457

6. REMUNERATION OF AUDITORS

Audit of the financial report	46,810	48,350
Other non-audit services – taxation advice (other audit firm)	3,045	5,880
	<u>49,855</u>	<u>54,230</u>

7. PLANT AND EQUIPMENT

	Office equipment at cost \$	Furniture and fittings at cost \$	Total \$
Gross carrying amount			
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 1 January 2014	515,495	956,421	1,471,916
Additions	17,486	9,643	27,129
Disposals	(23,296)	-	(23,296)
Balance at 31 December 2014	509,685	966,064	1,475,749
Accumulated depreciation and impairment			
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 1 January 2014	(455,359)	(281,218)	(736,577)
Depreciation expense	(40,677)	(158,882)	(199,559)
Disposals	23,292	-	23,292

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

Balance at 31 December 2014	<u>(472,744)</u>	<u>(440,100)</u>	<u>(912,844)</u>
Net book value			
As at 31 December 2013	<u>60,136</u>	<u>675,202</u>	<u>735,339</u>
As at 31 December 2014	<u>36,941</u>	<u>525,964</u>	<u>562,905</u>

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	2014	2013
	\$	\$
Amounts due from Médecins Sans Frontières		
International entities	415,647	444,943
Goods and services tax (GST) recoverable	151,836	52,503
Other	275,694	38,668
	<u>843,177</u>	<u>536,114</u>
9. OTHER	2014	2013
	\$	\$
Insurance prepayment	93,554	74,696
Inventories	4,030	4,030
	<u>97,584</u>	<u>78,726</u>
10. OTHER NON-CURRENT ASSET	2014	2013
	\$	\$
Rental bond	<u>208,519</u>	<u>208,519</u>

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

11. TRADE AND OTHER PAYABLES	2014	2013
	\$	\$
Trade payables	828,758	477,125
Amounts due to Médecins Sans Frontières international entities	3,150,000	-
Accruals	867,858	809,281
	<u>4,846,616</u>	<u>1,286,406</u>
12. CURRENT PROVISIONS		
Employee benefits (note 14)	350,000	289,566
	<u>350,000</u>	<u>289,566</u>
13. NON-CURRENT PROVISIONS		
Employee benefits (note 14)	154,205	162,907
Make good provision (note 14)	280,000	280,000
	<u>434,205</u>	<u>442,907</u>
	Employee benefits	Make Good Provision
	\$	\$
14. PROVISIONS		
Balance at 1 January 2014	452,473	280,000
Additional provisions recognised	151,872	-
Provisions utilised/released	(100,141)	-
	<u>504,205</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 2014

15. RETAINED SURPLUS	2014	2013
	\$	\$
Balance at the beginning of the financial year	10,736,579	7,415,074
Net surplus	2,240,692	3,321,505
Balance at end of financial year	12,977,271	10,736,579

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 2014, the number of members was 268 (2013: 275).

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	857	Mr Hichem Demortier	907
Mr Anthony Flynn	151	Ms Beth Hilton-Thorp	1,038
Mr Stewart Condon	1,677	Ms Katrina Penney	865
Ms Susanne Weress	11,134	Mr Matt Cleary	520
Ms Veronique Avril	137		

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 2014

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 year 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.

	2014	2013
	\$	\$
<u>Non-cancellable operating lease payments</u>		
Not longer than 1 year	411,177	402,106
Longer than 1 year and not longer than 5 years	605,331	1,024,657
Longer than 5 years	-	-
	<u>1,016,508</u>	<u>1,426,763</u>

In respect of non-cancellable operating leases, the following liability has been recognised:

Non-current liability:	2014	2013
	\$	\$
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 2014

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:

	2014	2013
	\$	\$
Cash and cash equivalents	16,895,907	11,196,760

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

Surplus for the year	2,240,692	3,321,505
Depreciation	199,559	186,163
Loss on disposal on assets	4	2,288
Changes in net assets and liabilities:		
(Decrease)/Increase in assets:		
Current receivables	(325,921)	81,947
Other current assets	-	56,403
Increase/(Decrease) in liabilities:		
Current payables	3,560,210	(942,741)
Current provisions	60,434	62,798
Non-current provisions	(8,702)	39,975
Net cash flows from operating activities	5,726,276	2,808,338

