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MEDECINS SANS FRONTIERES SWITZERLAND FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013

(This report is a translation;
only the French version of this report has legal validity)

BOARD OF DIRECTORS AND MANAGEMENT REPORTS

The Board of Directors of Médecins Sans Frontières Switzerland is responsible for preparing the financial statements, including the performance report.

MSF Switzerland relies upon a comprehensive internal control system, unified accounting and financial reporting procedures as well as additional measures such as employee professional training and continuous learning, to ensure that financial reporting is conducted in accordance with the Swiss GAAP FER/RPC, with the Swiss law and with the articles of the association.

The Management has confirmed to the Board the correctness of the financial data presented in the financial statements, and the effectiveness of the related control systems. It also confirmed the compliance of the accounts with the rules of presentation for financial statements as well as the reasonableness of significant estimates and assumptions.

Risk management procedures are designed to enable the Management and the Board to recognize potential risks early on and initiate timely countermeasures.

In accordance with the resolution made at the 2012 General Assembly, the statutory auditor, Ernst & Young SA has audited the financial statements for the year ended December 31, 2013, and issued an unqualified opinion.

Together with the independent auditors, the financial commission of the Board has thoroughly examined the financial statements and the performance report (now included in the Activity Report), as well as the independent auditors' report. The Board of Directors approved the MSF Switzerland annual financial statements on May 2, 2014.

To the best of our knowledge the financial statements for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER/RPC, and comply with Swiss law and with the articles of association.

Geneva, May 2, 2014

For the board of directors

Dr Abiy Tamrat,
President

Ralf De Coulon,
Treasurer

For the direction

Bruno Jochum,
General Director

Emmanuel Flamand,
Finance Director



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To the General Meeting of the members of **Médecins sans Frontières, Geneva**

Lancy, 2 May 2014

Report of the statutory auditor on the financial statements

As statutory auditors, we have audited the accompanying financial statements of Médecins sans Frontières, which comprise the statement of operations, statement of financial position, cash flow statement, statement of changes in capital and funds, and notes (notes 1 to 27), for the year ended 31 December 2013. According to the Swiss GAAP FER/RPC, the Performance report is not subject to the statutory audit of the financial statements.

Board of Directors's responsibility

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with Swiss GAAP FER/RPC, the requirements of Swiss law as well as with the articles of association. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Director is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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 Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance 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 the internal control system relevant to the entity's preparation 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 entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, 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 for the year ended 31 December 2013 give a true and fair view of the financial position, the results of operations and the cash flows in accordance with Swiss GAAP FER/RPC, comply with Swiss law and with the articles of association.

Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 69b Civil Code (CC) in relation to article 728 CO)) and that there are no circumstances incompatible with our independence.

In accordance with article 69b CC in relation to article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Laurent Bludzien
Licensed audit expert
(Auditor in charge)

Thomas Madoery
Licensed audit expert



MÉDECINS SANS FRONTIÈRES, SWITZERLAND

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2013

(with comparative figures for 2012)

(in thousands of Swiss francs)

STATEMENT OF OPERATIONS	Notes	2013	2012
INCOME			
Private donations from Switzerland	19a	82,920	90,384
Private donations from other MSF organizations	19b	70,216	70,121
Contribution from public institutional donors	19c	22,414	18,784
Other income		760	980
TOTAL INCOME		<u>176,310</u>	<u>180,269</u>
EXPENDITURE			
Programme	20a	-122,111	-120,484
Headquarters programme support	20b	-19,775	-17,342
Advocacy, other humanitarian activities	20c	-3,348	-3,081
Total operational expenses		<u>-145,234</u>	<u>-140,907</u>
Fundraising		-9,952	-8,458
Management & communication	20d	-8,065	-8,130
TOTAL EXPENDITURE		<u>-163,251</u>	<u>-157,495</u>
RESULT OF ORDINARY ACTIVITIES		<u>13,059</u>	<u>22,774</u>
Financing of the MSF Logistique centre		-	-1,204
Net financial result	21	-920	-584
Non-operating result	22	-8	18
INTERMEDIATE RESULT		<u>12,131</u>	<u>21,004</u>
Change in restricted funds *		-1,661	1,100
ANNUAL RESULT BEFORE CHANGE IN UNRESTRICTED FUNDS		<u>10,470</u>	<u>22,104</u>
Change in unrestricted Logistics Fund *		-	1,650
Change in the unrestricted Innovation and Specific Operational Initiatives Fund *	18b	5,691	-19,308
RESULT FOR THE FINANCIAL YEAR		<u>16,161</u>	<u>4,446</u>

* For more detailed information, see the statement of changes in capital and funds.



