

Médecins Sans Frontières Australia Limited

ABN 74 068 758 654

Consolidated Financial Report for the Financial Year
Ended 31 December 2021

Médecins Sans Frontières Australia Limited

Consolidated Financial Report for the Financial Year ended 31 December 2021

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Médecins Sans Frontières Australia Limited

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 2021. The names and particulars of the directors during or since the end of the financial year are:

- Katrina Penney** President from 29 May 2021. Re-elected to Board 29 May 2021. Previously member of the Board 2013-2019. Founding Trustee MSF New Zealand Charitable Trust and founding member of the Auckland MSF support network. Returning Officer for the Northland Electorate for 2020 NZ general election. Board member Alzheimer's Northland Society Resident of New Zealand. Owner/Operator L&P Avo. Attended eight out of eight Directors' meetings.
- Dwin Tucker** Vice President from 29 May 2021. President from 23 May 2020 to 29 May 2021. Treasurer from 29 April 2016 to 23 May 2020. Appointed to the Board 1995-1998 as Treasurer. Elected to the Board 16 May 2015. Re-elected 25 May 2018. Director, Deafness Forum, ClearaSound and TurnkeyIO. Resident of Australia. Attended thirteen out of thirteen Directors' meetings.
- Maurine Elizabeth Hilton**
- Thorp** Treasurer from 23 May 2020. Elected 18 May 2013, re-elected 29 April 2016, re-elected 12 May 2019. Lawyer and consultant. Resident of Australia. Attended thirteen out of thirteen Directors' meetings.
- Kerry Atkins** Elected to the Board 12 May 2019. CPA qualified, Graduate of the Humanitarian Leadership Program at Deakin University. Director of Finance and Operations, and Company Director, The Nature Conservancy Limited Resident of Australia. Attended thirteen out of thirteen Directors' meetings.
- Alice Cameron** Elected to the Board 22 May 2020. Consultant. Resident of New Zealand. Resigned 12 May 2021. Attended four out of four Directors' meetings.
- Maria Cartwright** Elected to the Board 29 May 2021. Registered nurse and midwife. Retired. Resident of Australia. Attended seven out of eight Director's meetings.
- Jacqueline Hewitt** Appointed to the Board 31 August 2016. Elected to the Board 6 May 2017. Re-elected to the Board 22 May 2020. Position vacated 27 January 2021. Medical Doctor – Pediatric Endocrinologist. Resident of Australia. Attended nil out of one Directors' meeting.
- Bethany Lansom** Elected to the Board 22 May 2020. Resident of Australia. Principal Policy Officer, Preparedness, State Preparedness & Response Branch, NSW Ministry of Health. Attended twelve out of thirteen Directors' meetings.
- Carol Nagy** Appointed to the Board 22 October 2020. Elected to the Board 29 May 2021. Resigned 11 November 2021. Clinical Nurse in emergency and intensive care. Resident of Australia. Attended eleven out of twelve Directors' meetings.
- Dr Vin Massaro** Appointed to the Board 20 October 2020. Elected to the Board 29 May 2021. Resigned 13 December 2021. Professorial Fellow of the University of Melbourne and Independent member of the Board of the Royal Australian and New Zealand College of Radiologists. Resident of Australia. Attended twelve out of thirteen Directors' meetings.

Médecins Sans Frontières Australia Limited

Directors' Report (continued)

Patricia Schwerdtle Vice President from 23 May 2020. Appointed to the Board on 21 June 2017. elected 25 May 2018. Term as Director ended 29 May 2021. Registered Nurse and Academic, Heidelberg Institute of Global Health, Heidelberg University, Germany. Nursing and Midwifery, Monash University, Melbourne. Resident of Germany. Attended five of five Directors' meetings

Dr Meguerditch Terzian Appointed to the Board on 6 March 2017. Medical Doctor and President, Médecins Sans Frontières France. Resident of France. Attended twelve out of thirteen Directors' meetings.

Dr Mohammad-Ali Trad Appointed to the Board 16 October 2020. Elected to the Board 29 May 2021. Infectious Diseases Physician in Launceston General Hospital and Honorary Senior Clinical Lecturer at the University of Tasmania. Resident of Australia. Attended twelve out of thirteen Directors' meetings.

COMPANY SECRETARY (JOINT)

Ms Jennifer Tierney, Executive Director of Médecins Sans Frontières Australia Limited ('MSF').

Ms Emma Sullivan Smith, Association Coordinator of Médecins Sans Frontières Australia Limited ('MSF').