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 2014

21. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Categories of Financial Instruments

	2014	2013
	\$	\$
Financial assets		
Trade and other receivables	843,177	536,114
Cash and cash equivalents	16,895,907	11,196,760
	<u>17,739,084</u>	<u>11,732,874</u>
Financial liabilities		
Trade and other payables	4,846,616	1,286,406

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 2014

21. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Liquidity Risk

Liquidity risk is the risk that the company will not be able to fund its obligations 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 (\$)
2014					
Non interest bearing					
Trade and other payables	-	4,846,616	-	-	4,846,616
2013					
Non interest bearing					
Trade and other payables	-	1,286,406	-	-	1,286,406

(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 monitors interest rates for cash at bank and on deposit to maximise interest income.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

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 2014:

	Weighted Average Effective Interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	Greater than 1 year \$	Total
Financial Assets						
2014						
Variable interest rate instruments	1.92%	10,324,207	-	-	-	10,324,207
Fixed interest rate instruments	3.29%	-	6,500,000	-	228,569	6,728,569
Total		10,324,207	6,500,000	-	228,569	17,052,776

	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						
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

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Notes to the financial statements for the financial year ended 31 December 2014

21. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Interest rate risk management (continued)

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 \$51,621 and decrease by approximately \$51,621 (2013: increase by approximately \$8,715 and decrease by approximately 8,715). 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 counterparty 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 2014

22. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

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.

	2014	2013
	\$	\$
Revenue:		
Donations and gifts		
Monetary	66,935,633	62,304,078
Non-monetary (in-kind)	71,890	73,761
Legacies and bequests	5,320,854	3,887,569
Investment income	547,634	463,377
Other income	3,536,243	3,462,169
Total revenue	76,412,254	70,190,954
Expenses:		
International Aid and Development Programs		
Expenditure		
International programs		
Funds to international programs	56,517,033	49,722,209
Program support costs	2,227,567	2,468,632
Community education	1,679,151	1,475,940
Fundraising costs		
Public	10,756,519	9,922,981
Accountability and administration	2,919,402	3,206,326
Non-monetary expenditure (in kind)	71,890	73,361
Total International Aid and Development Programs	74,171,562	66,869,449
Expenditure	74,171,562	66,869,449
Excess of revenue over expenses	2,240,692	3,321,505

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

23. DETAILED BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2014

	2014	2013
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	16,895,907	11,196,760
Trade and other receivables	843,177	536,114
Inventories	4,030	4,030
Other financial assets	93,554	74,696
Total Current Assets	<u>17,836,668</u>	<u>11,811,600</u>
 Non Current Assets		
Other financial assets	208,519	208,519
Property, plant and equipment	562,905	735,339
Total Non Current Assets	<u>771,424</u>	<u>943,858</u>
Total Assets	<u>18,608,092</u>	<u>12,755,458</u>
 Liabilities		
Current liabilities		
Trade and other payables	4,695,500	1,151,088
Current tax liabilities	151,116	135,318
Provisions	350,000	289,566
Total current liabilities	<u>5,196,616</u>	<u>1,575,972</u>
 Non current liabilities		
Provisions	434,205	442,907
Total Non Current Liabilities	<u>434,205</u>	<u>442,907</u>
 Total Liabilities	<u>5,630,821</u>	<u>2,018,879</u>
Net Assets	<u>12,977,271</u>	<u>10,736,579</u>
 Equity		
Retained Surplus	12,977,271	10,736,579
Total Equity	<u>12,977,271</u>	<u>10,736,579</u>

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Notes to the financial statements for the financial year ended 31 December 2014