MÉDECINS SANS FRONTIÈRES, SWITZERLAND

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2013

(with comparative figures for 2012)

(in thousands of Swiss francs)

ASSETS	Notes	2013	2012
CURRENT ASSETS			
Cash & cash equivalents	6	103,021	88,284
Receivables from MSF organisations	7	3,323	4,669
Grants receivable	8	18,147	8,639
Other current assets	9	3,499	2,521
Total current assets		<u>127,990</u>	<u>104,113</u>
NON-CURRENT ASSETS			
Tangible and intangible fixed assets	10	11,266	11,180
Financial assets	11	3,570	3,522
Total non-current Assets		<u>14,836</u>	<u>14,702</u>
TOTAL ASSETS		<u>142,826</u>	<u>118,815</u>

LIABILITIES	Notes	2013	2012
CURRENT LIABILITIES			
Operating liabilities	12	9,535	6,508
Other current liabilities	13	2,932	3,416
Financing contract commitments	15	10,276	2,830
Provisions	14	2,525	1,796
Total current liabilities		<u>25,268</u>	<u>14,550</u>
NON-CURRENT LIABILITIES			
Total non-current liabilities	16	<u>1,208</u>	<u>46</u>
RESTRICTED FUNDS			
Funds restricted to projects	18a	<u>2,151</u>	<u>490</u>
UNRESTRICTED FUNDS			
General reserves		84,421	79,975
Innovation and Specific Operational Initiatives Fund	18b	13,617	19,308
Net surplus/deficit for the year		16,161	4,446
TOTAL UNRESTRICTED FUNDS		<u>114,199</u>	<u>103,729</u>
TOTAL LIABILITIES AND FUNDS		<u>142,826</u>	<u>118,815</u>

**MÉDECINS SANS FRONTIÈRES, SWITZERLAND****CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2013**

(with comparative figures for 2012)

(in thousands of Swiss francs)

CASH FLOW STATEMENT	2013	2012
Intermediate result before change in funds	<u>12,131</u>	<u>21,004</u>
./. Depreciation	969	899
./. Provisions and valuation adjustments	1,104	-77
./. Unrealised foreign exchange gain	756	799
Result for the year (before change in net working capital)	<u>14,960</u>	<u>22,625</u>
Change in grants receivable	-10,100	8,217
Change in the financing contract commitments	8,736	-6,217
Change in the other assets	192	-1,168
Change in the other liabilities	2,555	3,650
Cash flow from operating activities	<u>16,343</u>	<u>27,107</u>
INVESTING ACTIVITIES		
Investment in building and fixtures	-63	-210
Acquisition of furniture and computer equipment	-376	-553
IT developments in process	-616	-425
Financial assets	-5	-356
Cash flow from investing activities	<u>-1,060</u>	<u>-1,544</u>
Effect of foreign currency conversions on cash flow	-546	-510
Net increase in cash & cash equivalents	<u>14,737</u>	<u>25,053</u>
Cash & cash equivalents, beginning of year	88,284	63,231
Cash & cash equivalents, end of year	<u>103,021</u>	<u>88,284</u>



MÉDECINS SANS FRONTIÈRES, SWITZERLAND

STATEMENT OF CHANGES IN CAPITAL AND FUNDS FOR THE YEAR ENDED DECEMBER 31, 2013

(with comparative figures for 2012)

(in thousands of Swiss francs)