SHORT-AND LONG-TERM OBJECTIVES AND STRATEGY

The Group's short-and long-term objectives are to:

Continue to deliver our core medical humanitarian work

- Attracting and developing high quality field workers and efficiently matching them to the needs of the movement;
- Raising funds to build sustainable financial health of the movement so that we can deliver care to patients;
- Speaking out and advocating on behalf of our patients, bearing witness to their needs and inspiring support in our social purpose;
- Being a source of medical expertise in women's health, paediatric and neonatal health, and sexual violence care, and providing direct support to our medical humanitarian projects.

The Group's strategy for achieving these objectives:

Transform our working practice to respond flexible and effectively to our patients' needs.

Our approach is focused around 3 themes:

- Putting patients first: championing patient centred care in all the projects in which we work, focusing our communications around a patient-centred narrative, supporting regional partnerships which are patient-centred, environmentally responsible, locally relevant and more efficient.

Médecins Sans Frontières Australia Limited

Directors' Report (continued)

- Engaging our communities: shifting our communications approach to improve our engagement with our audiences, continuing to provide excellent donor care and employing new technologies and ways of working to ensure our organisation is prepared for the future.
- Valuing our people: offering an inclusive workplace environment and culture and developing our culture so that we work with greater agility and responsiveness to the needs of our patients.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year to 31 December 2021 have been:

- Fundraising from the Australian and New Zealand general public in order to finance the field operations of Médecins Sans Frontières.
- Liaison with institutions and individuals in Australia and internationally, with a view to obtaining funding or other operational support for field projects, and for coordination with other organisations involved in overseas humanitarian relief.
- Provision of medical expertise in women's health, child health and sexual violence care through direct visits to Médecins Sans Frontières 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.
- Engaging with communities in the form of dissemination of public information on humanitarian and development issues; provision of materials and spokespeople to journalists in the print and electronic media; publication of newsletters; participation in seminars; and guest lectureships at secondary schools and universities.

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 2022.

PERFORMANCE MEASURES

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

- 100% compliance with all regulatory requirements
- Risk identification, monitoring, and mitigation strategy
- Fundraising meets the needs of the movement to fund operations;
- Proportion of financial resource spend between social mission and administrative costs within an appropriate range;
- Australian and New Zealand recruitment and placement executed to meet resource needs identified within the Médecins Sans Frontières movement;

Médecins Sans Frontières Australia Limited

Directors' Report (continued)

- Patient-centred operational impact for Sydney Medical Unit expertise in women's paediatric and neonatal health and sexual violence care continues; and
- Grown in engagement – field communications, awareness raising and advocacy to inspire support for our patients' needs.

The performance against these key performance indicators is as follows:

- Private revenue in 2021 has increased by 8.3%;
- Financial resources allocated 75.2% social mission costs to 24.8% administration in 2021;
- 36 new recruits and 113 field placements made during 2021 in accordance with identified needs;
- In 2021, 49 projects in 45 countries received technical oversight, field support and training in women's health, child health, and sexual violence care.

REVIEW OF OPERATIONS

The net operating surplus for the financial year to 31 December 2021 was \$8,936,480 (2020: operating surplus of \$1,531,943).

CHANGES IN STATE OF AFFAIRS

During the financial year there was no other significant change in the state of affairs of the Group, other than that referred to in the financial statements or notes thereto. Médecins Sans Frontières Australia Limited has continued to be impacted by Covid in 2021 in multiple ways, including experiencing a higher cost to send fieldworkers overseas, primarily working from home for office staff and having to adjust our fundraising approach.

Médecins Sans Frontières Australia Limited 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 Limited continues to diversify its sources of funding and to increase regular field partner donations.

Médecins Sans Frontières Australia Limited continues to pay field staff from Australia when they go to the field. The financial impact of this is not significant as the salary cost incurred by Médecins Sans Frontières Australia Limited is recharged to the relevant operational centres.

In total, during 2021, Médecins Sans Frontières Australia Limited committed \$45,606,303 (2020: \$43,598,653) of funds to the field to Médecins Sans Frontières France, and \$19,545,558 (2020: \$18,170,852) to Médecins Sans Frontières Switzerland. Additionally, Médecins Sans Frontières Australia Limited committed \$364,346 to Climate SMART (Médecins Sans Frontières Canada) (2020: Nil).

In selecting the projects which Médecins Sans Frontières Australia Limited 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.

Médecins Sans Frontières Australia Limited

Directors' Report (continued)

DONATIONS IN KIND

Over the course of the year the Group has received donations in kind from a number of sources. These donations may be physical assets for use in the Group, 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 2021 is \$575,332 (2020: \$248,917). This amount has been brought to account in the financial statements.

VOLUNTARY ASSISTANCE AND FIELD STAFF

In addition to donations in kind the Group 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 Group estimates that the total salaries forgone by field staff working within their professional capacity in Australia for the year ended 31 December 2021 to be approximately \$1,752,805 (2020: \$2,332,814).

