

Financial Statements 2013

Contents

1	Financial Statements 2013 Vereniging Artsen zonder Grenzen	5
	Statement of Expenditure and Income for 2013	10
	Balance Sheet as at 31 December 2013	11
	Cash Flow Statement for 2013	12
2	Notes to the Statement of Expenditure and Income in 2013	15
3	Notes to the Balance Sheet	39
4	Accounting Policies	49
5	Financial Risks	55
6	Médecins Sans Frontieres India	59
7	Partnerships	63
8	Forward Statement	67
9	Other Information	71



1 Financial Statements 2013 Vereniging Artsen zonder Grenzen

‘Providing aid in North Kivu is very complex, but we are able to work here. That is our great strength; people know that we provide independent help, that we are neutral and impartial.’

Corry Kik

Medical co-ordinator,
Goma, Democratic Republic of Congo,
February 2013.

The Financial Statements 2013 include the financial information of the Vereniging Artsen zonder Grenzen (MSF-Holland) and the activities carried out under its direct responsibility. The Vereniging Artsen zonder Grenzen / Médecins Sans Frontières The Netherlands was founded September 7, 1984 and is based in Amsterdam, the Netherlands.

Our mission

The organizing of practical medical aid to people in disaster areas and crises worldwide, in accordance with the principles expressed in the Charter. Delivering medical humanitarian aid to people in emergency situations, whether caused by conflict, social conflict or natural disaster is the core of what we do. **Based on our medical work, we will also make every effort towards effective advocacy on behalf of the section of the population that we aid.**

The Charter and more comprehensive information about the organisation are published on the website of MSF-Holland (www.artsenzondergrenzen.nl) and in the Annual Report of MSF-Holland. The Annual Report is published on the website (www.artsenzondergrenzen.nl/annualreport).

MSF-Holland

MSF-Holland uses the trade names “Artsen zonder Grenzen”; “Médecins Sans Frontières The Netherlands”; “MSF-Holland” and “Operational Centre Amsterdam (MSF-OCA)”.

The Association MSF-Holland is registered with the Amsterdam Chamber of Commerce under number 41215974. The Association MSF-Holland is a member of the Association of Fundraising Institutions (VFI-branche organisatie van goede doelen, VFI) and is certified by the

▲ MSF is present in a makeshift camp in Bulengo since December 2012, hosting about 50,000 displaced who fled violence mainly around Masisi. Democratic Republic of Congo, September 2013.

Central Bureau for Fundraising (CBF). The conditions for CBF certification can be consulted on www.cbf.nl.

MSF-Holland is part of the larger international network of Médecins Sans Frontières which in 2013 counted 23 members (MSF-sections) worldwide. Each MSF-section is an independent economic and legal entity. The MSF-sections are united in the Swiss-based association Médecins sans Frontières International. In accordance with MSF-International agreements only 5 MSF-sections may carry-out emergency aid projects of which MSF-Holland is one. In view of the fact that the MSF-sections have become increasingly interdependent, these Financial Statements include a chapter Partnerships that further describes the financial performance of the larger MSF-network, the mutual agreements made between the MSF-sections, the governance between the MSF-sections and the risks resulting from the interdependencies.

In 2013 MSF-Holland established a branch office in India, MSF-India, of which it holds 80% of the issued share capital which at the end of 2013 has not been paid. The other 20% of issued share capital is held by MSF-UK. In chapter 6 of these Financial Statements the Statement of Expenditure and Income and Balance Sheet of MSF-India are presented for information purposes only and includes payments made on behalf of MSF-India through other legal entities.

Effort has been made to make the related financial cash flows between the MSF-sections as transparent as possible in these Financial Statements. A summary explanation of the Financial Statements is included in the Annual Report.

Accounting guidelines

These Financial Statements have been prepared in accordance with Dutch GAAP and in particular with Guideline 650 for the Reporting of Fundraising Institutions (revised 2011), as published by the Dutch Accounting Standards Board (RJ 650, Raad voor de Jaarverslaggeving) in January 2012. The specific purpose of the Guideline 650 is to provide insight in the raising of funds and the realised expenditure on the objectives for which the funds were raised.

In various parts of the Financial Statements, reference is made to the guidelines and recommendations of the VFI. MSF-Holland is a member of VFI and has voluntarily subscribed to comply to the agreed guidelines. The main relevant guidelines are the governance code for fundraising organisations, the guidelines on the holding of financial reserves and the guideline on remuneration for the director and the management. These guidelines can be consulted on www.vfi.nl. The MSF-sections make use of commonly agreed principles of interpretation and cost allocation that are laid down in MSF GAAP.

Presentation of the Financial Statements

In view of the fact that we consider the expenditures on the Association's goals to be our principle objective, it has been decided to deviate from the prescribed model for the presentation of income and expenditure. These Financial Statements show our expenditures before our income. In addition the Statement of Expenditure and Income is shown before the Balance Sheet.

The basis used for the valuation of the expenditure and the assets and the accounting policies are explained in chapter 4 of the Financial Statements. It is recommended that this be read before viewing the Statement of Expenditure and Income and the Balance Sheet. In 2013 there have not been any changes to accounting policies.

Financial Risks and Forward Statements

Our medical emergency aid operations and financial health could encounter adverse effects due to certain risks. In the Annual Report our approach to risk management, internal controls and the extent of the exposure to certain risk is further elaborated. Financial risks are included in chapter 5 of these Financial Statements.

In chapter 8 forward statements on expenditure and income and the development of main reporting indicators is included. The forward looking statements are linked to our strategic medical operational ambitions. By their nature forward looking statements relate to future events and circumstances and therefore contain uncertainty. Whereas for a part this is build in, actual results may differ materially from those presented here.

MAIN FINANCIAL INDICATORS 2013

Increasing operations expenditure

In 2013 our expenditure increased with 10% compared to the previous year. The majority of this increase is caused by the increase of expenditure on our medical emergency aid operations with € 10.8 million to € 151.8 million. The contribution of € 7.5 million (included in Commissioned to third-parties) to the financing of medical emergency aid projects implemented by MSF-Spain further contributed to the growth of our expenditure on aid projects. In 2013 the amount spent on the total of operational activities was 93% of the total expenditure (2012: 93%) and 86% of total income (2012: 93%).

Unplanned income

While our total expenditure of € 188.3 million was 4% above the budgeted level for the year, we closed the year with a much higher income than anticipated as income from private donors in Holland and in the other MSF-sections accelerated in the last two months of the year. During the year we maintained a conservative outlook with no tangible indication that income would exceed budget. The unplanned increase of the income is explained by a significant engagement and high visibility of our emergency operations in Central African Republic, South Sudan, Syria and our swift response to the natural disaster in the Philippines. In addition, the improved perception of the economic outlook at year end may have contributed.

We achieved our plan to increase institutional donor fundraising from 15% to 17% of emergency aid expenditure resulting in an overall increase of 28% compared to 2012 to a total of € 26.3 million which was € 1.3 million above plan. In February 2013 MSF-Holland was awarded the **National Postcode Lottery Dream fund** of € 6.8 million for our project to engage in the treatment of extreme drug resistant tuberculosis with the application of innovative treatment methods. This project started in 2013 and is expected to run until 2016. The grant from the **National Postcode Lottery** is an important recognition and support for our strategic ambition for improved tuberculosis treatment.

Financial position at year end

The overall financial developments for the year resulted in an unanticipated surplus of € 12.3 million while a deficit of € 4.7 million was budgeted. As the increase in income only occurred in November and December, our expenditure levels could not be adjusted. After the addition of the result from 2013, MSF-Holland's reserves reached a level of 8.9 months (2012: 8.5 months) in relation to the average total expenditure over the past 2 years (2012 and 2013) and the budget for the current year 2014. As part of the financial agreement 2012-2015 between the MSF-sections (see chapter 7, Partnerships) we intend to continue our contributions to emergency aid projects carried out by other MSF-sections as was the case with MSF-Spain in 2013. In close cooperation with the other MSF-sections we will seek to responsibly disburse the available free reserves on emergency aid in the coming years. In addition, the approved budget for 2014 includes a planned increase in operational expenditure (see note 2.1 and chapter 8, Forward Statement).

Reserves and current balance sheet positions

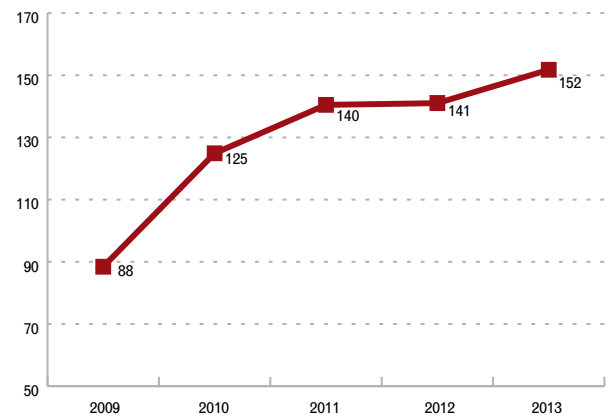
In line with our policy, a transfer of € 4.0 million to the continuity reserves (see note 3.8 a) was made in order to keep the continuity reserves at the desired levels of 6 months of operational expenditure. The continuity reserves include a buffer capital of € 65,0 million to cover for the potential adverse financial impact of certain risks in our medical and operational activities or financial conditions. The increase in the current balance sheet positions of receivables and payables offset each other as the increase of institutional funding grant income caused an increase in both the receivables and the reporting obligations. The cash position increased due to the overall surplus and the fact that the **National Postcode Lottery Dream fund** grant was fully received in 2013.

Main financial indicators

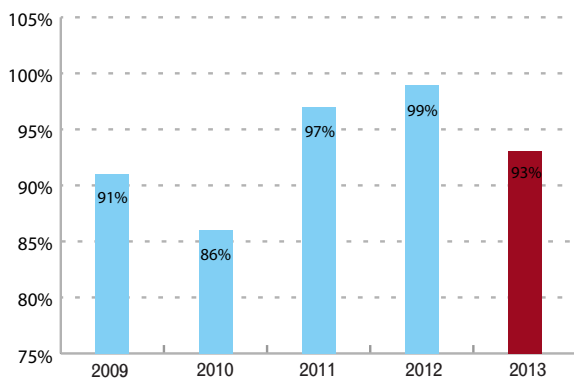
The financial indicators presented here give an overview of the main expenditure and income figures and trends for the year 2013. Where relevant a five year trend from 2009 is shown. Our main financial reporting indicators concern the development of our operational expenditure and reserves:

- The growth of our medical emergency aid in Euro;
- the total expenditure as percent of the total income;
- the development of our reserves relative to sector and internal benchmarks;
- the costs of fundraising relative to the fundraising income realised relative to sector and internal benchmarks;
- the delivery of medical emergency aid plus the direct support needed to realise that;
- the cost of management and administration as percent of the total expenditure; and
- the composition of income for the year 2013.

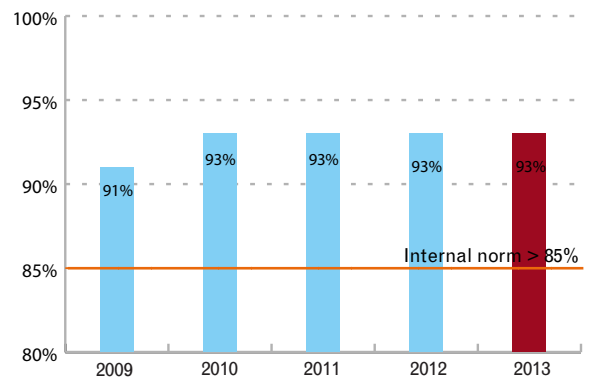
GROWTH OF EMERGENCY AID PROJECTS IN in Euro millions



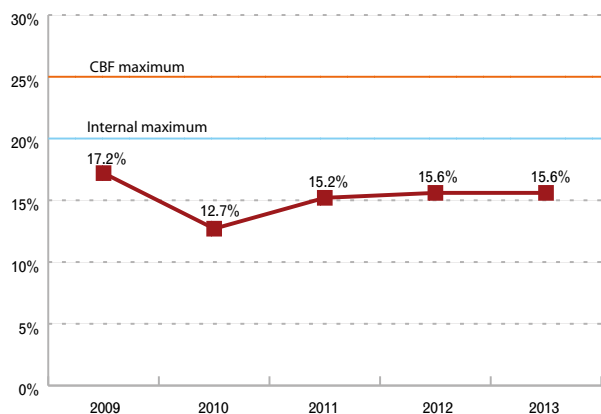
TOTAL EXPENDITURE as percentage of total income



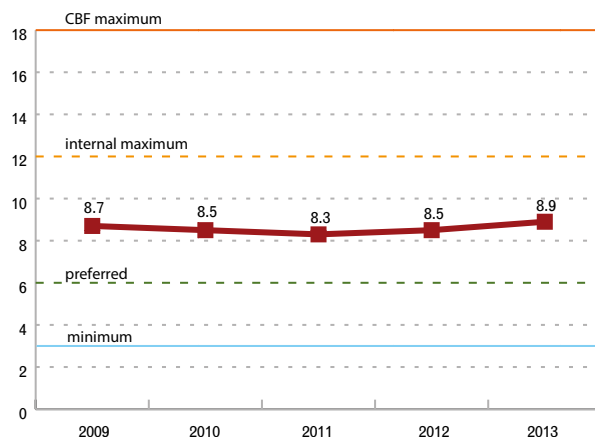
EXPENDITURE ON ASSOCIATION OBJECTIVES as percentage of total expenditure



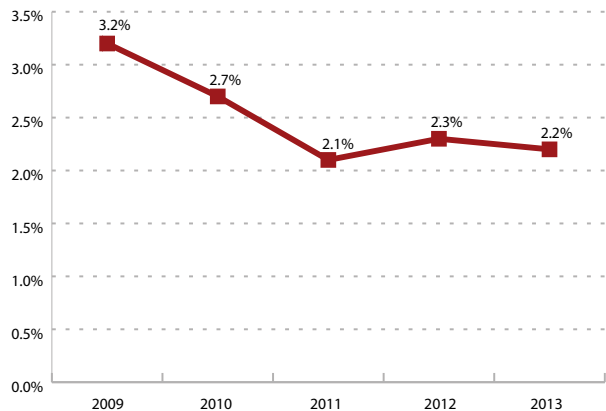
COST OF OWN FUNDRAISING as percentage of total income own fundraising



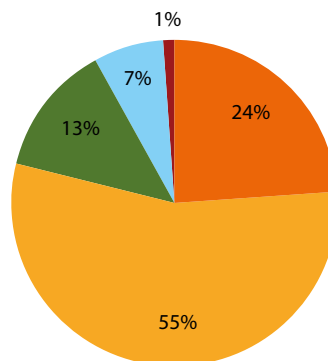
MONTHS' OF RESERVES



COST OF MANAGEMENT AND ADMINISTRATION as percentage of total expenditure



ORIGIN OF INCOME 2013



- Income from own fundraising
- Grants from within the MSF-network
- Grants from institutional donors
- Proceeds from the **National Postcode Lottery**
- Other income