STATEMENT OF CHANGES IN CAPITAL AND FUNDS	Unrestricted funds 2013				Restricted funds 2013	Total funds 2013	Unrestricted funds 2012				Restricted funds 2012	Total funds 2012
	General Reserve	Logistics Fund	Innovation and Specific Operational Initiatives Fund	Net surplus/deficit for the financial year	Total	Total	General Reserve	Logistics Fund	Innovation and Specific Operational Initiatives Fund	Net surplus/deficit for the financial year	Total	Total
SITUATION AS OF JANUARY 1	<u>79,975</u>	-	<u>19,308</u>	<u>4,446</u>	<u>490</u>	<u>104,219</u>	<u>75,679</u>	<u>1,650</u>	-	<u>4,296</u>	<u>1,590</u>	<u>83,215</u>
ALLOCATION TO THE GENERAL RESERVE	4,446	-	-	-4,446	-	-	4,296	-	-	-4,296	-	-
CHANGE IN FUNDS OVER THE YEAR												
Intermediate result	-	-	-	12,131	-	<u>12,131</u>	-	-	-	21,004	-	<u>21,004</u>
Allocation to restricted funds	-	-	-	-118,064	118,064	-	-	-	-	-103,649	103,649	-
Use of the restricted funds	-	-	-	116,403	-116,403	-	-	-	-	104,749	-104,749	-
Use of Logistics Fund	-	-	-	-	-	-	-	-1,650	-	1,650	-	-
Allocation to the Innovation Fund	-	-	3	-3	-	-	-	-	25,648	-25,648	-	-
Use of the Innovation Fund	-	-	-5,694	5,694	-	-	-	-	-6,340	6,340	-	-
Change in funds for the year	-	-	<u>*-5,691</u>	<u>16,161</u>	<u>1,661</u>	<u>12,131</u>	-	<u>-1,650</u>	<u>19,308</u>	<u>4,446</u>	<u>-1,100</u>	<u>21,004</u>
SITUATION AS OF DECEMBER 31	<u>84,421</u>	-	<u>13,617</u>	<u>16,161</u>	<u>2,151</u>	<u>116,350</u>	<u>79,975</u>	-	<u>19,308</u>	<u>4,446</u>	<u>490</u>	<u>104,219</u>

* See note 18b for the details of the movements in the Innovation and Specific Operational Initiatives Fund.



MÉDECINS SANS FRONTIÈRES, SWITZERLAND NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2013

(in thousands of Swiss francs)

1. Presentation

Médecins Sans Frontières Switzerland (hereinafter MSF Switzerland) is an international humanitarian aid organisation, private and not-for-profit, founded in July 1981 and established as an association within the meaning of Article 60 et seq. of the Swiss Civil Code. The MSF Switzerland headquarters are located in Geneva with a support office located in Zurich.

MSF Switzerland's objective is to provide medical assistance to populations affected by crisis in accordance with the principles of the Charter of Médecins Sans Frontières.

2. Significant accounting policies

2a Accounting Conventions

MSF Switzerland's financial statements have been prepared in accordance with the articles of association of MSF Switzerland, the applicable provisions of the Swiss Code of Obligations and the Swiss generally accepted accounting principles (Swiss GAAP FER/RPC). The financial statements have been prepared using historical cost principles and are presented in Swiss francs.

The Board of Directors approved the MSF Switzerland annual financial statements on May 2, 2014.

2b Valuation principles

Receivables are stated at their nominal value, less any value corrections. Fixed assets are stated at their historical cost value, less accumulated depreciation. Debts are stated at their nominal value. Securities are stated at their market value or at the best possible estimate obtained at the end of the year.

2c Scope of the financial statements

The scope of the financial statements of MSF Switzerland includes:

- The accounts of Médecins Sans Frontières Switzerland, Geneva, an association governed by Swiss law;
- The accounts of projects conducted by MSF Switzerland worldwide. Legally, these projects are managed by local organisations created and controlled by MSF Switzerland; some of these organisations are legally independent from MSF Switzerland, but remain under its control.
- The financial statements for the MSF Switzerland local office in Mexico.

2d Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are converted into Swiss francs at the rate of exchange as at year-end. Field transactions in foreign currencies are recorded in Swiss francs at the rate in force on the last day of the month preceding the date of the transaction.

2e Fixed assets

The tangible assets held by MSF Switzerland are considered to be fixed assets when they:

- are held to be used for the activity, or for administrative purposes, and
- are expected to be used over more than one year.

As an exception to this principle, MSF Switzerland charges the full cost in the year of acquisition of all the tangible assets used in missions.

In this respect, vehicles are recognised as expenses upon their acquisition and are therefore not capitalised on the balance sheet. This situation can be justified due to the instability of the contexts in which MSF Switzerland operates and the difficulty in determining, in a reliable way, their useful life and residual value.

At the end of a programme, MSF Switzerland's policy is to transfer unused vehicles to other NGOs or local health authorities.

2f Depreciation

Depreciation is calculated on a straight-line basis over the expected useful life of the capital assets.

Depreciation Period	Period
Building and fixtures	50 years
Fittings and technical installations	Between 15 and 30 years
Office furniture and equipment	Between 5 and 10 years
Computer equipment	Between 3 and 5 years
IT developments	3 years

2g Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will inure to MSF Switzerland and can be reliably estimated.

Donations

Donations are recognised in the statement of operations once they definitively belong to MSF Switzerland. They are considered as unrestricted funds, unless the donor stipulates a specific restriction.