The Group estimates that the total salaries forgone by field staff working within their professional capacity in Australia who undertook missions of less than three months to be approximately \$345,005 (2020: \$365,871).

Médecins Sans Frontières Australia Limited 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 \$56,756 (2020: \$17,966).

The Board of Directors (except for the President of the Board, who receives a partial salary) and Association also freely give their time to Médecins Sans Frontières Australia Limited. The estimated value of the time provided by the Board of Directors is approximately \$424,640 (2020: \$417,600).

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).

MONEY SPENT

The mission of Médecins Sans Frontières Australia Limited is to provide assistance to people in distress, to victims of natural or man-made disasters and victims of armed conflict and to increase awareness of the plight of these people. The international Médecins Sans Frontières movement as a whole, targets a social mission ratio whereby around 80% of expenditure is directly devoted to this social mission. In 2021 Médecins Sans Frontières Australia Limited spent \$78,170,856 to the social mission therefore representing 75.2% of total expenditure (2020: \$77,693,278). A number of factors impact the ratio and will continue to be ongoing factors:

- 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.

Médecins Sans Frontières Australia Limited

Directors' Report (continued)

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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

FUTURE DEVELOPMENTS

It is likely that in future financial years, the Group 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.

Médecins Sans Frontières Australia Limited is looking to further consolidate its presence into New Zealand and in partnership with regional Médecins Sans Frontières sections, expand its presence into new countries in South East Asia.

The Board of Médecins Sans Frontières Australia Limited approved the Transformation program launched on 9 March 2022, which over the next two years will be implementing new technologies and new ways of working, designed to improve our social mission ratio. The program will enable us to take better care of our staff, here and overseas. We will have a better analysis that allows us to invest our funds wisely, send more money to the field and spend less money on administration. We will be at lower risk, able to make insightful decisions to inform our direction, and scale MSF Australia and New Zealand for future growth.

DIVIDENDS

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

INDEMNIFICATION OF OFFICERS

During the financial year, the Group 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 Australian Charities and Not-for-profits Commission Act 2012. 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 of the company or of any related body corporate against a liability incurred as such an officer.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Group has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Médecins Sans Frontières Australia Limited

Directors' Report (continued)

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 29.

INDEPENDENCE DECLARATION

A copy of the Auditor's Independence Declaration that has been provided in accordance with subdivision 60-C section 60-40 of Australian Charities and Not-for-profits Commission Act 2012 is set out on page 11.

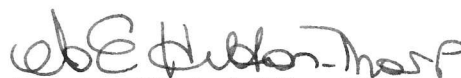
Signed in accordance with a resolution of the directors.

On behalf of the directors



Katrina Penney
Director

Sydney, 27 April 2022



Maurine Elizabeth Hilton-Thorp
Director

Sydney, 27 April 2022



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

In relation to our audit of the financial report of Médecins Sans Frontières Australia Limited for the financial year ended 31 December 2021, 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:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Anton Ivanyi'.

Anton Ivanyi
Partner
27 April 2022



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Independent Auditor's Report to the Members of Médecins Sans Frontières Australia Limited

Report on the Financial Report

Opinion

We have audited the financial report of Médecins Sans Frontières Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on the requirements of the *NSW Charitable Fundraising Act 1991* and the *NSW Charitable Fundraising Regulations 2015* 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 2015* and the *WA Charitable Collections Act (1946)* and the *WA Charitable Collections Regulations (1947)*.

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 Act(s) 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 2019, 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 10(6) and 11 of the *NSW Charitable Fundraising Regulations 2015*;
 - iii. the *WA Charitable Collections Act (1946)*; and
 - iv. the *WA Charitable Collections Regulations (1947)*.



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- b) the money received as a result of fundraising appeals conducted by the Company during the financial year ended 31 December 2021 has been properly accounted for and applied, in all material respects, in accordance with the above mentioned Act(s) and Regulations.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'Anton Ivanyi'.

Anton Ivanyi
Partner
Sydney
27 April 2022

Médecins Sans Frontières Australia Limited

Directors' Declaration

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

- (a) the consolidated financial statements and notes of the Group are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- (b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Directors' Declaration under the NSW Charitable Fundraising Act 1991

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

- (a) the Consolidated Statement of Comprehensive Income gives a true and fair view of all income and expenditure of the Group with respect to fundraising appeals;
- (b) the Consolidated Statement of Financial Position gives a true and fair view of the state of affairs of the Group with respect to fundraising appeals;
- (c) the provisions and regulations of the NSW Charitable Fundraising Act 1991 and the conditions attached to the authority to fundraise have been complied with by the Group; and
- (d) the internal controls exercised by the Group are appropriate and effective in accounting for all income received and applied by the Group from any of its fundraising appeals.