Statement of Expenditure and Income for 2013 in Euro thousands

EXPENDITURE	Explanatory notes	2013	budget 2013	2012
Spent on Association goals				
Emergency aid	2.1	151,766	152,000	141,029
Preparation and coordination in the Netherlands	2.2	12,307	11,979	11,723
Information and awareness raising	2.3	2,573	2,903	2,353
Commissioned to third-parties	2.4	7,760	253	4,665
Total spent on Association goals		174,406	167,135	159,770
Fundraising expenses				
Costs own fundraising	2.5	7,535	7,704	6,806
Costs third party fundraising activities	2.6	536	711	561
Costs acquisition institutional donor grants	2.7	160	159	145
Total fundraising expenses		8,231	8,574	7,512
Management and administration	2.8	4,234	4,395	3,932
Contributions to MSF-India branch office	see chapter 6	1,398	1,084	0
Total expenditure	2.9	188,269	181,188	171,214
INCOME				
Income from own fundraising	2.10	48,427	44,854	43,733
Income from third-party activities	2.11	1,153	1,540	1,489
Proceeds from the National Postcode Lottery	2.11	13,755	13,500	13,500
Grants from within the MSF-network	2.12	110,984	89,805	91,290
Grants from institutional donors	2.13	26,341	25,000	20,562
Other income	2.14	1,697	1,500	1,584
Total income		202,357	176,199	172,158
Result operational activities		14,088	-4,989	944
Exchange rate results - income/loss	2.15	-1,835	0	178
RESULT EXPENDITURE AND INCOME		12,253	-4,989	1,122
ALLOCATION OF THE RESULT				
Additions to and withdrawals from the reserves				
Continuity reserves	3.9 a	4,000	0	5,000
Appropriation reserves	3.9 b	2,134	0	1,541
Other free reserves	3.9 c	6,006	-4,989	-5,236
Appropriated funds	3.9 d	113	0	-183
Total		12,253	-4,989	1,122

Balance sheet as at 31 December 2013 in Euro thousands

ASSETS	<i>Explanatory notes</i>	31 December 2013	31 December 2012
Tangible fixed assets			
Operating assets	3.1 a	2,225	1,081
Real estate	3.1 b	541	541
Stocks			
Stocks for emergency aid	3.2	5,309	4,319
Receivables and accrued income			
Third-party appeals	3.3	0	1,489
Grants from Médecins Sans Frontières network	3.4	13,012	12,790
Grants from institutional donors	3.5	10,811	4,533
Receivable from inheritances	3.6	9,967	6,236
Other receivables and accrued income	3.7	3,239	3,327
		37,029	28,375
Cash at bank and in hand	3.8	117,532	103,005
Total assets		162,636	137,321
LIABILITIES			
Reserves and funds			
Reserves			
Continuity reserves	3.9 a	89,000	85,000
Appropriation reserves	3.9 b	8,075	5,941
Other free reserves	3.9 c	34,625	28,619
		131,700	119,560
Funds			
Appropriated funds	3.9 d	852	739
Long-term liabilities	3.10	3,936	0
Short-term liabilities	3.11	26,148	17,022
Total liabilities		162,636	137,321

Cash flow statement for 2013 in Euro thousands

CASH FLOW RECEIPTS FROM OPERATING ACTIVITIES	2013	2012
Receipts from own fundraising:	-	
Contributions, (charitable) donations and gifts	37,404	33,206
Legacies and bequests (inheritances)	6,685	10,855
Grants from private organisations	799	969
Total received from own fundraising	44,888	45,030
Receipts from the National Postcode Lottery	20,291	13,500
Receipts from Emo Foundation (Tour for life)	2,642	0
Receipts from MSF-sections		
Received from MSF-Germany	44,046	31,944
Received from MSF-United Kingdom	20,671	14,708
Received from MSF-Canada	13,962	10,333
Received from MSF-USA	13,909	13,556
Received from MSF-Sweden	5,603	5,678
Received from MSF-Hong Kong	5,578	6,710
Received from other MSF-sections	5,171	8,342
Total received from MSF-sections (concerning project grants)	108,940	91,271
Received from institutional donors	24,152	20,521
Other receipts		
Interest received	1,620	1,537
Received tax net and VAT	416	271
Received from MSF-sections for monies advanced	1,712	2,042
Other receipts	187	70
Total other receipts	3,935	3,920
Total receipts	204,848	174,242

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CASH FLOW PAYMENTS FROM OPERATING ACTIVITIES	2013	2012
Payments made in project countries	84,298	84,616
Transfers to and payments on behalf of MSF-India branch office	1,391	
Commissioned to third parties	81	70
Payments to MSF-sections		
Grant to MSF-Spain	4,469	4,000
Payments to MSF-Belgium	4,443	783
Payments to MSF-Germany	2,300	2,033
Payments to MSF-USA	2,139	2,011
Payments to MSF-Canada	2,277	1,786
Payments to MSF-United Kingdom	1,567	1,665
Payments to MSF-International (including contributions)	1,662	762
Payments to other MSF-sections	5,294	3,201
Payments to MSF-Supply and MSF-Logistique	10,606	8,364
Total payments to MSF-sections	34,757	24,605
Payments at headquarters		
Payments to suppliers of goods and services	44,455	40,149
Payments concerning (field) personnel	23,378	20,989
Total payments at headquarters	67,833	61,138
Total payments	188,360	170,429
Total Cash flow from operating activities	16,488	3,813
CASH FLOW FROM INVESTMENT ACTIVITIES		
Payments concerning investments in tangible fixed assets	1,196	504
Receipts from disinvestments	0	0
Total Cash flow from investment activities	1,196	504
CASH FLOW FROM FINANCING ACTIVITIES		
Cash flow from financing activities	0	0
Total cash flow from financing activities	0	0
Total cash flow	15,292	3,309
Adjustment to exchange rates at end of financial year	-765	-218
MOVEMENT IN LIQUIDITY POSITION	14,527	3,091
MOVEMENT IN LIQUIDITY POSITION		
Liquidity position at the end of the financial year	117,532	103,005
Liquidity position at the beginning of the financial year	103,005	99,914
Movement in liquidity position	14,527	3,091

The Cash Flow

The Cash Flow Statement has been prepared according to the direct method in order to provide a clearer view of the different flows of funds in the organisation and in particular the cash flows between MSF-Holland and the MSF-sections. The Cash Flow Statement shows which part of the expenditure has been made in the countries in which projects are being carried out: € 84.3 million in 2013.

The difference between the Movement in liquidity position and the Result Expenditure and Income can be explained for the larger part by the increases of stocks and fixed assets and the increase in long term liabilities.

Receipts

Receipts from the MSF-sections concern mainly project grants. Receipts from project grants (from MSF-sections and institutional donors) are explained in more detail in note 3.4 and note 3.5 of these Financial Statements.

The item Received from MSF-sections for monies advanced consists of receipts referring to employees of MSF-Holland that are seconded to another MSF-section and advances to other MSF-sections for emergency aid projects.

Payments

About half of the payments made in the project countries are to local personnel. Locally purchased medical and nutritional materials and transport and storage costs are the next largest items. Given the current structure of the projects, amply half of the expenses for the projects are paid in the countries or the regions where these are being carried out.

The payments to MSF-International concern contributions to office and internationally coordinated activities and projects such as the campaign Access to Essential Medicines and the MSF-International fund for (medical) innovation in aid projects. The transfers to and on behalf of MSF-India are for a large part in direct payments to suppliers.

The payments to the MSF-Network concern mainly remuneration for hired-in employees posted to and working in the project countries. Employees posted abroad receive a contract of employment in the country in which they were recruited. In 2013 the payments remained with € 11.8 million at a comparable level as in 2012 (€ 11.5 million). Pension contributions, social security payments, income tax, and salaries have been included in the payments concerning the (expatriate) staff. The payments to the purchasing organisations MSF-Supply (Belgium) and MSF-Logistique (France) are included as payments within the MSF-network. Mainly vehicles, medicines and specialised supplies are purchased through these procurement centres/depots of MSF-Belgium and MSF-France. Major advantages of scale are obtained through joint procurement, and stocks of aid supplies are more efficiently maintained within the international organisation. In 2013, a total of € 11.0 million (2012: € 8.8 million) was ordered from these purchasing organisations.

Notes to the Statement Expenditure and Income in 2013

‘Once we had managed to get into Syria, our work consisted mainly of war surgery. Now the war has been carrying on for two years, the need is even greater. There’s a huge amount of work for us to do.’

Katrin Kisswani

nurse and emergency aid co-ordinator,
Idlib province, Syria, April 2013.

In 2013 our total expenditure increased with 10% compared to the previous year. The majority of this increase is caused by the increase of expenditure of our medical emergency aid operations with € 10.8 million to € 151.8 million. The contribution of € 7.5 million (see 2.4: Commissioned to third-parties) to the financing of medical emergency aid projects implemented by MSF-Spain further contributed to the growth of our expenditure on aid projects. In 2013 the amount spent on the total of operational activities was 93% of the total expenditure (2012: 93%) and 86% of the total income (2012: 93%).

The total cost of our own fundraising remained with 15.6% of the amount raised in 2013 at the same level as in 2012. It remains substantially under the internal indicator set by our Board of 20% and the CBF norm of 25%. The amount spent on management and administration in 2013 was 2.2% of the total expenditure (2012: 2.3%)

The costs of our direct emergency aid relate to projects carried out or being carried out in the countries where we are engaged in medical humanitarian operations. The expenditure on direct emergency aid increased by € 10.8 million, from € 141.0 million in 2012 to € 151.8 million in 2013. The overall increase is in line with the budget although the distribution over projects is much different from what was anticipated. During the year the budget provided for unplanned emergency aid projects was allocated to emergencies.

Our medical emergency work in 2013 was marked by difficult decisions we had to make and severe crisis that emerged already early in the year. In 2013 we decided to leave Somalia after 22 years of presence as conditions guaranteeing the integrity of our work could no longer be guaranteed. In the Central African Republic a civil war broke loose leaving 100,000s of people displaced and living in fear. South Sudan experienced unrest at the border between Sudan and South Sudan, leaving a large population displaced in very distressing circumstances followed by internal unrest in the country. With the other MSF-sections we responded with major emergency aid interventions providing basic health care, surgery and hospital care. In North-Kivu in the Democratic Republic of Congo (DRC) we kept on working under difficult circumstances, providing life saving basic medical care in health centres, clinics and hospitals. To date our programs in South Sudan and DRC represent about 1/3rd of our financial expenditures. In Jordan we started with surgical teams in a hospital close to the border with Syria to follow-up on people fleeing Syria while at the same time we are working in other parts of Syria. At the end of the year we

responded to the natural disaster in the Philippines. An inflatable hospital was erected and basic medical care provided. We were able to hand over our work in the Philippines quickly. In Myanmar we expended our emergency programs in Rakhine and Kachin state.

In 2013 we started an ambitious Tuberculosis breakthrough project with the aim to radically improve the treatment of extreme drug resistant tuberculosis with the application of innovative treatment methods and new drug regimens. This project will be carried out between 2013 and 2016. The expenditures of the Tuberculosis breakthrough project are included in both coordination and preparation (€ 227,223) and the expenses of the projects in Uzbekistan (€ 27,428). In total we spent € 254,651 on the Tuberculosis breakthrough project in 2013. The Tuberculosis breakthrough project is funded by the **National Postcode Lottery Dream Fund** that awarded a € 6.8 million grant for the project in 2013. More information on our emergency aid projects is published on our website www.artsenzondergrenzen.nl and www.artsenzondergrenzen.nl/annualreport

EXPENDITURE

2.1 Emergency aid in Euro thousands

Costs emergency aid per country	2012	Budget 2013	2013	Forward budget 2014
Afghanistan	144	4,000	4,425	6,293
Bangladesh	2,345	2,139	2,820	3,383
Central African Republic	5,462	5,225	8,050	8,561
Chad	8,096	4,993	9,086	8,382
DR Congo	21,601	21,355	22,452	19,223
Ethiopia	8,400	5,876	5,603	4,087
Haiti	8,440	6,766	7,775	7,088
India	3,797	3,350	2,966	3,455
Iraq	1,510	917	1,088	0
Jordan	0	0	2,812	4,851
Kenya-LCN	400	380	388	328
Myanmar	10,943	11,099	14,247	16,002
Nigeria	8,267	6,844	5,177	3,909
Pakistan	5,425	4,839	5,439	5,625
Papua New Guinea	3,342	4,173	3,528	4,452
Philippines	0	0	1,020	0
Russia	4,491	3,610	3,511	4,128
Somalia	6,607	7,349	5,837	193
South Sudan	20,103	19,850	23,584	19,009
Swaziland	3,528	4,240	3,752	3,716
Syria	0	0	1,792	2,257
Tajikistan	1,314	1,872	1,756	1,653
Uzbekistan	5,988	6,292	6,358	6,444
Yemen	1,396	2,392	2,511	2,479
Zimbabwe	6,228	5,730	5,474	4,182
Various exploratory projects	104	0	34	0
Projects closed in 2012 (Colombia, Ivory Coast, Liberia, Somaliland, Sri Lanka and Uganda)	3,572	0	0	0
Reserved in the budget for unplanned emergency aid projects		18,709		22,300
	141,503	152,000	151,485	162,000
Other costs and movements in provisions for emergency aid costs	-474	0	281	0
Total emergency aid expenditures	141,029	152,000	151,766	162,000

The composition of the expenditure for emergency aid in main categories is as follows:

Emergency aid per category	2013	Budget 2013	2012
Medical and logistical expatriate personnel posted in projects	34,809	31,937	29,838
National staff	48,618	52,846	46,666
Operational costs	6,968	7,219	6,830
Medical materials	27,804	29,210	26,884
Building materials and sanitation facilities	7,827	6,390	6,904
Training and support for local institutions	3,410	4,163	2,943
Transport, storage and vehicles	20,653	19,201	19,640
Auditing, advising and support of projects	666	1,035	662
Other general costs	1,011	0	662
Total emergency aid expenditures	151,766	152,000	141,029

Expatriate staff salaries, social security and pension costs included in the item Medical and logistical expatriate personnel posted in projects (direct costs Emergency aid) are as follows:

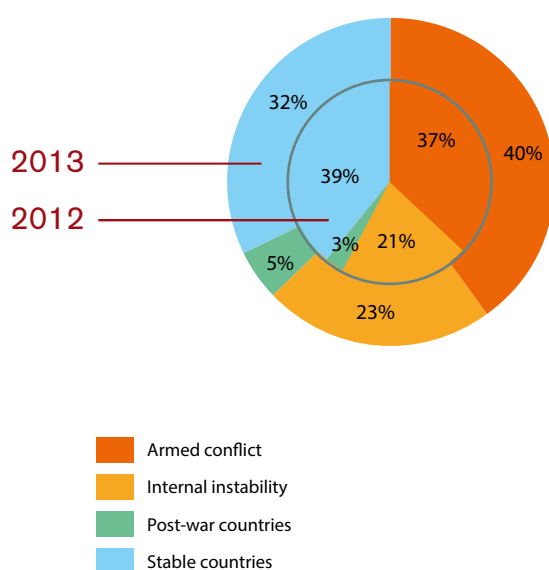
In Euro	2013	Budget 2013	2012
Salaries expatriate employees on MSF-Holland contract	10,270,925	9,075,000	9,303,053
Social security costs	387,745	350,000	368,667
Pension contributions	1,399,840	907,000	969,682
Costs expatriate staff hired from other MSF-sections	10,883,988	9,150,000	9,560,656

Costs included in the item Medical and logistical expatriate personnel posted in projects include personnel costs related to housing, international transport, training and preparation for departure and posting.