When the donor wishes to see a donation allocated to a specific cause, the donation is considered to be an allocated fund. Allocated funds that have not been used at the end of the year are presented in a separate section of the balance sheet.



Financing contracts

Income from financing contracts signed between donors and MSF Switzerland (or indirectly via MSF partner sections) is recognised in the year in which the financed expenditure is incurred.

Outstanding grant amounts at the accounting closure that will be used in future years are recognised under the section “Financing contract commitments” for amounts due in the short term and under “long term commitments” for those exceeding 12 months after the accounting year end (where there are contractual provisions stating that the asset may be returned to the donor).

2h Bequests

Bequests and legacies that are accepted but not liquidated are deemed to be contingent assets. They will be recognised as revenue when they are effectively transferred to MSF Switzerland, which will also acquire control thereof.

2i Contributions in kind

Occasionally MSF Switzerland receives donations in kind, primarily in the form of the free use of goods or services. These contributions in kind are not stated in the operating account, but listed in the note to the financial statements (note 24). The contributions are valued on the basis of the donation certificate or the contract entered into with the donor.

2j Programme expenditure

By prudence, supplies and equipment used by the missions are recorded when the costs are incurred. As a result, the stocks stated under the heading “other current assets” do not take into account the supplies and equipment that have been acquired by the missions but have not yet been used on the closing date of the financial statements.

2k Related parties

Related parties are all member organisations of the international movement of *Médecins sans Frontières* (notes 7, 12, 13), as well as organisations controlled by member organisations, whose accounts are included in the financial report of MSF International (www.msf.org).

2l Provisions

Provisions are made when it is reasonably certain that a specific liability will materialise and it can be valued accurately (note 14).

3. Tax exemption

MSF Switzerland qualifies for exemption from local and federal income tax and capital tax, according to Article 9.1 (f) of the Law on taxation of legal persons (“LIPM”), as well as complete exemption from inheritance tax and registration duties. The local exemption was renewed on April 8, 2011 for a period of 10 years.

The direct federal tax exemption, provided under Article 16 (3) of the direct federal taxation decree (“AIFD”), is valid for an indeterminate period, based on the decision made by tax authorities on March 25, 1991.

4. Performance report

In accordance with the Swiss Gaap FER/RPC 21, MSF Switzerland produces a performance report, which, as of 31 December 2013, has been integrated with the MSF Switzerland's Activity Report. The Activity Report is approved by the General Assembly.

5. Management of financial risks

Risks are periodically analysed on an organisation-wide basis, which gives rise to a report that is submitted to the Board of Directors' financial commission. In terms of financial risks, we draw your attention to the following items:

5a Foreign exchange risk

MSF Switzerland is exposed to exchange rate fluctuations, insofar as 54% of its income and 69% of its expenses are in foreign currencies. MSF Switzerland has no active foreign exchange risk hedging policy and tends to convert currencies as and when they are required. The reserves are kept in Swiss francs.

5b Banking risk

MSF Switzerland tends to avoid concentrating this risk, by working with three banks in Switzerland, as well as with the Post Office. In the field, MSF Switzerland works with around thirty international and local banks; the policy is to limit the volume of bank deposits to the level strictly required for operational needs.

5c Counterparty risk

The counterparty risk is limited, insofar as most of the third party receivables are due from governments or governmental agencies. The remaining receivables are mainly due from other MSF movement organisations or are not significant. They give rise to the recognition of an impairment loss, if needed.

5d Liquidity risk

MSF Switzerland's policy is to ensure a sufficient level of liquidity for its operations at all times; consequently, funds are kept in liquid form or invested in short-term monetary products.

Given MSF Switzerland's activity, the interest rate risk is negligible.

MSF Switzerland is marginally exposed to the fluctuations of price affecting the few securities received by donation (note 9).

6. Cash and cash equivalents

Cash and cash equivalents	2013	2012
Cash and bank accounts at field level	7,268	6,706
Cash and bank accounts at headquarters	95,753	81,578
Total	<u>103,021</u>	<u>88,284</u>

7. Receivables from MSF organisations

Receivables	2013	2012
MSF Spain	1,005	1,255
MSF Belgium	713	1,335
MSF Holland	676	542
MSF France	335	796
Other MSF sections	594	741
Total	<u>3,323</u>	<u>4,669</u>

These receivables resulted from expenses undertaken by MSF Switzerland on behalf of these organisations.