On behalf of the Board



Katrina Penney
Director

Sydney, 27 April 2022



Maurine Elizabeth Hilton-Thorp
Director

Sydney, 27 April 2022

Médecins Sans Frontières Australia
Consolidated Statement of Comprehensive Income
for the financial year ended 31 December 2021

	Note	2021	2020
		\$	\$
Revenue	4(a)	112,835,173	104,218,096
<i>Social mission costs</i>			
Field costs		(71,579,768)	(70,613,179)
Other project costs		(3,620,712)	(3,770,948)
Community education expenses		(2,970,376)	(3,309,151)
<i>Total social mission costs</i>		<u>(78,170,856)</u>	<u>(77,693,277)</u>
<i>Fundraising and Administration costs</i>			
Fundraising costs		(19,934,384)	(19,518,791)
Administration expenses		(5,793,453)	(5,474,084)
<i>Total fundraising and administration costs</i>		<u>(25,727,837)</u>	<u>(24,992,875)</u>
Surplus/(Deficit) before tax	4(b)	8,936,480	1,531,943
Income tax expense		<u>-</u>	<u>-</u>
Surplus/(Deficit) for the year from continuing operations		<u>8,936,480</u>	<u>1,531,943</u>
<i>Other comprehensive income (loss)</i>		<u>36,526</u>	<u>(27,990)</u>
Total comprehensive surplus (deficit) for the year		<u>8,973,006</u>	<u>1,503,953</u>

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

Médecins Sans Frontières Australia
Consolidated Statement of Financial Position
As at 31 December 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents		25,342,104	15,284,763
Trade and other receivables	8	1,886,216	2,273,442
Other	9	614,807	408,886
Total current assets		27,843,127	17,967,091
Non-current assets			
Property, plant, and equipment	7	200,619	252,345
Right-of use asset	12	923,625	613,169
Other	9	215,337	215,337
Total non-current assets		1,339,581	1,080,851
Total assets		29,182,708	19,047,942
Current liabilities			
Trade and other payables	10	6,372,744	5,724,103
Provisions	11	1,173,227	1,043,610
Lease Liability	12	405,856	458,707
Total current liabilities		7,951,827	7,226,420
Non-current liabilities			
Provisions	11	482,033	453,827
Lease Liability	12	612,048	203,901
Total non-current liabilities		1,094,081	657,728
Total liabilities		9,045,908	7,884,148
Net assets		20,136,800	11,163,794
Equity			
Reserves	14	(175,992)	(212,518)
Retained Surplus	13	20,312,792	11,376,312
Total equity		20,136,800	11,163,794

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

Médecins Sans Frontières Australia
Consolidated Statement of Changes in Equity
for the financial year ended 31 December 2021

	Note	Foreign currency translation reserve	Retained Surplus	Total
		\$	\$	\$
Balance at 1 January 2020		(184,528)	9,844,369	9,659,841
Surplus for the year		-	1,531,943	1,531,943
Other comprehensive loss for the year		(27,990)	-	(27,990)
Total comprehensive profit/(loss) for the year		(27,990)	1,531,943	1,503,953
Balance at 31 December 2020		(212,518)	11,376,312	11,163,794
Surplus for the year		-	8,936,480	8,936,480
Other comprehensive profit for the year		36,526	-	36,526
Total comprehensive profit for the year		36,526	8,936,480	8,973,006
Balance at 31 December 2021	14	(175,992)	20,312,792	20,136,800

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

Médecins Sans Frontières Australia

Consolidated Statement of Cash Flows for the financial year ended 31 December 2021

	2021	2020
	\$	\$
Cash flows from operating activities		
Receipts from donors and supporters	105,534,255	97,067,230
Receipts for services recharged	7,122,329	5,736,765
Interest received	28,405	30,622
Payments for field costs	(64,834,083)	(59,871,004)
Payments to suppliers and employees	(37,264,669)	(38,316,562)
Net cash flow from/(used in) operating activities	10,586,237	4,647,051
Cash flows from investing activities		
Proceeds from/(payment) for plant and equipment	(86,634)	(180,159)
Net cash flow from/(used in) investing activities	(86,634)	(180,159)
Cash flows from financing activities		
Interest paid	(54,740)	(46,388)
Payment of principal portion of lease liabilities	(387,522)	(398,801)
Net cash flow used in financing activities	(442,262)	(445,189)
Net increase/(decrease) in cash and cash equivalents	10,057,341	4,021,703
Cash and cash equivalents at the beginning of the financial year	15,284,763	11,263,060
Cash and cash equivalents at the end of the financial year	25,342,104	15,284,763

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

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

1. GENERAL INFORMATION

Médecins Sans Frontières Australia Limited 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

Further information on the nature of the operations and principal activities of the Group is provided in the Directors' Report.