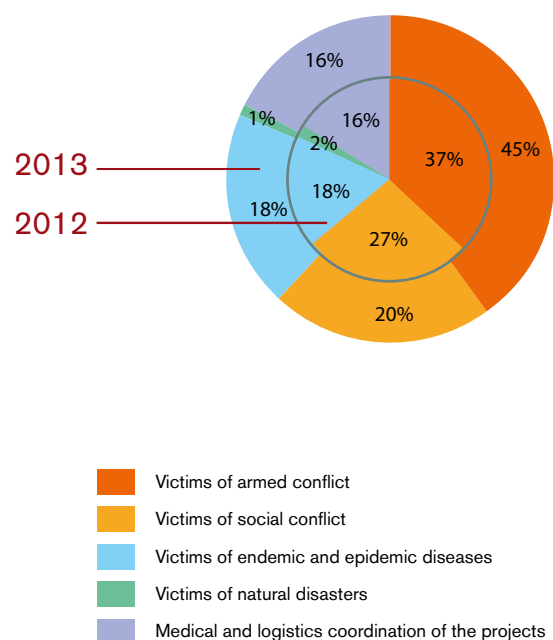
The nature of the medical operations projects we carry out is described in the *Strategic Plan 2011-2014* that is established by the Board and the OCA Council. The objectives set out in the Strategic Plan can be linked to the costs of emergency aid, the typology of our expenditure on emergency aid and the source of financing of our operational expenditures.

We work primarily in conflict areas. According to our Strategic Plan, at least 30% of our emergency aid should be carried out in conflict areas. In 2013 this was 63% (2012: 58%). In addition the graphics indicate which groups of beneficiaries have been reached by MSF-Holland.

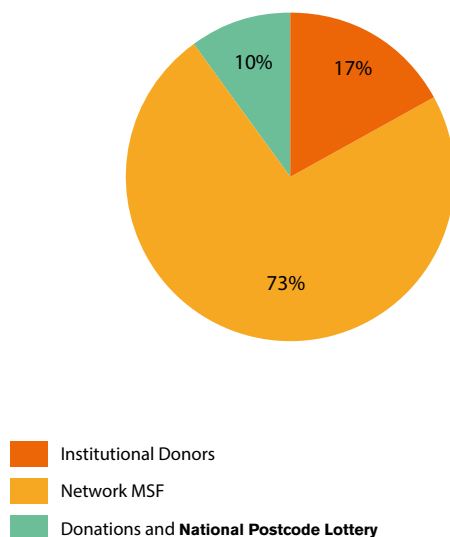
WHERE DID WE WORK IN 2013? as percentage of the expenditure



WHO DID WE REACH IN 2013? as percentage of the expenditure



EMERGENCY AID FUNDING 2013



It is our aim to fund 15% of the expenditure on emergency aid with grants from institutional donors. In view of continued pressure on overall fundraising by the various MSF-sections the target was increased to 17% for 2014. In 2013 we achieved that 17% (2012: 15%) of our emergency aid was funded by institutional donors.

Within the expenditure on emergency aid we aim at a share of about 15% to be spent on the costs for medical, logistical and administrative coordination. In 2013 the portion of coordination costs arrived at 16% of the total spent on emergency aid (2012: 16%). Coordination costs are made in the countries of our medical operations and are indivisible part of the medical operational management of our projects. Compared to the total expenditure in 2013 (€188.3 million), 13% was spent on these costs (2012: 15%).

2.2 Preparation and coordination in Euro thousands

	<i>explanatory notes</i>	2013	Budget 2013	2012
Direct costs	<i>note 2.9</i>	1,676	1,274	1,634
Costs personnel head office	<i>note 2.9</i>	7,569	7,350	7,209
Attributed overhead costs	<i>note 2.9</i>	3,062	3,355	2,880
Total preparation and coordination		12,307	11,979	11,723

The increase in the expenditure for preparation and coordination is explained by the increase of 6 FTE's employed in this category. (See note 2.9 a as well).

2.3 Information and awareness-raising in Euro thousands

	<i>explanatory notes</i>	2013	Budget 2013	2012
Direct costs				
Donor periodical <i>Hulp</i> post (25%; see also chapter 4, Accounting Policies)		358	427	346
Contributions to the MSF-International campaign <i>Access to Essential Medicines</i>		254	275	259
General communications and information activities		1,260	1,428	1,049
Total Direct costs		1,872	2,130	1,654
Attributable costs				
Costs personnel head office	<i>note 2.9</i>	657	719	650
Attributed overhead costs	<i>note 2.9</i>	44	54	49
Total information and awareness-raising		2,573	2,903	2,353

2.4 Commissioned to third parties in Euro thousands

	2013	Budget 2013	2012
Grant to MSF-Spain: South Sudan projects	4,969	0	4,000
Grant to MSF-Spain: Yemen projects	1,500	0	0
Grant to MSF-Spain: India projects	600	0	0
Grant to MSF-Spain: Zimbabwe projects	400	0	0
Contribution to Drugs for Neglected Diseases initiative (DNDi) paid through MSF-International	148	0	105
Grant to Amsterdam Institute for Global Health and Development	89	0	38
Contributions to the MSF-International Fund for Innovative Projects	46	253	253
Grant to the Blacksmith Institute to support clean-up of lead contamination in Nigeria	8	0	19
Grant to MSF-Belgium: South Sudan, Maban refugees project	0	0	250
Total commissioned to third parties	7,760	253	4,665

2.5 Costs own fundraising in Euro thousands

<i>explanatory notes</i>	2013	Budget 2013	2012
Direct costs			
Face-to-face fundraising	3,571	3,245	2,608
Donor periodical <i>Hulp</i> post (75%; see also chapter 4, Accounting Policies)	1,075	1,282	1,037
Telemarketing activities	788	1,239	1,595
Direct mail	255	250	186
Corporate fundraising	76	242	149
Legacies and inheritances	59	121	75
Internet fundraising	59	70	42
Other and general costs of fundraising	618	234	263
Total direct costs	6,501	6,683	5,955
Attributable costs			
Costs personnel head office <i>note 2.9</i>	969	950	792
Attributed overhead costs <i>note 2.9</i>	65	71	59
Total costs own fundraising	7,535	7,704	6,806

As planned in 2013 the investment in face-to-face fundraising was increased while telemarketing fundraising further decreased. Other and general costs of fundraising increased and include the one off cost of implementing SEPA and the cost of the Philippines typhoon appeal. The composition of the fundraising expenditure is shown on this page. The composition of the income (see note 2.10 c) is presented in the same categories as the expenditure to allow for a better comparison of expenditure versus income.

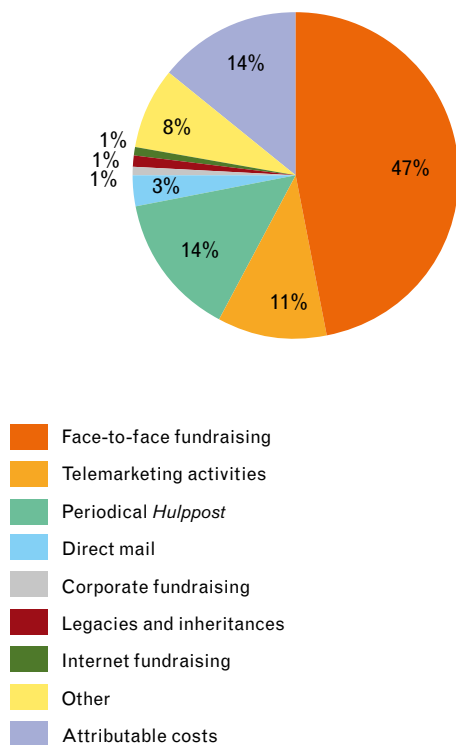
In 2013, 14.9 full-time staff members worked on fundraising activities (2012: 13.3 full-time staff).

Compared to the previous year, the total fundraising expenditure remained at 15.6% of the funds raised. In the period 2011-2013, the fundraising expenditure averaged

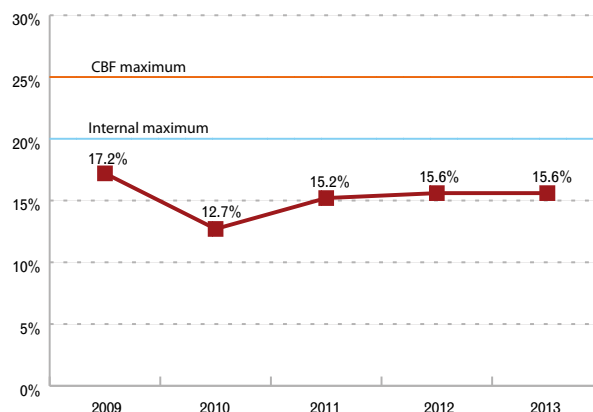
15.5% of the funds raised. This leaves us well under the maximum of 25% set by the CBF. MSF-Holland strives to keep the expenditure of its own fundraising under 20% of the income out of own fundraising.

Our fundraising activities are carried out in accordance with the *VFI Code of Conduct* of 2000 and relevant codes of conduct of other sector organisations. MSF-Holland also has its own code of conduct for fundraising and keeps a complaints register for donors. Both are included in the fundraising policy as endorsed by the Board.

FUNDRAISING EXPENSES 2013 as percentage of total expenditure own fundraising



COST OF OWN FUNDRAISING as percentage of total income own fundraising



2.6 Costs third-party appeals in Euro thousands

<i>explanatory notes</i>	2013	Budget 2013	2012
Direct costs			
Communication and facilities costs <i>Tour for Life</i>	273	377	250
Joint information activities in television broadcasts of the National Postcode Lottery	189	257	242
Other	5	5	5
Total Direct costs	467	639	497
Attributable costs			
Costs personnel head office <i>note 2.9</i>	65	67	59
Attributed overhead costs <i>note 2.9</i>	4	5	5
Total costs third-party appeals	536	711	561

The costs of communication and facilities for participants and volunteers of the *Tour for Life* totalled € 461,370 in 2013 (2012: € 464,741). In 2013 538 cyclists and 288 volunteers and helpers participated in the event. Together they contributed € 188,844 (2012: € 214,700) of their own funds toward the costs of their travel and accommodation

MSF-Holland paid the remainder of € 272,526 (2012: € 250,041) to the Emo Foundation as reported here. The net costs were 23.6% (2012: 16.8%) of the income received by MSF-Holland (see note 2.11). In 2013 an average of 1 full time equivalent was allocated to third-party appeals.

2.7 Costs of acquiring grants from institutional donors in Euro thousands

<i>explanatory notes</i>	2013	Budget 2013	2012
Direct costs <i>note 2.9</i>	10	11	10
Costs head office personnel <i>note 2.9</i>	140	138	126
Attributed overhead costs <i>note 2.9</i>	10	10	9
Total costs of acquiring grants from institutional donors	160	159	145

The expenditure of acquiring grants from institutional donors particularly concern the head office costs for submitting requests for a grant and for reports justifying the expenditures. The costs of acquiring government grants are included here when incurred at head office.

The costs incurred in project countries are included in the coordination costs of emergency aid. The income from institutional donor grants increased by € 5.7 million to € 26.3 million in 2013.

2.8 Costs management and administration in Euro thousands

	<i>explanatory notes</i>	2013	Budget 2013	2012
Direct costs	<i>note 2.9</i>	1,172	1,320	1,252
Contributions to the MSF-International office	<i>chapter 7</i>	732	721	598
Costs personnel head office	<i>note 2.9</i>	2,183	2,190	1,936
Attributed overhead costs	<i>note 2.9</i>	147	164	146
Total costs management and administration		4,234	4,395	3,932

The costs of management and administration amounted to 2.2% of the total expenditures in 2013 (2012: 2.3%) and are explained in more detail in note 2.9. A table showing the

composition of the direct costs of management and administration can be found in chapter 4 Accounting Policies.

2.9 Total of all costs, specification of cost allocation and personnel costs

The specifications in this note 2.9 on the following pages show the total of all costs and the cost allocations over the different cost categories. The costs of headquarters' personnel and the overhead costs are divided in proportion to the attributed number full-time equivalents (FTE)

employed at headquarters and in our emergency aid projects during the year. The allocation of costs methodology is explained in more detail in chapter 4, Accounting Policies.

2.9a Personnel in full-time equivalents

Emergency aid projects	2013	Budget 2013	2012
Emergency aid - expatriate staff	632	602	558
Emergency aid - (Amsterdam) office staff seconded to project countries	11	15	2
Total FTE employed in project countries	643	617	560
Emergency aid - Non allocated FTE (paid in-between-mission leave, sick leave, etc.)	18	19	17
Total FTE expatriate staff	661	636	577
Emergency aid - national staff employed in the project countries	7,818	7,200	7,025
Number of departures of expatriate staff	1,229	1,112	996

Amsterdam head office	2013	Budget 2013	2012
Preparation and coordination	127	126	121
Tuberculosis breakthrough project	2	2	0
Information and awareness raising	10	11	11
Fundraising	15	14	13
Third party appeals and institutional fundraising	3	3	3
Management and administration	34	32	32
Overhead	14	14	13
Emergency aid - (Amsterdam) office staff seconded to project countries	-11	-15	-2
Total FTE in Amsterdam head office	194	187	191
Volunteers working at the head office in Amsterdam	24	25	25

The number of FTE involved in Preparation and coordination as well as Management and administration at head office increased (plus 6 FTE and plus 2 FTE respectively), whilst the number of FTE in the other categories remained about the same. The increase in Preparation and coordination is caused by the increased volume of projects which requires additional and changing support from the head office.

2.9b Total of all costs, specification and allocation

in Euro thousands

The total of the costs and the breakdown of the costs is as follows:

	Spent on Association goals				Fundraising							
	Emergency aid	Commissioned to third-parties	Preparation and coordination	Information and awareness-raising	Own fundraising	Fundraising by third parties	Acquiring government grants	Management and administration	To be attributed Overhead	Total 2013	Total budget 2013	Total 2012
Direct costs emergency aid	151,739									151,739	152,000	141,029
Commissioned to third-parties		7,566								7,566	0	4,307
TB breakthrough project	27		227							254	0	0
Contributions		194	139	254				732		1,319	996	1,327
Publicity and communications				1,099	5,220	462				6,781	7,310	6,350
Housing costs									905	905	1,022	880
Office and general costs			110	470	1,051			484	1,122	3,237	3,674	2,967
Stock costs			384							384	320	387
Travel and accommodation			568	49	73	5	10	164	69	938	1,025	981
Advice costs			248					371	147	766	765	807
SEPA one-off costs					157			21		178	0	0
Costs Board and Association								132		132	116	102
MSF-India branch office										0	0	378
Depreciation and interest									168	168	250	173
	151,766	7,760	1,676	1,872	6,501	467	10	1,904	2,411	174,367	167,478	159,688
Costs to be divided for head office personnel												
Salaries and social security		-	6,261	543	802	54	116	1,805	761	10,342	10,346	9,347
Pension contributions		-	893	78	114	8	16	258	109	1,476	1,150	1,162
Other personnel costs		-	415	36	53	3	8	120	51	686	879	1,017
Subtotal all costs	151,766	7,760	9,245	2,529	7,470	532	150	4,087	3,332	186,871	179,853	171,214
Distribution of overhead costs												
			3,062	44	65	4	10	147	-3,332			
Total all costs head office Amsterdam and projects	151,766	7,760	12,307	2,573	7,535	536	160	4,234	0	186,871	179,853	171,214
Contribution to MSF-India										1,398		
Total all Costs										188,269		

The SEPA one-off implementation costs concern expenditures that were made mainly related to project management and out of pocket costs in view of the adjustments needed to our donor database (for direct debit collections) and payment systems. Costs for SEPA adjustments invested in the adjustments to the donor

database are accrued in the fixed assets. The costs for MSF-India branch office concern costs made before the formal registration of MSF-India. Starting 2013 the MSF-India costs are fully included in the Contribution to MSF-India.