8. Grants receivable

Grants receivable	2013	2012
SDC – Switzerland	5,700	300
MSF sections	4,848	4,124
* UNITAID	2,131	-
The Global Fund	1,947	642
ECHO - European Commission	1,508	1,726
Swiss Solidarity	633	900
Others	1,380	947
Total	<u>18,147</u>	<u>8,639</u>

* Contract signed via another MSF section

Grants receivable come from contractual commitments signed with donors or with other MSF sections.

MSF Switzerland signed a financing agreement with SDC for the period 2013-2016 for a total amount of KCHF 24,100, of which KCHF 10,700 is for the period 2013-2014 and KCHF 13,400 for the period 2015-2016.

For the period 2013-2014, KCHF 5,000 was recognised in 2013 and KCHF 5,700 was differed in the grant commitments for 2014.

The income recognised in 2013 was all collected. The amount for 2014 is included in grants receivable.

The grant amount for the period 2015-2016 (KCHF 13,400) has not been recognised in the 2013 accounts given that there are suspensive conditions attached.

9. Other current assets

Other current assets	2013	2012
Pre-paid expenses	1,313	904
Short term loan	1,112	-
Securities	350	602
Inventory	232	16
Other current assets	492	999
Total	<u>3,499</u>	<u>2,521</u>

The loan was accorded to ALIMA, a non-governmental organisation and partner of MSF created in 2009. The loan was reimbursed in April 2014.

The securities in this section were received from donors and are theoretical values that are currently non-liquid; they will be sold as soon as possible.

The inventory is stock that primarily corresponds to computer hardware held at headquarters and intended for the missions.



10. Tangible and intangible fixed assets

Tangible and intangible fixed assets	Buildings and fixtures	Installations and equipment	IT Hardware & Office Furniture	Total tangible fixed assets	Intangible assets	Total 2013	Total 2012
Gross value, as of 1.1	<u>9,983</u>	<u>4,497</u>	<u>3,239</u>	<u>17,719</u>	<u>2,216</u>	<u>19,935</u>	<u>18,747</u>
Disposals	-	-	-1	<u>-1</u>	-	<u>-1</u>	<u>-2</u>
Acquisitions	2	61	376	<u>439</u>	616	<u>1,055</u>	<u>1,190</u>
Gross value, as of 31.12	<u>9,985</u>	<u>4,558</u>	<u>3,614</u>	<u>18,157</u>	<u>2,832</u>	<u>20,989</u>	<u>19,935</u>
Accumulated depreciation, as of 1.1	-2,140	-2,954	-2,158	<u>-7,252</u>	-1,503	<u>-8,755</u>	<u>-7,856</u>
Reversals	-	-	1	<u>1</u>	-	<u>1</u>	<u>2</u>
Depreciation	-200	-120	-441	<u>-761</u>	-208	<u>-969</u>	<u>-901</u>
Accumulated depreciation as of 31.12	<u>-2,340</u>	<u>-3,074</u>	<u>-2,598</u>	<u>-8,012</u>	<u>-1,711</u>	<u>-9,723</u>	<u>-8,755</u>
Net value, as of 1.1	7,843	1,543	1,081	<u>10,467</u>	713	<u>11,180</u>	<u>10,891</u>
Net value, as of 31.12	<u>7,645</u>	<u>1,484</u>	<u>1,016</u>	<u>10,145</u>	<u>1,121</u>	<u>11,266</u>	<u>11,180</u>

11. Financial assets

Financial assets	2013	2012
Pre-financing to MSF Logistique of an emergency stock	2,749	2,704
Mortgage on a property donated to MSF	400	400
Guarantees and deposits	421	418
Total	<u>3,570</u>	<u>3,522</u>

12. Operating liabilities

Operating liabilities	2013	2012
Other MSF sections	3,813	1,929
Third-party suppliers	2,725	2,663
MSF Logistique	2,111	1,727
Epicentre	886	189
Total	<u>9,535</u>	<u>6,508</u>

See note 20 on purchases from other MSF sections.

13. Other current liabilities

Other current liabilities	2013	2012
Accrued annual leave	1,487	1,380
Social debts	835	1,236
Towards third parties	472	800
MSF sections	138	-
Total	<u>2,932</u>	<u>3,416</u>

14. Provisions

Provisions	2013	2012
Balance at 1.1	1,796	1,961
Creation	1,207	423
Reversals / Use	-433	-600
Foreign exchange adjustment	-45	12
Total provisions	<u>2,525</u>	<u>1,796</u>

Most of the provisions have been set aside in order to cover tax and social security obligations in the countries where MSF intervenes and in Switzerland.