The Financial statements were authorised for issue, in accordance with a resolution of directors, on 27 April 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The Group is a registered charity and a reporting entity. Therefore the financial statements of the Group are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Regulation 2013.

2.1. Basis of Preparation

The Financial Report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-profits Commission Act 2012 and Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The Financial Report has also been prepared on a historical cost basis. All amounts are presented in Australian dollars, unless otherwise noted.

In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements.

Compliance with International Financial Reporting Standards (IFRS)

The Financial Report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2. Basis of Consolidation

The consolidated financial statements of the Group include a wholly owned subsidiary, Médecins Sans Frontières New Zealand Charitable Trust which commenced operations in April 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- (i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- (ii) Exposure, or rights, to variable returns from its involvement with the investee
- (iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (i) The contractual arrangement(s) with the other vote holders of the investee
- (ii) Rights arising from other contractual arrangements
- (iii) The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Surplus or deficit and each component of Other Comprehensive Income ("OCI") are attributed to the parent of the Group. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, while any resultant gain or loss is recognised in surplus or deficit. Any investment retained is recognised at fair value.

**Notes to the Consolidated Financial Statements
for the Financial Year ended 31 December 2021**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3. Summary of Significant Accounting Policies

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 Group has received donations in kind from a number of sources. These donations may be items 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 used in the office 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 Limited. 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) Revenue from contracts with donors

The Group is in the business of fundraising from the general public. Revenue from contracts with our donors is recognised when cash is received.

The Group does not receive government grants, either state or federal.

d) 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.

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e) 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.

f) Field costs

Field costs include expenses associated with remitting funds to our Operational Centres and the costs of deploying and paying our field staff.

g) 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 Group will not be able to collect the debts. Bad debts are written off when identified.

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

h) 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.

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.

i) Income tax

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

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases as leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date of the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment of losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

- Office Building 3 to 15 years
- Other equipment 3 to 5 years

If ownership of the leased asset transfers to the Group at the end of the lease terms or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

ii. Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in the Non-current liabilities.

iii. Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to lease of office equipment that considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

k) Payables

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

l) 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.

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 Group or when it has no sale value. Any gain or loss arising on derecognition of the

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the year the asset is derecognised.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event. It is probable that the Group 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.

n) 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.

i) Revenue from fundraising

Donations

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

Legacies & Bequests

Legacies & bequests are recognised when received.

ii) Investment income

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

iii) 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.

o) Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation.

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the gain or loss that is reclassified to surplus or deficit reflects the amount that arises from using this method.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in surplus or deficit with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in Other Comprehensive Income (OCI) until the net investment is disposed of, at which time, the cumulative amount is reclassified to surplus or deficit. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or surplus or deficit are also recognised in OCI or surplus or deficit, respectively).

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of surplus or deficit are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to surplus or deficit.

p) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in the presentation for the current year.

Changes in accounting policies and disclosures

New and amended standards and interpretations

Several amendments and interpretations apply for the first time in 2021, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The application of Australian Accounting Standards requires making 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 benefits – 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 11 for further details.
- ii. Make good provisions - Provisions for future costs to return certain leased premises to their original condition are based on the Group'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.

The above judgements are considered to have a significant effect on the accounts and the basis of estimation are included within Note 2.

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

4. REVENUE

	2021	2020
	\$	\$
(a) Revenue		
Revenue from operations consisted of the following items:		
Fundraising revenue:		
Donations	105,534,255	97,067,230
Interest revenue:		
Bank deposits	28,405	30,622
Other revenue:		
Recharge for services to Médecins Sans Frontières		
International entities	6,612,928	6,703,689
Other income	84,253	167,638
Non-monetary income (donations-in-kind)	575,332	248,917
Total Revenue	112,835,173	104,218,096

(b) Surplus/(Deficit) before income tax

Surplus before tax consisted of the following items:

Net gain from sale of plant and equipment	-	-
Net gain/(loss) from foreign exchange rate movement	1,901	40,571
Funds to the field to Médecins Sans Frontières		
International entities	71,558,412	70,613,179
Depreciation of non-current assets	573,215	572,368
Employee benefits, including superannuation benefits	13,760,664	15,297,862
Payments to superannuation funds	1,106,786	1,159,599