24. DETAILED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 January 2013	7,415,054	-	7,415,054
Deficit 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
Deficit surplus of revenue over expenses	2,240,692	-	2,240,692
Amounts transferred to reserves	-	-	-
Other comprehensive income	-	-	-
Balance at 31 December 2014	12,977,271	-	12,977,271

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Notes to the financial statements for the financial year ended 31 December 2014

25. DETAILS OF FUNDRAISING APPEALS

	2014	2013
	\$	\$
Details of aggregate gross income and total expenses of fundraising appeals (i):		
Newspaper, magazine advertisements & inserts	1,144,876	1,146,295
Acquisition	2,685,188	2,610,335
Bequest	5,320,654	3,887,569
Newsletters/appeals	12,120,414	10,930,981
Other general campaign	3,540,208	2,028,565
Events	965,956	750,866
Field partners	24,904,013	25,768,291
On line	11,401,740	8,673,874
Miscellaneous income	279,058	349,083
Unsolicited income	6,851,876	7,169,115
Telemarketing	3,042,504	2,876,673
	<u>72,256,487</u>	<u>66,191,647</u>
Less: total direct costs of fund raising appeals		
Newspaper, magazine advertisement & inserts	68,364	72,767
Acquisitions	639,207	467,191
Bequest	65,956	94,727
Newsletters/appeals	1,229,671	1,303,747
Other general campaigns	442,940	425,030
Events	21,508	25,835
Field Partners	4,798,622	4,874,241
On line	51,962	68,193
Telemarketing	1,929,106	1,213,581
	<u>9,247,336</u>	<u>8,545,313</u>
Net surplus obtained from fundraising appeals	<u>63,009,151</u>	<u>57,646,334</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 \$60,083,957 in 2014 (2013: \$55,134,963). Net surplus excluding these amounts was \$50,836,621, in 2014 (2013: \$46,589,650).

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

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Notes to the financial statements for the financial year ended 31 December 2014

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

	2014 \$	2013 \$
Net surplus obtained from fundraising appeals	63,009,151	57,646,334
This was applied to the charitable purposes in the following manner:		
Funds to overseas projects (i)	(56,517,033)	(49,722,209)
Administration expenses (i)	(3,237,679)	(3,225,295)
Balance applied to operational support at Médecins Sans Frontières Australia	3,254,439	4,698,830
Funds to overseas projects were expended by the following parties on behalf of Médecins Sans Frontières Australia:		
Médecins Sans Frontières International	646,249	607,008
Médecins Sans Frontières Holland	-	20,000
Médecins Sans Frontières Switzerland	14,706,900	13,737,000
Médecins Sans Frontières France	37,466,100	32,053,000
Total funds expended	52,819,249	46,417,008
Field staff costs	3,696,984	3,303,999
Emergency response	800	1,202
Total funds to overseas projects	56,517,033	49,722,209

- (i) Administration expenses and funds to overseas projects are different from the Statement of Comprehensive Income due to the fact that the above exclude non-monetary expenses as they are not funds received from the general public.

Médecins Sans Frontières Australia

Notes to the financial statements for the financial year ended 31 December 2014

27. COMPARISONS OF CERTAIN MONETARY FIGURES & PERCENTAGES

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

	2014 \$	2013 \$	2014 %	2013 %
Total cost of fundraising/ Gross income from fundraising	10,806,130 72,256,487	9,956,454 66,191,647	15	15
Net surplus from fundraising/ Gross income from fundraising	61,450,357 72,256,487	56,235,193 66,191,647	85	85
Total cost of services/ Total expenditure (excluding costs of fundraising)	60,423,751 63,365,432	53,671,981 56,912,996	95	94
Total cost of services/ Total income received (net of fundraising costs)	60,423,751 65,606,125	53,671,981 60,234,500	92	89

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

Cost of fundraising appeals/ Gross income from fundraising appeals	10,806,130 60,083,957	9,956,454 59,427,404	18	17
Net surplus from fundraising appeals/ Gross income from fundraising appeals	48,903,742 60,083,957	49,470,950 59,427,404	81	83

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