15. Financing contract commitments

By source	2013	2012
SDC - Switzerland	5,700	-
UNITAID	1,163	-
The Global Fund	1,020	-
ECHO - European Commission	675	717
Hilti Foundation	434	-
Swiss Solidarity	-	1,407
Others	1,284	706
Total	10,276	2,830

By destination	2013	2012
Swaziland	1,163	-
Myanmar	1,047	241
Niger	737	-
Sudan	368	-
Honduras	307	-
Guinea	220	-
Kenya	-	1,581
* Others	6,434	1,008
Total	10,276	2,830

**Others* includes the KCHF 5,700 of the agreement signed with SDC, which covers all the activities of MSF Switzerland.

16. Non current liabilities

By source	2013	2012
UNITAID	1,163	-
Others	45	46
Total	1,208	46

By destination	2013	2012
Swaziland	1,163	-
Others	45	46
Total	1,208	46

17. Pension plan obligation

MSF Switzerland headquarters employees and expatriate volunteers benefit from a scheme covering retirement, invalidity pension, and death according to the provisions of the Federal Law for occupational retirement (LOB).

The occupational benefits are provided by a collective foundation, Profond, according to a defined-contribution benefit plan: investment yield has no impact on premiums; the employer does not guarantee the benefit amount. The Plan is funded by the contributions of MSF Switzerland, the employees and the expatriate volunteers. The plan covers the usual occupational benefits: retirement and invalidity pension, and death benefits. Risks are insured by the collective Foundation.

	2013	2012
Employees in Switzerland		
Vested benefits	9,728	9,169
Premiums paid	2,363	2,388
Expatriate volunteers		
Vested benefits	681	397
Premiums paid	624	761

As of December 31, 2013, 224 employees in Switzerland (2012: 216) and 197 expatriate volunteers were affiliated to the plans (2012: 256).

	2013	2012
Capital ratio	105%	98%
Economic part of the entity as of 1.1	-	-
Economic part of the entity as of 31.12	-	-
Occupational benefits expenses included in Personnel expenses	2,340	2,504

18. Funds

18a Funds restricted to projects

By source	2013	2012
Pre-paid donations	1,751	90
Funds restricted temporarily	400	400
Total	2,151	490

Pre-paid donations are principally related to the response to typhoon Haiyan, which struck the Philippines in November 2013 (KCHF 1,711).



18b Innovation and Specific Operational Initiatives Fund

The creation of an unrestricted designated fund was decided by the Board of Directors in 2012. This Fund was constituted from a special donation of KCHF 25,637 received in March 2012. Regulation has been established for this Fund, and the application thereof has been certified by the statutory auditors.

In accordance with the regulation, the Fund may be used to finance projects implemented by an MSF operational centre other than MSF Switzerland. In this respect, the Board of Directors of MSF Switzerland has granted its approval to use the Fund to finance projects implemented by MSF Spain.

The movements in the fund during 2013 are as follows:

	2013
Opening balance	<u>19,308</u>
FUNDING OF PROJECTS IMPLEMENTED BY MSF SWITZERLAND :	
Niger – Seasonal Malaria chemo-prophylaxis (SMC)	-650
Chad - Massakory hospital	-333
Reflection Unit « UREPH »	-330
Initiative Innovation	-250
Niger - Rotavirus Clinical trials	-224
Uganda - Training Unit	-100
Mozambique - HIV	-60
Green Motion	-30
Total funding of projects implemented by MSF Switzerland	<u>-1,977</u>
FUNDING OF PROJECTS IMPLEMENTED BY MSF SPAIN:	
Central African Republic– Medical Assistance	-1,989
Irak – Neonatology and emergency obstetrics	-1,235
Colombia – Violence	-370
Morocco – Immigrants	-123
Total funding of projects implemented by MSF Spain	<u>-3,717</u>
Net financial result	3
Total movement in the year	-5,691
Closing balance	<u>13,617</u>

19. Detail of Income

19a Private donations contributed in Switzerland

Private donations contributed in Switzerland	2013	2012
Donations	50,637	68,784
Private foundations	19,768	10,760
Bequests and legacies	10,133	9,443
Corporations	2,366	1,376
Other revenues	16	21
Total	<u>82,920</u>	<u>90,384</u>

As of December 31, 2013, total of bequests and legacies committed to but not received amounted to KCHF 5,344 (2012: KCHF 6,820).

19b Private donations contributed from other MSF organizations

Amounts granted by other MSF sections were the result of fundraising from private donors in these countries; these are earmarked to specific projects.