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

5. KEY MANAGEMENT PERSONNEL REMUNERATION

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

- Ms Katrina Penney (President, non-executive), from 29 May 2021
- Mr Dwin Tucker (Vice-President, non-executive) from 29 May 2021, President from 23 May 2020
- Ms Maurine Elizabeth Hilton-Thorp (Treasurer, non-executive)
- Ms Kerry Atkins (non-executive)
- Ms Alice Cameron (non-executive), Resigned 21 May 2021
- Ms Maria Cartwright (non-executive), Elected 29 May 2021
- Ms Jacqueline Hewitt (non-executive), Resigned 27 January 2021
- Ms Bethany Lansom (non-executive)
- Ms Carol Nagy (non-executive), Elected 29 May 2021, Resigned 11 November 2021
- Dr Vin Massaro (non-executive), Elected 29 May 2021, Resigned 31 December 2021
- Ms Patricia Schwedtle (non-executive), Term ended 29 May 2021
- Dr Meguerditch Terzian (non-executive)
- Dr Mohammed-Ali Trad (non-executive) Elected 29 May 2021
- Ms Jennifer Tierney (Executive Director and Company Secretary)
- Ms Maryjane Aviles (Director of Engagement), from 21 June 2021
- Ms Agathi Kissouri (Head of Finance & Administration)
- Dr Claire Fotheringham (Head of Medical Unit)
- Mr Warrick Saunders (Head of Fundraising)
- Mr Robin Sands (Head of Field Human Resources)
- Ms Shereena-Lee Van De Berkt (Head of Domestic Human Resources)
- Ms Sophie McNamara (Head of Communications)

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

Except for the President, the directors provide their services on a voluntary basis. During the course of their duties, business expenses incurred by the directors were reimbursed (note 15). The aggregate compensation of the key management personnel of the Group is set out below:

	2021	2020
	\$	\$
Key Management Remunerations (excluding the Board President)	1,177,688	1,164,968
President of the Board Remuneration	85,081	74,273

6. REMUNERATION OF AUDITORS

The auditor of the Group is Ernst & Young Australia.

	2021	2020
	\$	\$
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit of the financial report	77,737	81,725
Other Services	-	17,175
	<u>77,737</u>	<u>98,900</u>

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

7. PLANT AND EQUIPMENT

	Office equipment	Furniture and fittings	Website and Software	Total
	at cost	at cost	at cost	\$
	\$	\$	\$	
Gross carrying amount				
Balance at 1 January 2020	577,843	1,157,723	539,354	2,274,920
Additions	143,749	-	-	143,749
Disposals	(6,162)	-	-	(6,162)
Balance at 1 January 2021	715,430	1,157,723	539,354	2,412,507
Additions	37,282	38,652	10,700	86,634
Disposals	(6,975)	(2,380)	(79,795)	(89,150)
Balance at 31 December 2021	745,737	1,193,995	470,260	2,409,991
Accumulated depreciation and impairment				
Balance at 1 January 2020	472,837	1,011,312	524,753	2,008,902
Depreciation expense	81,335	61,486	14,601	157,422
Disposals	(6,162)	-	-	(6,162)
Balance at 1 January 2021	548,010	1,072,798	539,354	2,160,162
Depreciation expense	72,039	53,831	415	126,285
Disposals			(77,075)	(77,075)
Balance at 31 December 2021	620,049	1,126,629	462,694	2,209,372
Net book value				
As at 31 December 2020	167,420	84,925	-	252,345
As at 31 December 2021	125,688	67,368	7,564	200,619

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

8.	TRADE AND OTHER RECEIVABLES	2021	2020
		\$	\$
	<i>Current</i>		
	Amounts due from Médecins Sans Frontières		
	International entities	1,415,989	1,944,447
	Goods and services tax (GST) recoverable	470,227	328,995
		<u>1,886,216</u>	<u>2,273,442</u>
9.	OTHER ASSETS	2021	2020
		\$	\$
	<i>Current</i>		
	Prepayments	524,197	420,534
	Inventories	4,139	4,139
	Other	86,471	(15,787)
		<u>614,807</u>	<u>408,886</u>
	<i>Non-Current</i>		
	Rental bond	215,337	215,337
10.	TRADE AND OTHER PAYABLES	2021	2020
		\$	\$
	<i>Current</i>		
	Trade payables	1,754,998	1,874,828
	Grants payable	4,041,159	2,606,248
	Accruals	576,587	1,243,027
		<u>6,372,744</u>	<u>5,724,103</u>

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

	2021 \$	2020 \$
11. PROVISIONS		
<i>Current</i>		
Employee benefits	1,173,227	1,043,610
<i>Non-Current</i>		
Employee benefits	202,033	173,827
Make good provision	280,000	280,000
	482,033	453,827
	Employee benefits \$	Make Good Provision \$
Balance at 1 January 2021	1,217,437	280,000
Movement	157,823	-
Balance at 31 December 2021	1,375,260	280,000

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

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

12. LEASES

Set out below is the carrying amount of right-of-use asset recognised and the movements during the period:

	2021 \$	2020 \$
Office Building	1,355,988	1,021,949
Depreciation expenses	<u>(432,363)</u>	<u>(408,780)</u>
Balance	<u>923,625</u>	<u>613,169</u>