2.9c Salaries, social security and personnel costs

Under the header Costs to be divided for head office personnel the item Salaries and social security of head office personnel exclusively consists of the gross salaries, taxed reimbursement of expenses and associated social security costs, € 1,293,092 (2012: € 1,250,299). The cost of recruitment of personnel, canteen costs and the costs of temporary and free-lance staff are included in the item Other personnel costs. In 2013 the item Other personnel costs decreased by 32% due to less expenditure for temporary staff. The total salary costs per FTE increased by 7.6% in 2013. Of this increase average salary costs, excluding pension and other benefits account for 4%. Starting January 1, 2013 a new pension contract started.

MSF-Holland moved to a defined contribution pension scheme with a Pension Premium Institution (PPI). The annual pension premium is based on 1.75% savings accrual and in line with most recent pension legislation in the Netherlands. The costs of employee pension increased by 20%, this increase is nevertheless much less than the 50% increase that was anticipated had we continued the former pension arrangement.

The increase in the costs of pension premium accounts for 2.2% of the increase of total salary costs of staff employed in the Amsterdam Office. The other 1.4% of the total increase is explained by a one-off reorganisation provision and increases in other secondary benefits.

2.9d Employment and remuneration of the Directors

MSF-Holland has a titular director. In 2013 this position was occupied by Arjan Hehenkamp. In 2013 1 FTE was used for the position of General Director (2012: 1 FTE). The General Director is supported by a management team of 4 directors. In 2013 a total of € 632,941 was spent on Directors' remuneration (see table below) for 5.13 FTE. In 2012 this was € 519,812 for 4.33 FTE. Leslie Shanks

ended her contractual term and is succeeded by Sidney Wong, a two month handover period for the Medical Directors is included in the total FTE spent on Directors' remuneration in 2013. At the end of 2013 Floris van Spengler ended his contract. He will be succeeded in 2014.

Specification employment contract and remuneration of the Directors

	Management Team					
	Arjan Hehenkamp	Marcel Langenbach	Floris van Spengler	Leslie Shanks	Sidney Wong	Katrien Coppens
Function	General Director	Director Operations	Director Resources	Medical Director	Medical Director	Delegate Director
Employment details						
Type of contract	indefinite	indefinite	definite	indefinite	indefinite	indefinite
Hours	40	40	40	40	40	40
Labour percentage	100%	100%	100%	100%	100%	100%
Employment period in 2013	01/01-31/12	01/01 - 31/12	01/01 - 19/12	01/01-31/05	01/04-31/12	01/01- 31/12
Remuneration						
Gross per year excluding holiday allowance	100,764	99,948	88,271	30,643	68,785	77,604
Holiday allowance	8,061	7,996	7,062	1,617	3,821	6,208
Other taxable allowances	0	0	0	0	0	0
Variable income	0	0	0	0	0	0
Subtotal (salary according to advisory scheme)	108,825	107,944	95,333	32,260	72,606	83,812
Other costs						
Pension contributions	19,217	23,713	20,952	3,997	6,498	15,069
Social security costs (including health insurance contribution)	8,315	8,315	8,069	3,465	6,236	8,315
Taxable disbursements	0	0	0	0	0	0
Other (future) benefits	0	0	0	0	0	0
Severance pay	0	0	0	0	0	0
Total salary costs Directors 2013	136,357	139,972	124,354	39,722	85,340	107,196

MSF-Holland applies the Guideline Advisory Scheme for the Remuneration of Directors of charity organisations as established by the VFI. This binding advice was revised in 2011. In the scheme the weight of the Directors' function is measured on the basis of three criteria: size, complexity and organizational context. MSF-Holland arrives at a total of 570 points. In the management model applied to MSF-Holland, the General Director is measured at 92% (524 points), while each member of the Management Team measures 80% (456 points).

Based on this scheme, MSF-Holland has classified the directors functions respectively to grade J and I, or € 140,046 and € 124,233 (salary table 2010). According to the scheme, pension and employer's costs are not included in these salary figures. The salary structure of MSF-Holland results in salaries under the maximum allowable in the VFI scheme.

MSF-Holland policy applying to all directors positions is that the director is appointed to his or her position for a period of maximum three years, with the possibility of a three years extension. Expatriate tax regulations have been applied to the salary of the outgoing Medical Director Leslie Shanks and the current Medical Director Sidney Wong. No loans, advances or guarantees were provided to any of the directors.

The Delegate Director, Katrien Coppens, is a Board member of MSF-Hong Kong Limited and the Executive Director of the MSF-Holland India Trust, New Delhi, India. The MSF-Holland India Trust is the entity that administers the implementation of MSF-Holland projects in India. Both occupations were for the full year 2013 and both were not remunerated.

2.9e Board costs and expenses paid to Board members in Euro thousands

The Board of the Association MSF-Holland supervises the organizational policies as carried out by the General Director who has been appointed by the Board. The Board members receive no remuneration for their supervisory function.

The General Assembly is the highest supervisory body of the Association and is held once per year at a minimum.

The Board and Association costs shown here concern the costs made by the Board for:

	2013	Budget 2013	2012
Costs carrying out supervisory responsibilities	50	32	27
Costs of the Association and General Assembly	44	40	29
Costs of International representation within the MSF-network	31	32	32
Volunteer allowance Board members	5	0	0
Remuneration President Wilna van Aartsen	6	0	0
Remuneration President Pim de Graaf	52	66	66
Total Board costs and expenses	188	170	154

In June 2013 Pim de Graaf ended his statutory term on the Board of the Association MSF-Holland. At the June 2013 General Assembly Wilna van Aartsen was elected president. Until June 2013 the President of the MSF-Holland Board was a member of the Board of Médecins Sans Frontières International and chairman of the MSF OCA Council. As of July 2013 MSF-Holland is no longer directly represented in the Board of Médecins Sans Frontières International. Chairing of the OCA Council was handed over to the president of MSF-UK. The President of the Board remains a member of the OCA Council.

In chapter 7 Partnerships, the governance is explained in more detail.

For the time spent in fulfilling their duties concerned with international governance the presidents received compensation to the amount of € 58,500 (2012: € 66,000). The time spent on these specific governance activities is comparable to 0.43 FTE (2012: 0.42 FTE). The remuneration paid is in accordance with the maximum remuneration approved by the General Assembly. In total the Presidents spent at least 1,186 hours (2012: 1,523 hours) on fulfilling their board duties.

In 2013 the Board Remuneration Committee approved a new expense policy allowing board members to apply for a volunteer allowance of € 100 per month with a maximum of € 1,000 a year to cover small expenses made during their activities for the association. No loans, advances or guarantees were provided to board members.

As at December 31, 2013, the number of board members of the Association MSF-Holland comprised: 8 (2012: 8). The minimum number of board members required according to the statutes of the Association is 7.

2.9f Auditors costs in Euro thousands

The following fees were paid to auditors in 2013:

Allocated to:		2013	Budget 2013	2012
PwC Accountants; audit of the Financial Statements	Advice - head office	129	100	90
PwC Accountants; audit contracts institutional donors	Audit, advice and project support	133	90	79
KPMG Accountants; audit contracts institutional donors	Audit, advice and project support	0	0	-10
Total Auditors costs		262	190	159

In the costs for the audit of the Financial Statements an amount of € 37,512 is included that is related to additional audit verification work performed during the audit of 2012 Financial Statements. The number of contracts of

institutional donors which required audited reports increased from 14 contracts in 2012 to 22 contracts in 2013.

INCOME

2.10 Income from own fundraising in Euro thousands

	<small>explanatory notes</small>	2013	Budget 2013	2012
Donations from mailings, including <i>Hulppost</i>		13,634	12,163	10,409
Donations from telemarketing		12,772	12,262	12,327
Inheritances		10,398	10,000	9,602
Donations from face-to-face fundraising		5,556	6,355	5,055
Donations from corporate fundraising		2,122	2,400	2,487
Other donations received		1,952	935	1,933
Internet donations		1,190	733	1,018
Grants from private organisations and provincial governments	<i>note 2.10 b</i>	799	0	896
Contributions from Association members		4	6	6
Total income from own fundraising		48,427	44,854	43,733

2.10a Earmarked income from own fundraising in Euro thousands (see also note 3.9d ; the appropriated funds)

	Receipts in 2013	Expenditures in 2013	Not spent in 2013
Donations and gifts for Philippines	1,230	-693	537
Donations and gifts for Syria	496	-496	0
Donations and gifts for Papua New Guinea	100	-100	0
Donations and gifts for various countries	112	-112	0
Grants from private organisations for various countries	799	-724	75
Donations for endowment funds	120	0	120
Balance as at 31 December to allocation funds	2,857	-2,125	732

Donations and gifts for the Philippines are earmarked only when this has been clearly indicated on the bank transfer by the donor. The total expenditure in 2013 for the

Philippines is lower than the earmarked funds received. All remaining Philippines funds will be spent in 2014.

2.10b Grants from private organisations in Euro thousands

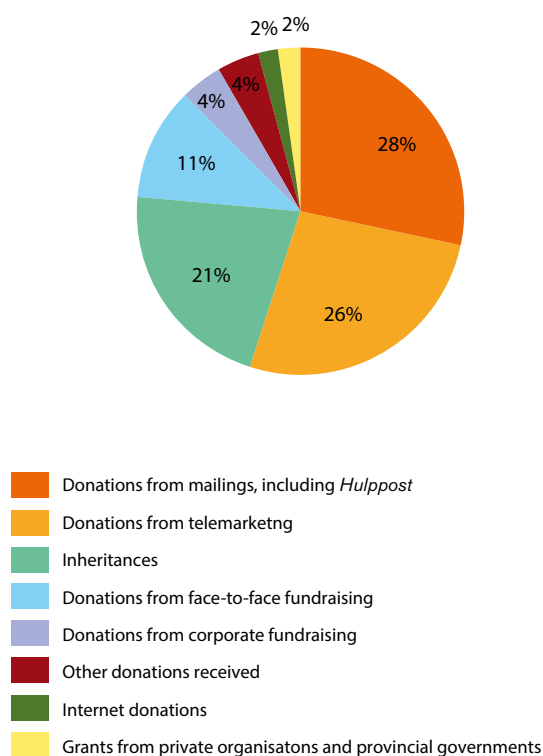
Allocation		2013	2012
Mac Foundation USA	India	370	0
Other Private Organisations	Syria	300	0
Other Private Organisations	Ethiopia/Nigeria/DR Congo	75	0
C&A Foundation	India Floods	29	0
Other Private Organisations	Tajikistan	25	0
C&A Foundation	Pakistan floods	0	500
C&A Foundation	Nigeria Goronyo	0	167
Medicor Foundation	Ethiopia	0	229
Total grants from private organisations		799	896

2.10c Composition of income from own fundraising

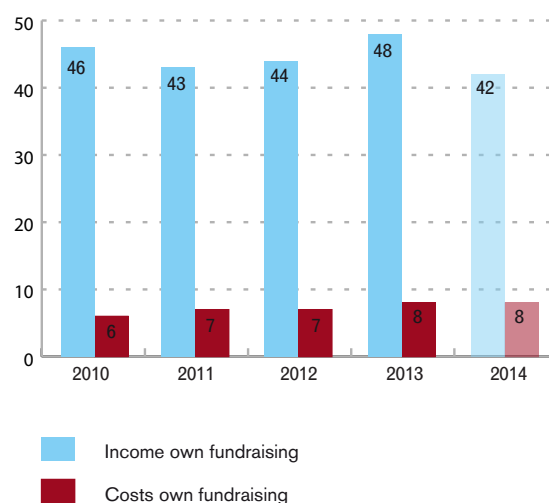
The income from own fundraising increased by € 4.7 million from € 43.7 million in 2012 to € 48.4 million in 2013. The cost of raising funds in the Netherlands increased by 10.7% to € 7.5 million.

In these Financial Statements the composition of the income is presented in the same categories as the expenses to allow for a better comparison of costs versus income. See also note 2.5.

INCOME FROM OWN FUNDRAISING IN 2013



INCOME AND COSTS FROM OWN FUNDRAISING in Euro millions



2.11 Income from third-party appeals in Euro thousands

	2013	Budget 2013	2012
Proceeds National Postcode Lottery , regular draw	13,500	13,500	13,500
Proceeds National Postcode Lottery Dream fund	255	0	0
Proceeds <i>Tour for Life</i> received from Emo Foundation	1,153	1,540	1,489
Total income from third-party appeals	14,908	15,040	14,989

In 2013 MSF-Holland received a contribution of € 13.5 million from the regular draw of the **National Postcode Lottery**. This is the maximum possible annual contribution to MSF-Holland according to the contract.

Additionally the **National Postcode Lottery Dream fund** awarded MSF-Holland a contribution of € 6,791,000 as funding for the Tuberculosis breakthrough project in the period 2013-2016. The income recognised in the Statement of Expenditure and Income is equal to the maximum eligible costs as incurred in the book year (see Chapter 4: Accounting Policies). The outstanding funds are specified

in Chapter 3, paragraph 3.10 Long-term liabilities and 3.11 Short-term liabilities.

In 2009 MSF-Holland entered into a 5 year contract with the Emo Foundation for the organization of the cycling event *Tour for Life*. In 2013 the *Tour for Life* was held for the fifth time and MSF-Holland received the amount of € 1,153,381 from the Emo Foundation for the event. The contract with Emolife will be renewed for a period of 3 years.

2.12 Grants from within the MSF-network in Euro thousands

	2013	Budget 2013	2012
MSF-Germany	44,507	33,726	33,450
MSF-United Kingdom	21,577	14,601	15,029
MSF-USA	14,227	13,638	12,213
MSF-Canada	12,114	11,774	13,118
MSF-Sweden	7,787	5,865	5,092
MSF-Hong Kong	5,686	5,301	5,532
MSF-Austria	4,400	4,400	5,301
MSF-Switzerland	326	0	0
MSF-Italy	189	0	0
MSF-International	136	500	699
MSF-Denmark	22	0	147
MSF-Australia	13	0	0
MSF-Norway	0	0	533
MSF-Ireland	0	0	120
MSF-France	0	0	56
MSF-Belgium	0	0	0
MSF-Luxembourg	0	0	0
Total grants from the MSF-network	110,984	89,805	91,290

The income from grants from within the MSF-network increased significantly at the end of the year and ended € 19.6 million higher than in 2012. The increase from MSF-Canada, MSF-Hong Kong and MSF-USA can be explained by exchange rate differences between moment of

budgeting and moment of receipt of the grant. The grants from MSF-Germany, MSF-Sweden and MSF-UK were higher than expected due to much higher private income from own fundraising in these countries.