Private donations contributed from other MSF organizations	2013	2012
MSF USA	19,872	18,137
MSF Austria	12,881	14,896
MSF Germany	12,724	11,556
MSF Australia	11,747	13,304
MSF Canada	7,046	6,353
Other sections	5,946	5,875
Total	<u>70,216</u>	<u>70,121</u>

19c Contribution from public institutional donors

Contributions from the European Commission and governments are received on the basis of contractual commitments.

Contribution from public institutional donors	2013	2012
ECHO- European Commission	6,324	6,445
SDC - Switzerland	5,000	2,050
SIDA – Sweden	3,509	2,849
CIDA - Canada	1,463	1,788
Swiss Cantons & Towns	1,171	963
UNITAID	1,015	-
AA – Germany	992	961
The Global Fund	986	746
MFA – Norway	781	1,620
Other	1,173	1,362
Total	<u>22,414</u>	<u>18,784</u>

20. Detail of expenditure

Note 26 presents the expenses by type and activity.

MSF Switzerland employs the services of two member organisations of the MSF movement:

- MSF Logistique, Bordeaux (France), a non-profit humanitarian procurement centre, is MSF Switzerland's main supplier;
- Epicentre, Paris (France), a non-profit organisation that carries out epidemiological studies and medical research, as well as organises training for MSF Switzerland.

The volume of purchases from MSF Logistique amounted to KCHF 16,283 in 2013 (2012: KCHF 16,813); and the volume with Epicentre amounted to KCHF 1,374 (2012: KCHF 956).

20a Programme

Programme costs include all the expenses directly associated to the coordination offices and the projects, in the countries where MSF Switzerland intervenes.

Note 27 presents the programmes expenditure by type and project.

In 2013, the programme expenditure includes amounts for projects implemented by other MSF operational centres. A breakdown is presented in notes 26 and 27.

20b Headquarters programme support

Headquarters programme support includes all headquarters expenses incurred for conducting, coordinating, assisting and evaluating realised projects in the countries of operation.

Headquarters programme support	2013	2012
Programme management	3,130	2,792
Human Resources of missions	6,211	5,357
Medical support	4,030	3,615
Logistical support	2,552	2,513
Operational financing	1,191	1,085
Research	1,044	1,040
Other activities	1,617	940
Total	<u>19,775</u>	<u>17,342</u>

20c Advocacy & other humanitarian activities

This section includes MSF Switzerland's participation in financing the Campaign for Access to Essential Medicines ("CAME") and the DNDi Foundation (Drugs for Neglected Diseases initiative). (Note 23b).

Advocacy & other	2013	2012
Advocacy	2,621	2,500
Contribution to CAME	290	226
Advocacy sub-total	<u>2,911</u>	<u>2,726</u>
Contribution to DNDi	437	355
Total	<u>3,348</u>	<u>3,081</u>

20d Management & communication

This item includes expenses incurred at headquarters and related to the management, communication and administration, of MSF Switzerland.

Management & communication	2013	2012
General management	1,452	1,145
Finance and accountancy	1,424	1,380
Human resources	764	680
Communication	1,300	1,715
Expenditure of the association	603	623
Other headquarters expenses	1,696	1,675
Sub-total headquarters	<u>7,239</u>	<u>7,218</u>
Contribution to the MSF International Office	327	523
Delegated offices	499	389
Total	<u>8,065</u>	<u>8,130</u>



21. Net financial result

Net financial result	2013	2012
Various financial revenues	80	111
Various financial expenses	-139	-21
Various financial income	<u>-59</u>	<u>90</u>
Exchange rate gain or loss	-861	-674
Total	<u>-920</u>	<u>-584</u>

22. Non-operating result

Non-operating expenses correspond to the expenses incurred by MSF Switzerland on behalf of other sections of MSF that do not relate to MSF Switzerland's operations. Non-operating income corresponds to the repayment of these same expenses by the other sections.

Non-operating result	2013	2012
Employees under contract with MSF Switzerland who work for other sections of MSF	-5,390	-4,458
Accommodation costs of MSF International	-643	-611
Other expenses incurred for other sections	-1,662	-937
Total non-operating expenses	<u>-7,695</u>	<u>-6,006</u>
Total corresponding re-invoiced expenses	<u>7,687</u>	<u>6,024</u>
Non-operating result	<u>-8</u>	<u>18</u>

23. Off-balance sheet commitments

23a Commitment linked to lease contracts

MSF Switzerland leases office space for its headquarters under lease contracts that are entered into for a term of five years. As at December 31, 2013, the minimum future leases that are payable under these lease contracts, which cannot be terminated, for its headquarters, totalled KCHF 2,523 (2012: KCHF 3,224). The missions' commitments amounted to KCHF 634 at the end of 2013 (2012 nil).