Set out below is the carrying amount of lease liability and the movements during the period:

Office Building	662,608	1,061,410
Reassessment of lease terms	<u>742,818</u>	<u>-</u>
Total Office Building	1,405,426	1,061,410
Accretion of interest	54,740	46,388
Payments	<u>(442,262)</u>	<u>(445,189)</u>
Balance	<u>1,017,904</u>	<u>662,609</u>
Current	405,856	458,707
Non-Current	612,048	203,901

The following are the amounts recognised in surplus or deficit:

Depreciation expense of right-of-use assets	432,363	408,780
Interest expense on lease liabilities	54,740	66,487
Expense relating to leases of low-value assets (included in administration expenses)	<u>19,756</u>	<u>31,056</u>
Total amount recognised in surplus or deficit	<u>506,859</u>	<u>506,323</u>

The Group had total cash outflow for leases of \$462,018 in 2021 (2020: \$476,244). The Group had Nil in non-cash additions to right-of-use assets and lease liabilities in 2021 (2020:Nil).

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

13. RETAINED SURPLUS	2021	2020
	\$	\$
Balance at the beginning of the financial year	11,376,312	9,844,369
Net surplus	8,936,480	1,531,943
Balance at end of financial year	20,312,792	11,376,312

14. RESERVES	Foreign Currency Translation Reserve	
	2021	2020
	\$	\$
Opening balance	(212,518)	(184,528)
Foreign exchange translation differences	36,526	(27,990)
Closing balance	(175,992)	(212,518)

Foreign currency translation reserve

This relates to currency translation gains and losses arising during the year.

15. MEMBERS GUARANTEE

The company is a company limited by guarantee. If the company is wound up, the Constitution state that each member is required to contribute a maximum of \$10 each towards meeting any outstanding obligations of the company. At 31 December 2021, the number of members was 312 (2020: 302).

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

16. RELATED PARTY DISCLOSURES

Group Information

The consolidated financial statements of the Group include a wholly owned subsidiary, Medecins Sans Frontieres New Zealand Charitable Trust that commenced operations in April 2017.

Medecins Sans Frontieres Australia Limited provides services to and receives services from Medecins Sans Frontieres International entities.

17. 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 Group, the results of those operations, or the state of affairs of the Group in future financial years.

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

18. INFORMATION RELATING TO MEDECINS SANS FRONTIERES AUSTRALIA LIMITED (THE PARENT)

	2021	2020
	\$	\$
Current assets	23,191,176	16,696,665
Total assets	37,847,417	28,837,051
Current liabilities	3,546,949	6,804,428
Total liabilities	5,046,887	7,920,864
Retained surplus	32,800,530	20,916,187
Surplus of the Parent entity	9,621,556	1,065,935
Total comprehensive income of the Parent entity	9,621,556	1,065,935

The Parent had no material contingent liabilities as at 31 December 2021

The Company had no commitments as at 31 December 2021

**Notes to the Consolidated Financial Statements
for the Financial Year ended 31 December 2021**

19. DETAILED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021 (THE PARENT)

The following disclosure in notes 19 to 24 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.

	2021	2020
	\$	\$
Revenue:		
Donations and gifts		
Monetary	84,021,380	77,259,729
Non-monetary (in-kind)	575,332	248,917
Legacies and bequests	16,372,672	16,034,993
Investment income	17,949	30,622
Other income	6,696,713	6,871,309
Total revenue	107,684,046	100,445,570
Expenses:		
International Aid and Development Programs Expenditure		
International programs		
Funds to international programs	67,724,848	68,072,506
Program support costs	3,642,067	3,573,204
Community education	2,701,162	3,056,022
Fundraising costs		
Public	15,076,802	15,097,128
Accountability and administration	6,085,156	4,852,839
Non-monetary expenditure (in kind)	575,332	248,917
Total International Aid and Development Programs Expenditure	95,805,367	94,900,616
Impairment in investment of MSF New Zealand	2,257,123	4,479,019
Excess of revenue over expenses	9,621,556	1,065,935

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

20. DETAILED CONSOLIDATED BALANCE SHEET FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
Assets		
Current assets		
Cash and cash equivalents	25,342,104	15,284,763
Trade and other receivables	1,886,216	2,273,442
Inventories	4,139	4,139
Other financial assets	524,197	420,534
Other receivables	86,471	(15,787)
Total Current Assets	27,843,127	17,967,091
Non Current Assets		
Other financial assets	215,337	215,337
Property, plant and equipment	200,619	252,345
Right of Use Asset	923,625	613,169
Total Non Current Assets	1,339,581	1,080,851
Total Assets	29,182,708	19,047,942
Liabilities		
Current liabilities		
Trade and other payables	1,754,998	1,874,828
Grants Payable	4,041,159	2,606,248
Accruals	576,587	1,243,027
Provisions	1,173,227	1,043,610
Lease Liabilities	405,856	458,707
Total current liabilities	7,951,827	7,226,420
Non current liabilities		
Lease Liabilities	612,048	203,901
Provisions	482,033	453,827
Total Non Current Liabilities	1,094,081	657,728
Total Liabilities	9,045,908	7,884,148
Net Assets	20,136,800	11,163,794
Equity		
Reserves	(175,992)	(212,518)
Retained Surplus	20,312,792	11,376,312
Total Equity	20,136,800	11,163,794