2.13 Grants from institutional donors in Euro thousands

	2013	Budget 2013	2012
European Union (ECHO and EU)	10,580	10,380	8,881
Swedish government (Sida)	4,220	4,000	3,138
Norwegian government (NORAD, NRMFA)	3,667	2,000	1,765
Global Fund (GFATM)	2,651	2,650	1,949
Danish government (DANIDA)	2,023	1,500	556
Canadian government (CIDA)	1,255	2,000	2,434
Irish government (Irish Aid)	1,005	750	459
German government (AA)	500	1,300	950
Swiss government (SDC)	324	300	332
Czech Republic government (Czech MFA)	116	120	119
United Nations (UNAIDS, UNHCR, UNICEF)	0	0	-21
Total grants from institutional donors	26,341	25,000	20,562

The project grants refer to the realised portion of the grants awarded that concern activities carried out in the financial

year. Institutional donor funding amounts to 17% of the emergency aid expenditure.

2.14 Other income in Euro thousands

	2013	Budget 2013	2012
Income from interest	1,371	1,500	1,584
Other income	326	0	0
Total other income	1,697	1,500	1,584

In 2013 the average balance on the deposit accounts was higher than in 2012. The interest rates decreased during the year leading to a lower amount of interest received in

2013. The development of the amount of interest received over the past 5 years is shown in note 5.2.

2.15 Exchange results from transactions in non-Euro currency in Euro thousands

	2013	Budget 2013	2012
Realised exchange results from transactions in non-Euro currencies	-1,185	0	204
Unrealised exchange results from transactions in non-Euro currencies	-650	0	-26
Total exchange results from transactions in non-Euro currency	-1,835	0	178

The unrealised exchange results concern the value dating of the foreign currency bank balances, the contract obligations and still to be received monies from institutional donors and MSF-sections. Realised exchange results arise in the year of purchasing the goods for projects and from receivables from grant contracts. In 2013 primarily negative

exchange rate results were realized on donor contracts stated in the US Dollar and other non-Euro currencies. In 2013 MSF-Holland did not make use of financial instruments to control currency risk on various foreign currencies.

2.16 Donations in kind in Euro

Besides receiving financial support, MSF-Holland also receives donations in kind. In addition, MSF-Holland enters into contracts which do not involve payment but goods in kind. In particular, these donations in kind concern the delivery of medicines and food and are accepted in project countries to support MSF-Hollands' nutrition and health programs. These donations in kind are not registered in the bookkeeping and are also not reflected in the results.

For internal purposes, MSF-Holland has registered the exchange of materials within the MSF-network but this is not included in this explanatory disclosure.

MSF-Holland registers the use of goods made available by third parties if these are of vital importance in executing aid projects and if these would be purchased if they were not made available to the organisation. The total value of these goods received was € 2,565,224 in 2013 (2012: € 1,983,429).

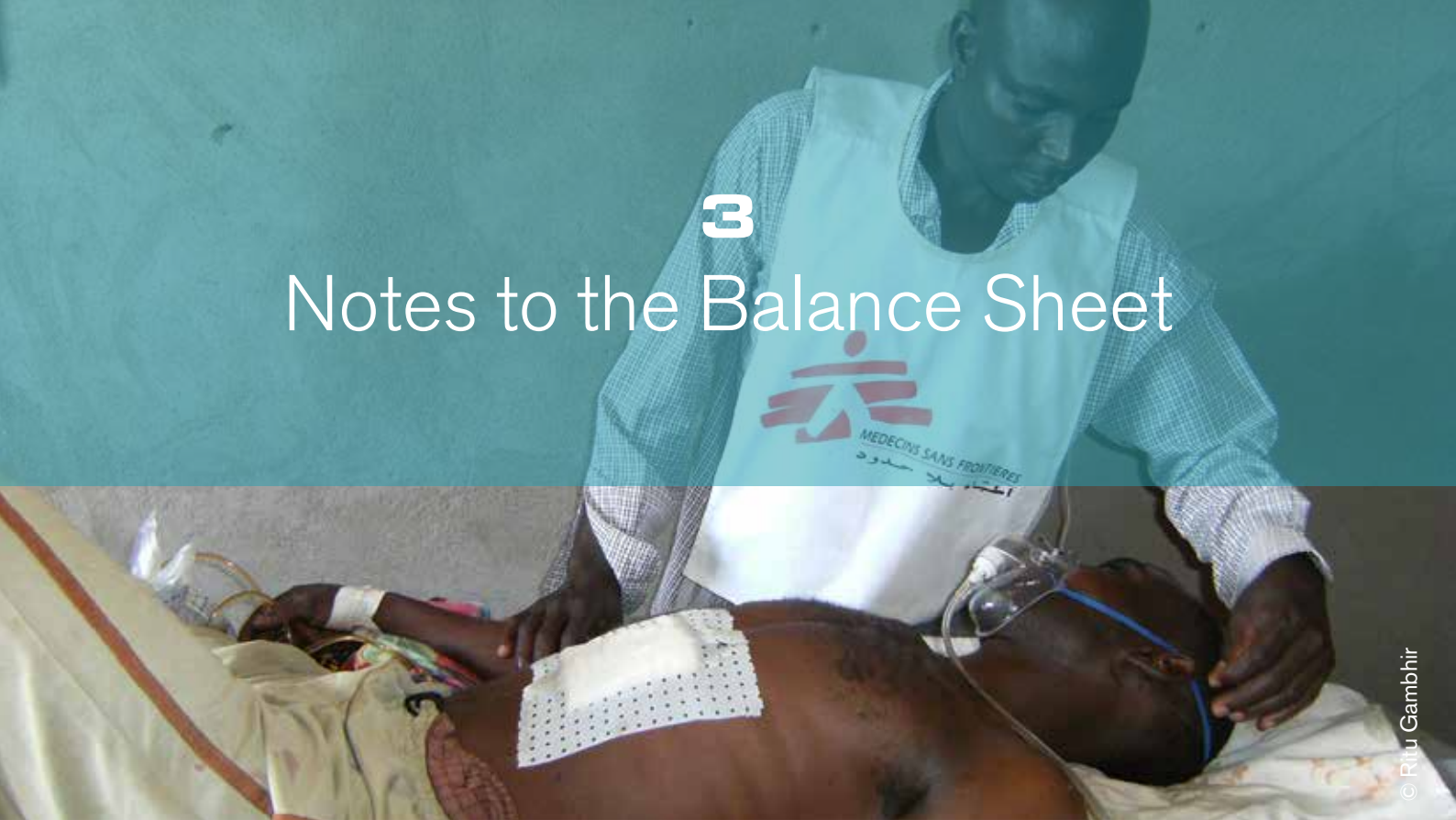
DONATIONS IN KIND PER DONOR AND PER CATEGORY

	Medicines	Medical material & equipment	Food & nutrition	Laboratory material & equipment	Vaccines & vaccination material	Water & sanitation material	Relief items / Other	Total 2013
Global Fund	1,321,751			15,691				1,337,442
United Nations (WFP)			534,995					534,995
Ministries of Health	368,700			22,280	11,877			402,857
National TB Program Myanmar (NAP)	182,516							182,516
Government of Canada							31,654	31,654
United Nations (WHO)	13,730	11,506	262		919			26,417
United Nations (UNICEF)	18,924	911	3,800			1,050		24,685
Other	702	620			559	4,916	4,593	11,390
Regional Health Bureau Ethiopia	2,843	474	658		3,216			7,191
International Organisation for Migration (Haiti)		1,351				2,040	679	4,070
United Nations (UNHCR/ UNFPA/UNDP)	583	501	737		186			2,007
Total donations in kind	1,909,749	15,363	540,452	37,971	16,757	8,006	36,926	2,565,224

DONATIONS IN KIND PER COUNTRY

	Total 2013
Central African Republic	19,876
DR Congo	11,897
Ethiopia	10,161
Haiti	4,070
Myanmar	742,439
Philippines	37,565
South Sudan	17,142
Swaziland	384,543
Uzbekistan/Tajikistan	997,558
Zimbabwe	339,973
Total donations in kind	2,565,224

Notes to the Balance Sheet



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‘In the last three months we have treated over 80 people with gunshot wounds. Our teams are working round the clock to stabilise patients and refer those with serious injuries for emergency surgery.’

JASON MILLS

country co-ordinator for Chad,
Tissi, Chad, August 2013.

▲ A MSF nurse stabilizes a patient at the hospital in Tissi town prior to medical evacuation of the patient to a surgical facility in Abéché. Chad, July 2013.

3.1 Tangible fixed assets

3.1a Operating assets in Euro thousands

	Leasehold improvements	Inventory	Hardware/ software	Total
Purchase value				
Balance as at 1 January 2013	175	499	2,417	3,091
Purchases	0	0	942	942
Assets under development	0	0	370	370
Disinvestments	0	0	-225	-225
Balance as at 31 December 2013	175	499	3,504	4,178
Depreciation				
Balance as at 1 January 2013	175	499	1,336	2,010
Depreciation	0	0	168	168
Disinvestments	0	0	-225	-225
Balance as at 31 December 2013	175	499	1,279	1,953
Balance sheet value as at 31 December 2013	0	0	2,225	2,225

The purchase of hardware/software concerns investment in new video conferencing hardware and expansion of the wireless network in the Amsterdam office, and the development of logistical and financial software as part of an international MSF-project. The deployment of this

software was postponed until early 2015. Depreciation of this software will commence accordingly. The total of the assets under development included in the balance as at 31 December 2013 is € 1,107,827.

3.1b Real estate in Euro thousands

	2013	2012
Property and buildings Vierhouten	541	541
Estimate sales value as at 31 December	541	541

In 2010 MSF-Holland received a gift of real estate in Vierhouten from an inheritance. The inheritance stipulates that the property and buildings must be used for the

operational goals of MSF-Holland. The costs and risks associated with the property are the responsibility of MSF-Holland for a period of at least ten years.

3.2 Stocks in Euro thousands

	2013	2012
Medical materials	3,176	2,119
Other materials	1,212	1,421
Transport equipment	981	799
Stocks as at 31 December	5,369	4,339
Provision for obsolescence	-60	-20
Balance as at 31 December	5,309	4,319

Included in this item are stocks for emergency aid that are kept in transit in the Netherlands (see also Chapter 4, Accounting Policies). The value of the stocks in transit in the warehouse in the Netherlands as at 31 December 2013 amounts to €1,789,585 (2011: €1,741,047). The other stocks have not yet been allocated to aid projects and concern free stocks and so-called emergency stocks. The item Other materials consists mainly of emergency housing materials (tents, tools, etc.) and water and sanitation equipment for the projects. The provision for obsolescence

concerns medical materials for which the shelf life is about to expire. In 2013 the actual write-off was €12,330.

In 2013, as in previous years, a small provision has been made for obsolescence. The estimate for this provision is based on expiry dates and expected turnover of items held in stock as at 31 December. Stock loss may also occur during the year on new items procured. No provision is made for these.

3.3 Receivables from third-party appeals in Euro thousands

	2013	2012
Receivables from the Emo Foundation, <i>Tour for Life</i> event	0	1,489
Balance as at 31 December	0	1,489

The entire contribution for 2012 from the *Tour for Life* event was received in January 2013. The entire contribution for 2013 was received in December 2013.

3.4 Grants receivable from within the Médecins Sans Frontières Network in Euro thousands

The receivables from MSF-sections throughout the year developed as follows:	2013	2012
Balance as at 1 January	12,790	12,908
Project grants awarded	110,784	90,774
Project grants received	-108,940	-91,271
Exchange gains/losses on grants received	-1,468	841
Unspent project grants	0	0
End of year revaluation of outstanding contracts	-154	-462
Balance as at 31 December	13,012	12,790

The remaining receivables concern project grant contracts which ended in 2013. All the receivables are short-term and are expected to be received in the first quarter of 2014.

3.5 Grants receivable from institutional donors in Euro thousands

Receivables for institutional grants comprise receivables from both awarded project grants still running and those that have already ended.

Developments of these in the financial year were as follows:	2013	2012
Balance as at 1 January	4,533	7,555
Project grants awarded	30,957	18,006
Project grants received	-24,152	-20,521
Exchange gains/losses on grants received	33	46
Non-allocated project grants	-30	-300
End of year revaluation of outstanding contracts	-530	-253
Balance as at 31 December	10,811	4,533
The receivables are as follows:		
Receivables from terminated project grant contracts	2,600	3,913
Receivables from current project grant contracts	8,211	620
Balance as at 31 December	10,811	4,533

Receivables from institutional donor grants have a term shorter than one year. The receivables from institutional donors increased as in 2013 project grants were already awarded for projects running into 2014. In addition the

policy of one of the major institutional donors regarding prefinancing changed. This leads to a higher receivable at the end of the projects.

3.6 Receivables from inheritances in Euro thousands

	2013	2012
Receivables from inheritances	9,967	6,236
Balance as at 31 December	9,967	6,236

Receivables from inheritances represents the valuation of the inheritances received of which settlement is in progress. As at December 31, receivables from inheritances includes 51 properties (2012: 55 properties)

that are held for sale. As at December 31, we had 14 inheritances encumbered with usufruct. These are not included in the Receivables from inheritances.

3.7 Other receivables and accrued income in Euro thousands

	2013	2012
Prepayments and accrued income	2,643	2,720
Other receivables from other MSF-sections	527	461
Taxes and social security contributions to be received	68	117
Pre-paid pension scheme contributions	0	26
Debtors	1	3
Balance as at 31 December	3,239	3,327

All other receivables and accrued income are short-term. All the amounts receivable concern the normal course operations

As in 2012, in 2013 no provision for doubtful debtors was included.

3.8 Cash at bank and in hand in Euro thousands

	2013	2012
Balance of cash at bank and in hand at headquarters	110,309	96,911
Balance of cash at bank and in hand at projects	7,223	6,094
Balance as at 31 December	117,532	103,005

The headquarters' balance of cash at bank includes immediately accessible savings accounts to the sum of €92,197,848 (2012: €81,944,658). These are held at the ABN-AMRO bank, ING bank and RABO bank. MSF-Holland holds its main operating cash management

accounts at ABN-AMRO bank (NL). In 2013 MSF-Holland did not use financial instruments to control currency risk on various foreign currencies. See also Chapter 5: Financial Risks.

3.9 Reserves and funds in Euro thousands

	Continuity reserve	Appropriation reserves	Other free reserve	Appropriated fund	Total 2013	Total 2012
Balance as at 1 January	85,000	5,941	28,619	739	120,299	119,177
Allocation of the result	4,000	2,134	6,006	113	12,253	1,122
Balance as at 31 December	89,000	8,075	34,625	852	132,552	120,299

3.9a Continuity reserves in Euro thousands

In accordance with the Boards' resolution a continuity reserves has been formed. The amount of the reserves has been set at the average amount (over the past two years 2012 and 2013 plus the budget for the coming year 2014) of expenditures needed to ensure the unimpeded progress of the projects and the related supporting activities for a six-month period. In 2013 the Board approved an addition of €4.0 million to the continuity reserves. MSF-Holland's continuity reserves satisfy the standing guidelines and complies with the standard set by the Board.

Within the network Médecins Sans Frontières, a reserves level for at least three and at the most twelve months has been agreed. The lower limit of three months must also be available in cash at bank and in hand. According to the conditions of the CBF certification, the continuity reserves should not exceed a maximum of one and half times the

yearly costs for the operational activities. MSF-Holland considers the emergency aid expenses including the related supporting activities and the costs of fundraising to be costs of the operational activities. Depreciation costs, contributions and one-off items are not included here. Payable grants to third parties are short term liabilities and are also not included.