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

21. DETAILS OF FUNDRAISING APPEALS	2021	2020
	\$	\$
Details of aggregate gross income and total expenses of fundraising appeals (i):		
Newspaper, magazine advertisements & inserts	122,233	223,357
Acquisition	141,363	633,858
Bequest	16,371,442	16,036,653
Newsletters/appeals	17,816,180	16,089,715
Other general campaign	1,075,279	1,201,643
Events	738,353	197,534
Field partners	44,898,017	44,915,011
Online	12,903,375	8,045,445
New Zealand	5,140,204	3,759,912
Unsolicited income	1,596,067	1,058,003
Telemarketing	4,731,742	4,906,098
	<u>105,534,255</u>	<u>97,067,229</u>
Less: total direct costs of fundraising appeals		
Newspaper, magazine advertisement & inserts	119,885	129,859
Acquisitions	1,664,799	1,697,063
Bequest	179,890	79,574
Newsletters/appeals	1,685,685	2,047,390
Other general campaigns	1,181,999	1,519,372
Events	10,921	7,868
Field Partners	7,567,922	8,520,412
Online	1,476,822	992,102
Telemarketing	1,658,336	1,569,033
	<u>15,546,259</u>	<u>16,562,673</u>
Net surplus obtained from fundraising appeals	<u><u>89,987,996</u></u>	<u><u>80,504,556</u></u>

- (i) The Charitable Fundraising Act 1991 defines income from fundraising appeals as excluding bequest and unsolicited donations. The total income shown above includes both bequests and unsolicited donations, shown as separate items. Income excluding these amounts was \$87,566,746 (2020: \$79,972,573). Net surplus excluding these amounts was \$72,020,487 (2020: \$63,409,900).

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

Médecins Sans Frontières Australia Limited

Notes to the Consolidated Financial Statements for the Financial Year ended 31 December 2021

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

	2021 \$	2020 \$
Net surplus obtained from fundraising appeals (i) This was applied to the charitable purposes in the following manner:	89,987,996	80,504,556
Funds to overseas projects	(71,579,768)	(70,817,844)
Administration expenses (i)	(5,795,354)	(5,723,000)
Balance/(deficit) applied to operational support at Médecins Sans Frontières Australia	12,612,874	3,963,712
Funds to overseas projects were expended by the following parties on behalf of Médecins Sans Frontières Australia Limited:		
Médecins Sans Frontières International	720,289	736,835
Médecins Sans Frontières Academy	-	10,000
Médecins Sans Frontières Switzerland	19,545,558	18,170,852
Médecins Sans Frontières France	45,606,303	43,598,653
Climate SMART	364,346	-
Médecins Sans Frontières Holland	32,500	-
Total funds expended	66,268,996	62,516,340
Field staff costs	5,310,772	8,103,760
Emergency response costs	-	197,744
Total funds to overseas projects	71,579,768	70,817,844

- (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.

**Notes to the Consolidated Financial Statements
for the Financial Year ended 31 December 2021**

23. COMPARISONS OF CERTAIN MONETARY FIGURES & PERCENTAGES

Gross comparisons including fundraising not covered by the Charitable Fundraising Act

	2021	2020	2021	2020
	\$	\$	%	%
Total cost of fundraising/	19,934,384	19,518,791		
Gross income from fundraising	105,534,255	97,067,229	19%	20%
Net surplus from fundraising/	85,599,871	77,548,438		
Gross income from fundraising	105,534,255	97,067,229	81%	80%
Total cost of services/	78,170,855	77,693,277		
Total expenditure (excluding costs of fundraising)	83,964,309	83,167,361	93%	93%
Total cost of services/	78,170,855	77,693,277		
Total income received (net of fundraising costs)	92,900,789	84,699,305	84%	92%

Gross comparisons including fundraising covered by the Charitable Fundraising Act

Cost of fundraising appeals/	19,934,384	19,518,791		
Gross income from fundraising appeals	87,566,746	79,972,573	23%	24%
Net surplus from fundraising appeals/	72,574,263	69,279,636		
Gross income from fundraising appeals	87,566,746	79,972,573	83%	87%

24. 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
 Tele-fundraising Program
 Workplace Giving
 Online