Included in the continuity reserves is a buffer capital that is based on our risk management and a quantification and statistical analysis of the possible financial impact if adverse events would occur. In 2013 the buffer capital provision has been calculated at €65.0 million. Remaining parts of the continuity reserves are required for future investment and providing the liquidity for immediate start-up of emergency aid projects in case these occur.

The extent of the continuity reserve is calculated as follows:	Expenditure 2012	Expenditure 2013	Budget 2014	6-month average
Emergency aid	141,029	151,766	162,000	75,799
Preparation and coordination	11,723	12,307	13,644	6,279
Information and awareness-raising	2,353	2,573	2,886	1,302
Own fundraising	6,806	7,535	7,662	3,667
Actions third parties	561	536	765	310
Acquisition grants institutional donors	145	160	107	69
Management and administration	3,932	4,234	4,586	2,125
	166,549	179,111	191,650	89,552
Deduct:				
Depreciation costs	173	168	250	99
One-off expenses	0	0	0	0
Contributions	857	986	1,221	511
Target continuity reserves (6 months) as at 31 December	165,519	177,957	190,179	88,943
Actual continuity reserves as at 31 December				89,000
Buffer capital included in the continuity reserves				65,000
Target lower limit (3 months) continuity reserves as at 31 December				44,471

At the end of 2013, 89% of the total of the reserves held were retained in cash at hand and in bank (2012: 87%). MSF-Holland needs a flexible liquidity position to be able to

guarantee the unhindered progress of its aid projects and to come into action quickly if need be. See also Chapter 5: Financial Risks.

3.9b Appropriation reserves in Euro thousands

The appropriation reserve is used to finance the tangible fixed assets and stocks and calculated as follows:

	Tangible fixed assets	Stocks	Total 2013
Balance as at 1 January	1,622	4,319	5,941
Allocation of the result	1,144	990	2,134
Balance as at 31 December	2,766	5,309	8,075

In 2013 the appropriation reserve increased as a consequence of the investment in hard- and software. In addition, the volume of the stocks increased.

The increase of the appropriation reserves is financed via the allocation of the result from 2013.

3.9c Other free reserves

In 2013 through the allocation of the result the other free reserves increased by € 6.0 million to € 34.6 million. Of the other free reserves € 10.8 million is foreseen to be spend in 2014. In view of the financial cooperation within the international network of Médecins sans Frontières

contributions to emergency aid projects of in particular MSF-Spain and MSF-France are anticipated for 2014. It is anticipated further contributions within the MSF-network will be necessary in 2015 and 2016. These are not yet included in the Forward Statements (see Chapter 8).

3.9d Appropriated funds in Euro thousands

The Appropriated funds contains the funds that have been earmarked by donors for a specific purpose and which have not yet been spent. Note 2.10a gives an indication of the

volume of earmarked monies that are received and spent during the year.

	Unused at year end 2012	Receipts in 2013	Expenditure in 2013	Unused at year end 2013
The balance of the appropriated funds is as follows:				
<i>Earmarked income from own fundraising:</i>				
Earmarked for the Philippines	0	1,230	-693	537
Earmarked for Syria	0	496	-496	0
Earmarked for Papua New Guinea	0	100	-100	0
Earmarked for various countries	0	112	-112	0
Subsidies of private foundations for various countries	0	799	-724	75
Earmarked from inheritance	719	11	-630	100
Earmarked endowment funds	20	120	0	140
Subtotal (see also note 2.10a income own fundraising)	20	2,857	-2,125	752
Earmarked from inheritance	719	11	-630	100
Balance as at 31 December	739	2,868	-2,755	852

The earmarked funds from inheritance concern the maintenance and use of the property in Vierhouten. This item has been increased by the interest received. In 2013 it was agreed that the fund to be reserved for maintenance of

the property could be lowered to € 100,000. Earmarked funds received for the Philippines and available as at December 31, will be spend in 2014.

3.10 Long-term liabilities in Euro thousands

	2013	2012
Long term Budgetary commitments National Postcode Lottery Dream Fund	3,936	0
Balance as at 31 December	3,936	0

These long-term budgetary commitments are commitments arising from the awarded contribution for the Tuberculosis breakthrough project of which the total eligible costs in

2013 and 2014 are lower than the total grant awarded. The balance concerns the portion of this contribution that is expected to be spend in 2015 and 2016.

3.11 Short-term liabilities in Euro thousands

	2013	2012
Payable to other MSF-sections	8,467	5,729
Budgetary commitments (see specification below)	5,039	872
Accounts payable/creditors	3,967	4,306
Budgetary commitments National Postcode Lottery Dream Fund	2,600	0
Taxes payable	1,925	1,683
Payable to head office staff and expatriate staff	1,727	1,218
Outstanding payments to suppliers in project countries	856	1,398
Payable to local project staff	738	953
Provisions for litigations	91	53
Other liabilities	738	810
Balance as at 31 December	26,148	17,022

The item Payable to head office and expatriate staff primarily concerns payable vacation days, vacation allowance, pension, per diem and net salary for headquarters and expatriate staff. The item Payable to local project staff includes payable net salary, vacation days and accumulated severance pay for local project staff.

The balance of the budgetary commitments **National Postcode Lottery Dream Fund** concerns the portion of the total contribution that is expected to be spent in 2013.

Budgetary commitments are commitments arising from awarded project grants for which the total eligible costs in 2013 are lower than the total grant awarded. The balance concerns the portion of the project grants that have yet to be implemented by MSF-Holland.

The item Budgetary commitments developed in the year as follows:	2013	2012
Balance as at 1 January	872	4,454
Listed under long-term liabilities as at 1 January	0	0
Project grants awarded by MSF-sections in this financial year (see also note 3.4)	110,784	90,774
Project grants awarded by institutional donors in this financial year (see also note 3.5)	30,957	18,006
End of year revaluation of outstanding contracts	-219	-210
Project grants realized in 2013 from other MSF-sections (see also note 2.12)	-110,984	-91,290
Project grants realized in 2013 from institutional donors (see also note 2.13)	-26,341	-20,562
Total project grants	-137,325	-111,852
Non-allocated project grants	-30	-300
Balance as at 31 December	5,039	872

The budgetary commitments at the end of the 2013 financial year refer entirely to the implementation of projects in 2013 and 2014 and are thus short-term commitments.

Long-term budgetary commitments at the end of 2013 are specified under paragraph 3.10 Long-term liabilities.

3.12 Commitments not included in the Balance Sheet

Commitments not included in the balance sheet refer to the contract for office rental (including service costs) for the Amsterdam office. The total amount of these commitments is €3.6 million for 2014 up to and including 2018. €0.8 million refers to 2014, €2.5 million to the years 2015-2017, and €0.3 million to the year 2018.

Starting March 1st, 2013 a rental contract for 9 years was concluded for the rental of the office of MSF-India. The total amount of the commitments arising from this rental agreement is €1.6 million for 2014 up to and including 2022. €0.16 million refers to 2014, €1.4 million to the years 2015-2021 and €0.04 million to the year 2022.

Bank guarantees for the benefit of third parties were granted for the rental contract of the office in Amsterdam (€189,326). In addition a bank guarantee of €10,000 has been given to ADAC for the temporary registration of MSF-Holland vehicles in India.

As at 31-12-2012 MSF-Holland ended the pension schemes placed with a life insurance company. In view of the nature of the insurance contract the schemes ended are considered defined contribution schemes. Management is of the view that MSF-Hollands' liability is

limited to the contributions paid to the insurance company. All contributions have been paid in full. At the closure of the year 2013 the procedures concerning the ending of the insurance contract are pending and it cannot be excluded that future commitment may arise from the concluded schemes.

In a number of countries in which MSF-Holland implements projects, taxation and litigation procedures are pending. MSF-Holland maintains a register of these. In these Financial Statements provisions are made for a total of €90,695 (2012: €52,535). Based on legal advice obtained and the provisions made we do not expect that any further significant financial liabilities will arise out of these procedures.



4 Accounting Policies

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‘We decided to withdraw from Somalia immediately, with pain in our hearts and anger in our bodies. This goes against all we stand for.’

Arjan Hehenkamp

Arjan Hehenkamp, general director
MSF-Holland, November 2013.

This report has been prepared in accordance with Dutch Civil Code book 2, title 9 and in particular with the **Guideline 650 for the Reporting of Fundraising Institutions (revised 2011)**, as published by the Dutch Accounting Standards Board (Raad voor de Jaarverslaggeving) in January 2012. These Financial Statements are prepared on an accrual accounting, historical cost basis in accordance with the accounting principles of matching and conservatism consistently applied and fairly presented and as further explained below.

Assets and liabilities are accounted for at historical costs and unless stated otherwise are shown at their nominal value. Expenditure and revenues are allocated to the period to which they relate and in accordance with the principles as below.

Foreign currency

The reporting currency is the Euro.

Assets and liabilities denominated in foreign currencies are valued at the exchange rates prevailing at year end date. Transactions denominated in foreign currencies are translated at the exchange rates prevailing at the transaction date. The exchange results have been incorporated in the Financial Statements according to *Guideline 122 of Dutch Accounting Standards*.

Cash flow statement

The Cash Flow Statement has been prepared according to the direct method in order to provide better insight into the flows of funds of MSF-Holland and the MSF-network. Cash flows denominated in foreign currencies have been translated into Euro at the exchange rate prevailing at the transaction date.

▲ Having decorated the plaster cast on her broken leg with henna, a young girl prepares to have it removed in the yard of the MSF run Kismayo Hospital. Somalia, December 2007.

Tangible fixed assets

Operating assets are stated at cost less depreciation. Depreciation is calculated according to the straight-line method based on expected economic life. For tangible fixed assets under development depreciating start the moment the assets are taken in use. The following depreciation percentages are used:

- leasehold improvements and inventory 20%
- The hardware and software 33.33%

Purchase costs of fixed assets used in the project countries are expensed to project costs. After completion of the projects these assets are generally transferred to the beneficiaries.

Real Estate is valued at fair value in the current real estate market. The annual property tax value assessment is used as the basis for this valuation. No revaluation has taken place in 2013. MSF-Holland does not own any real estate in the countries in which emergency aid projects are carried out.

Stocks

Stocks are stated at cost price less a provision for obsolescence where necessary. The costs of the stocks are expensed to the projects at the time they are shipped to the project countries. The cost price of the stocks is calculated based on average costing while the movement of physical stock is according to the first-in-first-out principle and first-expiry-first-out principle for medical drugs.

Accounts receivable

Accounts receivable are stated less a provision for doubtful debtors.

Cash at bank and in hand

Cash at bank and in hand include the balances of all accounts held for head office and projects, both in the Netherlands and abroad. Cash and bank balances denominated in foreign currencies are valued at the exchange rates prevailing at year end date.

Events after the reporting period

Events after the reporting period are disclosed according to *Guideline 160 of Dutch Accounting Standards*. An event after the reporting period is disclosed when it results in significant commitments or downward revaluation of assets. In these Financial Statements no significant events after the reporting period occurred which should be included.

Pensions

- a As of 1 January 2013 a defined contribution pension scheme for all employees has been entered with a Premium Pension Institution (PPI). No future commitments arise from this pension scheme.
- b The pension schemes set up for the employees and valid until 31 December 2012 have been based on a career-average plan with conditional indexation. All schemes have been placed with a life insurance company and, in view of the nature of the insurance contract, are considered defined contribution schemes. This means that MSF's commitment towards its employees, under the former insurance contract concluded with the life assurance company, are limited to the contributions paid to the insurance company. All contributions have been paid in full.

Emergency aid costs

Costs of emergency aid relate to the costs of the aid projects undertaken by MSF-Holland. This concerns any on-site costs incurred by the projects, including the costs of medical and logistic personnel posted and the costs of relief supplies bought via headquarters and transported to the projects.

Relief supplies purchased through headquarters are expensed to the projects at the time they are sent to the project country. Supplies delivered to the warehouse and being readied for transport are accounted for as project-related stocks and included in the balance sheet. Outstanding orders for purchases are not included in the accounts. Outstanding orders are internally reported as budget commitment and included in the three-way matching procedure.

Preparation and coordination costs

Costs of preparation and coordination relate to the costs incurred by headquarters for the direct support of aid projects managed by MSF-Holland. Relevant costs include costs of departments handling the provision of medical advice, handling the purchase of project supplies and the recruitment and posting of staff. The costs of the Operations Director and the Medical Director are included in this category.

For aid projects in a number of countries, preparation and coordination activities has been (partly) outsourced to the sections with which MSF-Holland works collaboratively. The costs of the activities outsourced to support the projects directly in other MSF-sections are explained in more detail in chapter 7, Partnerships.

Information and awareness raising costs

Costs of information and awareness raising relate to the costs of advocacy within the framework association goals. The primary purpose of advocacy is to increase the public's awareness and to bring about a change of attitude and conduct.

The allocation of costs for information and awareness raising and the categories stated below are based on the following guidelines:

- 50% of the costs of the website go to information and awareness raising and 50% to management and administration;
- 25% of the costs of the donor periodical *Hulp* go to information and awareness raising and 75% to costs own fundraising;
- 50% of the costs of publishing the Annual Report go to information and awareness raising and 50% to management and administration

Activities carried out by third parties

Grants issued to third parties and contracts commissioned to third parties are stated as costs from the awarding date.

Costs third-party appeals

Costs of third-party appeals are the costs invoiced to MSF-Holland by the third parties for these fundraising activities or directly related to those. These costs are generally agreed in advance with the third party, and are directly related to the lotteries, actions or events which are carried out with raising funds for MSF-Holland.

Costs own fundraising

Fundraising costs relate to all costs of activities with the direct or indirect purpose to induce people and institutions to donate money for one or more goals of the Association. 75% of the costs of the donor periodical *Hulp* have been allocated to fundraising costs. The bank costs, which correspond to the fundraising activities, are incorporated by MSF-Holland in the management and administration costs. The automation costs and subsequent costs of depreciation related to the registration and communications with (potential) donors are included here.

Costs acquisition institutional donor grants

The costs of acquiring government grants are shown in Costs of acquiring institutional donor grants if these costs were made at head office. This particularly concerns part of the personnel costs incurred in the project administration department that are calculated as a percentage of total funding received.

Management and administration costs

Management and administration costs relate to the costs made for directing and managing the organisation. 50% of the costs of the website have been allocated to the management and administration costs. In addition, 50% of the costs of the Annual Report have been allocated to the management and administration costs. The costs of recruiting personnel to work at the head office and also the costs of performing general financial administration, planning and control, the general legal expenses, as well as the costs of the Board and the Association have been included in this category.

Overhead costs

Overhead costs relate to the costs of facility support for housing, automation, general insurances and other office facilities and include depreciation costs, with the exception of the depreciation costs of the donor database which are included in the costs own fundraising.

The table below describes how the Recommendation Application of Guideline 650 for Management & Administration costs (January 2008) as published by the Dutch Association of Fundraising Institutions VFI is used by MSF-Holland.

Division of personnel costs and overhead costs

Personnel costs at head office have not been accounted for by MSF-Holland as direct costs but in proportion to the number of allotted full-time equivalents of personnel at head office working for certain activities. The overhead costs have been attributed in the same way to different activities. Note 2.9 in these Financial Statements explains the divisions of these costs.

EXPENDITURES	Management & administration	Overhead	Explanations
Board and association	100%	-	
General Director, Director Resources	100%	-	The Medical Director and Director Operations are attributed to preparation and coordination
Delegate Director	50%		Other 50% to fundraising
Head of Department Communications	100%	-	
Head of the Departments Finance and HRM	100%		
Administrative support all directors and all heads of department	100%	-	
ICT at head office	-	100%	
Housing, facilities and office utensils and supplies	-	100%	
Control, internal audit	100%	-	
Website including audiovisual material	50%	-	Other 50% to communication expenses
Annual report, corporate communication	50%	-	Other 50% to communication expenses
Bank costs	100%	-	Including bank costs related to fundraising incomes
Financial administration	100%	-	
Project administration	-	-	To preparation and coordination
Head office staff salary- and personnel contract administration	100%	-	
Salaries and personnel costs	Pro rata	Pro rata	As much as possible attributed to factual deployment
Depreciation	-	100%	
General insurances	-	100%	
Audit and audit costs	100%	-	Auditors costs for grants are directly attributed to costs emergency aid
Costs settlement and administration acquired inheritances	-	-	All to costs Fundraising including their direct legal expenditures
Legal expenses head office	100%	-	Costs of legalisations are attributed to social mission costs
Contribution to general costs MSF-International	100%	-	

Donations and gifts

Direct donations from the public and from private companies are accounted for on a cash basis.

Donations and gifts of which the use is designated by the donor (or, in the case of a legacy or bequest, by the donors' will) to specific purposes, or restricted in time, or required to be invested and retained rather than expended are designated 'earmarked funds'. Other income earned from restricted revenues such as interests earned from the investment of restricted funds is also considered as restricted with the same designation as the original funds, unless otherwise specified by the donor.

Contributions

Contributions from members of the Association are accounted for on a cash basis.

Inheritances

Inheritances are recognised on an accrual basis for the estimated value based on the available correspondence relating to an inheritance. Deviations from this estimate are processed at the time of receipt of settlement of the inheritance.

Foundations, associations and private funds

Grants from private organisations are shown under income from own fundraising. These grants are accounted for as income in the statement of expenditure and income in the same year as the related project costs can be declared to the donor.

Income from third-party appeals

Income from third-party appeals concerns amounts from the proceeds of the **National Postcode Lottery** and the proceeds of the *Tour for Life* event. Income allocated by third-parties is included as income at the time of the allocation. The proceeds of third-party appeals are based on contracts and on contractually valid financial regulations. The contract with the **National Postcode Lottery** was extended at the end of 2012. The extended contract is valid for five years and runs until 31 December 2017.

As an exception of the above principle the contribution from the **National Postcode Lottery Dream Fund** is accounted for as income in the Statement of Expenditure and Income for the maximum eligible costs as occurred in the book year.

Income from within the MSF-network

Project grants allocated to MSF-Holland and the subsequent budgetary obligations arising from grants from within the network Médecins Sans Frontières are shown in the Balance Sheet from the contract date. These grants are accounted for as income in the Statement of Expenditure and Income for the maximum eligible costs according to the contract and as occurred in the book year. According to Guideline 650 this income should be shown under income from third-party appeals. In view of the volume and the importance of income from within the network Médecins Sans Frontières, it has been decided to show this as a separate category.

Grants from institutional donors

Project grants from governmental institutions awarded to MSF-Holland and the related budgetary obligations are shown in the Balance Sheet from the contract date. These grants are accounted for as income in the Statement of Expenditure and Income in the same year as the related project costs can be declared to the donor.

Donations in kind

Donations in kind are not recorded as income and/or expenditure. Donations in kind are disclosed for information purposes in the explanatory notes in the Statement of Expenditure and Income as far as they concern goods that are essential to MSF to be able to execute its aid projects and, had they not been made available to MSF-Holland, would have been purchased. An explanation is given regarding received donations in kind for which a reporting obligation is required. An estimated total of the current purchase price of the received goods is shown in these Financial Statements.



5 Financial Risks

© Wendy Marijnen

‘Treatment for multidrug-resistant tuberculosis is long and hard, but there is good hope for our young patients.’

Beatrice Lau

Project co-ordinator, Tajikistan, September 2013.

Our operational and fundraising activities result in exposure to a variety of financial risks. MSF-Holland has identified the following financial risks: credit risk, concentration risk, foreign currency risk and interest rate risk. Management policies have been established to identify and monitor these risks, and to set appropriate risk mitigation measures. Financial risk management is carried out in accordance with our Treasury Policy. The written principles and policies are reviewed annually by the Board Audit Committee. In our risk management also non-financial risks are reviewed; more information on those can be found in our Annual Report.

▲ Orion (4) is one of MSF's patients in Tajikistan, one of Asia's poorest countries, where MSF runs a paediatric TB program. Tajikistan, September 2013.

5.1 Credit and concentration risks in Euro thousands

Credit risks are primarily associated with the cash and cash equivalents we hold at financial institutions and to an increasing extent from receivables relating to our institutional donors grants. Cash balances held in Amsterdam are held with banks that have a credit risk rating of at least 'A', as rated by an acknowledged rating agency. In our projects cash balances are held to a minimum. Risk is mitigated by assessment of the available financial institution and with planning the frequency of cash transfers to our project in line with payment patterns. At the end of 2013 for two banks (in Zimbabwe and Democratic Republic of Congo) credit risk exposure is real to a total amount of USD 91,505 and € 36,331 due to seizure of funds and pending bankruptcy.

Cash and cash equivalents held in Amsterdam are spread over three main banks ABN-AMRO bank, ING bank and RABO bank. Although we aim to avoid significant concentration of our exposure to a particular financial institution currently about 75% of our funds are held at ABN-AMRO bank which is fully state owned.

The development of the savings deposits over a period of five years is shown below. The realised interest per year is also shown. MSF-Holland has no investments; there are subsequently no investment or exchange rate results included in this overview. In 2014, with the review of the principles determining our reserves (see note 3.9 of these Financial Statements as well) we intend to reconsider our investment policies.

	2013	2012	2011	2010	2009
Balance as at 1 January	81,945	82,350	76,044	58,981	48,909
Balance as at 31 December	92,198	81,945	82,350	76,044	58,981
Increase during the year	10,253	-405	6,306	17,063	10,072
Net result cash at bank (interest received)	1,371	1,584	1,553	1,071	1,495

Our exposure to institutional donor grants credit risks is increasing as one of the major funding agencies is reducing its advance remittances to grants awarded. Credit risk resulting from institutional donor grants for MSF-Holland has two main components: solvability risk of the institutional funder and the eligibility compliance risk of expenses

claimed under a grant agreement. These risks resulting from institutional donor grants are mainly managed through effective and efficient proposals and ensuring timely, correct and complete reporting. At the end of 2013 no provisions related to institutional donor grants credit risk are required.

5.2 Interest risks

Interest income is received on the cash balances based on market rates for the corporate sector. It is our intention to prioritise capital preservation and to earn a reasonable interest income using plain instruments like bank deposits and money market fund investments that are governed by

our Treasury Policy. In 2013 only bank deposits have been used.

The estimate realised interest over a period of five years on the average of the savings deposits as show above was as follows:

	2013	2012	2011	2010	2009
Interest rate received on average of bank deposits	1,6%	1,9%	2,0%	1,6%	2,8%

The interest realised is in line with market interest rates but not sufficient to ensure capital preservation in real terms

and to make up for inflation. This is another reason to reconsider our investment policies in 2014.

5.3 Foreign currency risk in Euro thousands

As we operate internationally we work with multiple currencies on a daily basis. Income from other MSF-sections is realised in Euro, pound sterling, the US dollar, the Canadian dollar, Swedish kroner and do not necessarily match our expenditure which is largely in Euro and the US dollar. These are in turn converted in other currencies as applicable in our project countries. Our foreign currency exposure relates mainly to project funding grants, purchasing of medical goods and payments that are denominated in currencies other than our reporting currency - the Euro.

We manage our foreign currency transaction risk through the view that the foreign currency incomes largely represent a natural hedge in comparison to our expenditure. Balances held in other currencies than the

Euro or USD are as much as possible swapped to USD. The majority of our income is in the Euro which reduces the foreign current risk exposure considerably. Foreign currency needed in our project countries is as much as possible purchased centrally while balance are kept to a minimum. In 2013 about half of the total expenditures were in the Euro. Expenditures in USD were about 27% of the total expenditure (USD 67 million). Various other foreign currencies make up the remainder of 20% of the total expenditures. In 2013 MSF-Holland did not use financial instruments to control currency risk on various foreign currencies.

The exchange results over a period of five years compare as follows:

	2013	2012	2011	2010	2009
Realised exchange results from transactions in non-Euro currencies	-1,185	204	729	792	93
Unrealised exchange results from transactions in non-Euro currencies	-650	-26	177	72	-18
Total exchange rate result from transactions during the year	-1,835	178	906	864	75

A sensitivity of 2.5% strengthening or weakening of the Euro as at 31 December 2013 against our main contract currencies would have increased (decreased) our end of year result by the amount shown below. The sensitivity of

the currency valuation in this overview affects the unrealised exchange results as stated in the table above and takes into account the cash and bank position and the receivable and payable positions.

Currency	FX Balance Sheet exposure in € at 31-12	Strengthening	Weakening
AUD	-123,230	-3,081	3,081
CAD	2,489,572	62,239	-62,239
CHF	-485,985	-12,150	12,150
DKK	48,856	1,221	-1,221
GBP	7,750,864	193,772	-193,772
HKD	-6,439	-161	161
JPY	-9,308	-233	233
NOK	-21,403	-535	535
SEK	2,477,832	61,946	-61,946
USD	11,989,296	299,732	-299,732
Total	24,110,056	602,751	- 602,751

5.4 Reserves risk management

Our reserves policy aims to maintain a capital structure that enables us to achieve our strategic objectives and daily operational needs, to safeguard our ability to continue as a going concern and meet our current obligations.

At the end of 2013, 89% of the reserves were retained in cash at hand and in bank (2012: 87%). MSF-Holland needs a flexible liquidity position to be able to guarantee the unhindered progress of its aid projects and to come into action quickly if need be.

Médecins Sans Frontières India

‘There’s no cure for hepatitis E, we can only give supportive care to treat the symptoms. The real thing that’s killing people is liver failure. This is something we can’t treat. And that’s frustrating, really frustrating. You’re just doing your best as a doctor, but basically you’re half blinded.’

Maarten Dekker

medical doctor, Batil refugee camp,
South Sudan, February 2013.

In 2013 MSF-Holland together with MSF-UK registered a branch office in India (MSF-India) with the aim to support the emergency aid programs with the recruitment of medical personnel from India, to develop fundraising in the Indian market and to develop the institutional presence of Médecins sans Frontières in India. The branch office Médecins Sans Frontières India is registered in India, New Delhi, under the Section 25 of the Companies Act, 1956 and is a private limited with corporate Identity Number: U85100DL2013NPL249165. The entity is incorporated as a not-for-profit.

MSF-Holland holds 80% of the issued share capital of the entity MSF-India. The other 20% of issued share capital is held by MSF-UK. Due to Indian foreign exchange permission regulations the share capital is not yet paid. In view of that the MSF-India statements are presented here for information purposes only and includes payments made on behalf of MSF-India through other legal entities. As of 2014 we expect to publish a consolidated statement. The Shareholders Agreement between MSF-Holland and MSF-UK regulates that MSF-Holland is the controlling entity.

Statement of Expenditure and Income

MSF-India for 2013 in Euro

EXPENDITURE	2013
Spent on MSF-India goals	
Preparation and coordination in India	185,642
Information and awareness-raising	333,715
Total spent on Association goals	519,357
Fundraising expenses	296,110
Management and administration	264,389
Total expenditure	1,079,856
INCOME	
Income from own fundraising	18,639
Contributions from MSF-Holland	1,397,871
Total Income	1,416,510
Results operational activities	336,654
Exchange rate results	-7,989
RESULT EXPENDITURE AND INCOME	328,665
ALLOCATION OF THE RESULT	
Additions/withdrawals to	
Appropriation reserves	246,626
Other free reserves	82,039
Total	328,665

Balance sheet MSF-India as at 31 December 2013 in Euro

ASSETS	31 December 2013
Tangible fixed assets	
Operating assets - MSF-India	246,626
Receivables and accrued income	
Médecins Sans Frontières network	1,130
Other receivables and accrued income	90,409
	91,539
Cash at bank and in hand	100,413
Total assets	438,578
LIABILITIES	
Reserves	
Appropriation reserves	246,626
Other free reserves	82,039
	328,665
Short-term liabilities	109,913
Total liabilities	438,578



7 Partnerships

‘In many places, such as Liberty and Capoocan, we found people who had not received any help, 10 or even 20 days after the typhoon.’

Karla Bil

medical co-ordinator, Leyte, Philippines, December 2013.

MSF-Holland is part of the international network of Médecins Sans Frontières, in which 23 national organisations (MSF-sections) and a number of associated institutions are active. All MSF-sections are united in the Swiss-based Association Médecins Sans Frontières International. Every MSF-section is an independent economic and legal entity. The Association Médecins Sans Frontières International can make decisions that, in practice, are binding for the individual organisations. The Association Médecins Sans Frontières International supervises the organisations' objectives and identity, promotes mutual cooperation, and coordinates the growth of the associated organisations and the sharing and allocation of available resources.

In our view the cooperation within the international network Médecins Sans Frontières is a continuous and structural partnership, although none of the participating entities can be viewed as a formal principal. Consequently there is no obligation to draw up consolidated accounts. However, the current governance within the partnership does imply that significant mutual influence can be exercised on policy.

Annually the MSF-network publishes audited combined Financial Statements. The 2013 Combined statements are published after publication of the MSF-Holland Financial Statements and can be viewed at <http://www.msf.org/international-financial-reports>. The anticipated publication date is June 16, 2014.

7.1 Médecins Sans Frontières international network

The Association Médecins Sans Frontières International is governed by the International Board, which in turn is supervised by the International General Assembly. MSF-Holland is an institutional member. The Association also has private members. More information can be found on www.msf.org/msf-movement.

- MSF-Holland appoints 2 of the 47 delegates of the General Assembly of the Association Médecins Sans Frontières International;
- The president of MSF-Holland was one of the 13 members of the Board of the Association Médecins Sans Frontières International until 14/07/2013;
- The annual contribution to the expenditures of the

international office is based on the income from own fundraising from the previous year. In 2013, MSF-Holland's share was 7.4% of the total expenditures of the Association Médecins Sans Frontières International. For 2014 the contribution has been set at 7.31%. In 2013 the contribution totalled € 732,465.

Intensive international cooperation and coordination of policy and execution are important because the activities of individual organisations both influence and depend on each other to a great extent. There is a real chain of risks in many areas. For example, there are risks of reputation, security risks and financial risks.

7.2 Operational Centre Amsterdam partnership

MSF-Holland works in particular together with the MSF-sections in Canada, Germany and the United Kingdom. These MSF-sections contribute, each in their own way, actively to the supervisory function, policy and to the executive level of the association MSF-Holland. The collaboration in the Operations Centre Amsterdam (OCA) only concerns the execution of aid projects and there is no formal private organisation constituted.

The OCA is governed by a Memorandum of Understanding that is signed by the Board of MSF-Holland, together with the Boards of MSF-sections Germany and the United Kingdom as primary partners. Together they have established a supervisory umbrella organ: the OCA-Council. The OCA-Council has 6 voting members and one member with observer status.

- The Board of MSF-Holland delegates two of its members to the OCA Council. The president of MSF-Holland is one of the delegates. Both are voting members;
- In 2013 the president of MSF-Holland was also the president of the OCA Council from 1/1 until 31/07. From 1/8 onwards this position was taken over by the president of MSF-UK;
- The treasurers of the OCA-partners are members of the MSF-Holland Board Audit Committee that is chaired by

the MSF-Holland treasurer;

- The treasurer of MSF-Holland has a standing invitation to the OCA Council meetings;
- The OCA Council approves the medical and operational strategic plan for the OCA and approves the operational annual plan, including the annual plan of the operational program support departments;
- At the executive level, the General Directors of MSF-Germany and MSF-UK actively participate in the day-to-day management of the project execution. Together with four members of the MSF-Holland management team they form the OCA Management Team. The General Director of MSF-Holland is the chair of the OCA Management Team. The management of the office organisations is run by the individual MSF-sections.

In the total of MSF-Holland's costs for preparation and coordination, the costs of activities that have been transferred to MSF-Germany are not included. These costs will be shown in their Financial Statements. The costs including outsourced activities are as follows:

in Euro thousands	2013	2012	FTE 2013	2012
MSF-Holland preparation and coordination costs	12,307	11,723	127	121
Costs outsourced activities MSF-Germany	1,385	1,216	15	13
Total Preparation and coordination costs	13,692	12,939	142	134
(as % of the total spent on Association goals - policy standard is 8%-10%)	7,9%	8,1%		

7.3 Shared costs and investments

- MSF-Holland contributes to the MSF-International campaign Access to Essential Medicines. In 2013 the share of MSF-Holland was 7.4% of the expenditure of the campaign. MSF-Holland contributed € 253,748. For 2014 MSF-Holland's portion is set at 7.31%;
- MSF-Holland contributes to the international fund for innovation in projects that is managed by MSF-International. In 2013 the contribution was € 45,872;
- MSF-Holland contributed in 2013 € 105,450 to the extra contribution of MSF-International to the Drugs for Neglected Diseases Initiative (DNDi). In 2014 MSF-Holland will contribute 7.31% towards the total contribution of MSF-International to DNDi;
- MSF-Holland, together with the other operational MSF-sections takes part in the joint development for the purchase and development of software to improve the financial and logistics administration in the projects. The agreed budget for the projects is € 4,800,000 for the years 2011 up to 2014. The financial share for MSF-Holland is 25%. To date MSF-Holland has contributed € 1,107,827 to the investment, which is accrued in the fixed assets under development on the Balance Sheet. MSF-Holland delegates two of the 10 members of the project board;
- MSF-Holland contributes about 7% of the investment budget to the purchase and development of jointly operated software for the recruitment and posting of expatriate staff. The initial budget for the project is estimated at about € 7,000,000 for over the period 2012-2015. The project is delayed and the budget will be redone in 2014. MSF-Holland delegates 2 of the 10 members of the project board.

7.4 International financial cooperation

Within the network Médecins Sans Frontières agreements have been made for the period 2012-2015 regarding the division of fundraising revenue that is available for aid projects after the deduction of costs for offices and the

contributions to MSF-International. MSF-Holland can rely on a share of the net income from the following MSF-sections.

	Share	Currency
MSF-Canada	70%	CAD
MSF-Germany	70%	EUR
MSF-United Kingdom	70%	GBP
MSF-Hong Kong	30%	EUR
MSF-Austria	30%	EUR
MSF-United States	variable*	USD
MSF-Sweden	20%	SEK

* MSF-USA contributions are used to balance contributions between MSF-operations centres

These agreements enable the risk of disappointing income results from public donor appeals to be spread more evenly, leading to better guarantees of the continuity of the aid projects implementation. Income can also increase unexpectedly in reaction to large-scale disasters, such as the earthquake in Haiti in 2010. In such cases agreements can be made within the MSF-network to ensure that the income remains in good proportion to the expected expenditure. This may mean that fundraising opportunities for MSF-Holland may be limited. The financial agreement 2012-2015 includes further agreements on the amount and location of the financial reserves of the MSF-sections. The bandwidths for the growth of the expenditures on emergency aid projects and support structures are also included in the agreement. In view of the agreement in 2013 MSF-Holland contributed € 7.5 million to projects implemented by MSF-Spain. It is anticipated further contributions within the MSF-network will be necessary in 2015 and 2016.

Other agreements

- The terms of employment and the remuneration structure for expatriate personnel have been fully aligned to both the ratio of the local cost of living as well as the social security standards. The Board of MSF-International may propose changes to the terms of employment that intermittently have an effect on the costs for expatriate staff employed by MSF-Holland. In 2014 a new internationally agreed remuneration grid will be implemented. No material cost impact is anticipated for the MSF-Holland budget;
- All posted staff have been insured and are covered by a worldwide health and disability insurance policy;
- In a number of countries where MSF has emergency aid projects insurance coverage is limited. For these, further agreements have been made in the MSF-network;
- A worldwide medical malpractice liability cover has been arranged that covers the entire organisation. MSF-Holland contributes 25% towards the premium of that cover.

7.5 Combined Financial Statements

The MSF-network has published Combined Financial Statements since 2003. The Combined Financial statements 2013 will be published after the publication of the MSF-Holland Financial Statements. The anticipated publication date is June 16th 2014. The Combined

Financial Statements for 2012 have been accompanied with an unqualified opinion issued by *KPMG S.A. and Ernst & Young et autres*, Paris, France. The Combined Financial Statements can be found on MSF-Holland's website www.artsenzondergrenzen.nl or www.msf.org.

Forward Statement



© Juan Carlos Tomasi

‘We are horrified by what we are seeing here: burnt-down villages and shocking evidence of mass murders. The refugees need urgent help and are crying out for protection.’

Erna Rijnierse, Doctor

medical doctor, Bossangoa,
Central African Republic, October 2013

Our forward statement of expenditure and income is based on the medical and operational ambitions laid out in the *OCA Strategic Plan* and the multi-year forward planning as agreed between the MSF-sections. The current *Strategic Plan 2011-2014* is used as basis, knowing that in 2014 a new *Strategic Plan* will be agreed for 2015 and after. The multi-year forward planning regarding resource sharing includes the target percentage of grants from institutional donors (17%) and the development of the expenditure on emergency aid. The international agreements also take into account the investments in fundraising and the development of the (costs) of the head offices support structures.

MSF-Holland expects a stable growth in the organisation in the coming years. In actuality the costs of emergency aid can vary since the organisations' expenditure is dependent on the need to provide medical aid in the event of conflicts or natural disasters. Forecast figures are based on latest estimates as at the date of these Financial Statements and assume no significant changes in resource sharing flows between the MSF-sections. It is anticipated further contributions within the MSF-network will be necessary in 2015 and 2016. These are not yet included in the forecast.

▲ The new wave of violence that is engulfing the Central African Republic has left tens of thousands of displaced people. Central African Republic, October 2013.

8.1 Forward Statement of Expenditure and Income

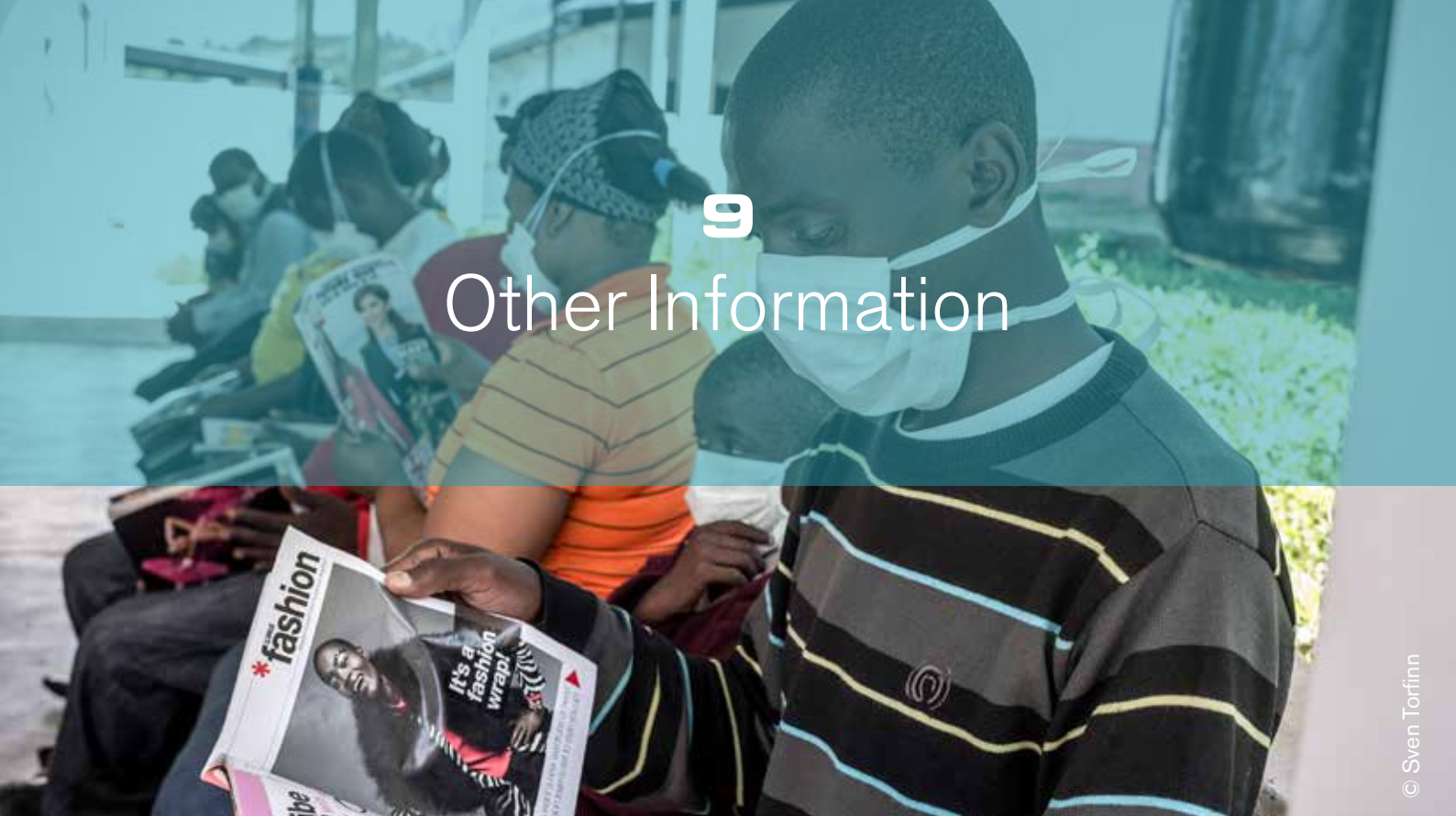
in Euro thousands

EXPENDITURE	Actual 2012	Actual 2013	Budget 2014	Forecast 2015	Forecast 2016
Spent on Association goals					
Emergency aid	141,029	151,766	162,000	172,340	182,680
Preparation and coordination in the Netherlands	11,723	12,307	13,644	14,400	14,976
Tuberculosis breakthrough project			2,000	2,200	2,288
Information and awareness raising	2,353	2,573	2,886	3,325	3,458
Commissioned to third parties	4,665	7,760	8,000	253	300
Total spent on Association goals	159,770	174,406	188,530	192,518	203,702
(in % of total available income - target is > 85%)	80%	86%	98%	92%	93%
(in % of total expenditure - target is > 90%)	93%	93%	93%	92%	93%
Cost of fundraising					
Costs from own fundraising	6,806	7,535	7,662	8,485	8,824
(as a % of the income own fundraising - target is < 20%)	15%	16%	18%	18%	18%
Costs actions third parties	561	536	765	740	770
Costs from institutional grants	145	160	107	175	182
Management and administration	3,932	4,234	4,586	5,300	5,500
(in % of total expenditure - target is max 3%)	2,3%	2,2%	2,3%	2,5%	2,5%
Contributions to MSF-India branch office	0	1,398	1,500	1,000	750
Total expenditures	171,214	188,269	203,150	208,218	219,729
(as % of the total of income)	99%	93%	106%	99%	101%
INCOME					
Income from own fundraising	43,733	48,427	42,475	47,300	49,192
Share in third-party activities	1,489	1,153	1,000	1,000	1,200
Proceeds from National Postcode Lottery	13,500	13,500	13,500	13,500	13,500
Proceeds from National Postcode Lottery Dream fund	0	255	2,000	2,200	2,288
Income from MSF-network	91,290	110,984	104,348	113,500	118,040
Grants from institutional donors	20,562	26,341	27,500	31,021	32,882
(as % of the emergency aid expenses)	15%	17%	17%	18%	18%
Other income and expenditure	1,584	1,697	1,500	1,500	1,500
Total income	172,158	202,357	192,323	210,021	218,602
Result from operational activities	944	14,088	-10,827	1,803	-1,126

8.2 Development of staffing in fulltime equivalents

	Actual 2012	Actual 2013	Budget 2014	Forecast 2015	Forecast 2016
Expatriate staff	560	633	670	680	680
Office staff Amsterdam	193	194	203	210	210
National staff in projects	7,025	7,818	7,788	8,000	8,000

In 2013 the registration, administration and reporting on fulltime equivalents for the national staff in projects has been improved. The numbers for 2013 and the budget 2014 are accurate where the numbers for 2012 contained some estimates.



‘I have the MSF team to thank for my life. They took very good care of me. Every time I saw their car arrive at my house when they came to visit me, I said: “That’s my car.” Because that’s just how I felt. They brought me health, hope and help. And I knew that when “my car” arrived, all my worries and frustrations melted away.’

Linda Vilakati (48)

In 2013 Vilakati was declared cured, following two years of treatment for multidrug-resistant tuberculosis. Swaziland, August 2013.

The Financial Statements are prepared by the management. On the condition of obtaining an unqualified opinion of the auditor the Financial Statements were unanimously adopted by the Board of the association MSF-Holland in its meeting of 04 April 2014. The Annual Financial Statements will be presented for approval to the General Assembly to be held May 24, 2014.

Amsterdam, 04 April 2014

The Association Board and the General Director

Independent auditor's report

To the General Director and the Board of Artsen zonder Grenzen

We have audited the accompanying financial statements 2013 of Artsen zonder Grenzen, Amsterdam, which comprise the balance sheet as at 31 December 2013, the statement of income and expenditure for the year then ended and the notes, comprising a summary of accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Guideline for annual reporting 650 "Charity organisations" of the Dutch Accounting Standards Board. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the union's preparation and fair presentation of the financial statements 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 union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Artsen zonder Grenzen as at 31 December 2013, and of its result for the year then ended in accordance with the Guideline for annual reporting 650 "Charity organisations" of the Dutch Accounting Standards Board.

Announcement according to the annual report

We have read the annual report in order to identify material inconsistencies, if any, with the audited financial statements. Based on reading the annual report we established that the annual report is consistent with the information in the financial statements and that the annual report contains all information required by Guideline for annual reporting 650 "Charity Organisations" of the Dutch Accounting Standards Board. We have not audited or reviewed the information in the annual report.

Amsterdam, 17 April 2014
PricewaterhouseCoopers Accountants N.V.

H.A. Wink RA MBA

Colophon

Publication

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