23b DNDi financing commitment

In 2013, the MSF movement decided to renew its financial support to DNDi, of which MSF was one of the founders in 2003. This support amounts to a total of EUR 4,000 per year for the period 2014-2018 for all MSF sections. The contribution of each MSF section is calculated annually based on private funds raised the previous year. For 2014, the contribution of MSF Switzerland amounted to EUR 362.

24. In-kind contributions (off balance sheet)

The main donors include the Government of Canada, UNICEF, and the non-governmental organization Care. The main donations are drugs, vaccines, food, therapeutic food and relief supplies.

Based on their allocation	2013	2012
Philippines	521	-
Niger	227	826
Chad	161	12
Kenya	121	118
South Sudan	-	408
Others	215	79
Total	<u>1,245</u>	<u>1,443</u>

25. Remuneration of directors & managers

Salaries & Indemnity	2013	2012
Indemnity of Chairperson	134	134
Gross salary of the General manager	135	135
Gross salaries of other directors (cumulative)	1,016	997
Remuneration...		
...the highest	135	135
...the lowest	66	66

In 2013, the association had nine directors (as in 2012). The association gives the president of the Board an indemnity.

The salaries stated in the table above have been calculated based on the annual gross salary for full time equivalents, as stated in the salary grid. These figures reflect salaries as of 31 December of each year.

26. Statement of expenditure classified by type and activity

Expenditure by type of expense	Programme	Headquarters programme support	Advocacy & other humanitarian activities	Fundraising	Management & communication	Other costs	Total for 2013	Total for 2012
Personnel	64,127	14,887	1,245	1,775	5,459	6,272	<u>93,765</u>	<u>89,043</u>
Travel and representation expenses	4,590	1,593	64	63	293	74	<u>6,677</u>	<u>6,408</u>
Transportation & storage	15,410	7	3	1	12	159	<u>15,592</u>	<u>15,672</u>
Medical & nutrition	19,067	-	-	-	-	112	<u>19,179</u>	<u>18,722</u>
Logistics, water & sanitation	6,217	-	-	-	-	147	<u>6,364</u>	<u>5,080</u>
Purchased services	1,668	1,232	71	99	742	37	<u>3,849</u>	<u>3,271</u>
Communications	1,604	130	351	2,816	97	114	<u>5,112</u>	<u>4,397</u>
Publication and promotional expenses	-	103	595	2,543	304	3	<u>3,548</u>	<u>3,228</u>
General & administrative expenses	4,571	968	247	860	537	344	<u>7,527</u>	<u>7,381</u>
Contribution to other organisations	4,857	511	727	1,745	399	138	<u>8,377</u>	<u>10,621</u>
Depreciation	-	344	45	50	222	295	<u>956</u>	<u>882</u>
Total	<u>* 122,111</u>	<u>19,775</u>	<u>3,348</u>	<u>9,952</u>	<u>8,065</u>	<u>7,695</u>	<u>170,946</u>	<u>164,705</u>

* See note 27 for the breakdown of programme expenditure by type and project.





27. Statement of programme expenditure by type and project

PROJETS	PROJECT-ASSOCIATED EXPENSES						Total 2013	Total 2012
	Personnel	Medical & Food	Logistics, water & sanitation	Transport, travel & storage	Administration	Other expenses		
Cameroon	1,475	359	59	291	344	-	<u>2,528</u>	<u>4,009</u>
Congo (DRC)	7,037	1,965	1,470	4,934	1,184	24	<u>16,614</u>	<u>14,075</u>
Guinea	1,774	458	103	547	426	1	<u>3,309</u>	<u>7,296</u>
Kenya	4,746	880	209	749	303	-	<u>6,887</u>	<u>8,348</u>
Mozambique	2,633	726	155	391	324	47	<u>4,276</u>	<u>4,236</u>
Niger	5,484	1,205	141	1,458	644	-	<u>8,932</u>	<u>10,235</u>
Somalia	2,724	517	16	754	195	-	<u>4,206</u>	<u>5,499</u>
South Sudan	4,588	1,330	732	1,869	548	-	<u>9,067</u>	<u>9,563</u>
Sudan	1,646	205	154	599	177	2	<u>2,783</u>	<u>3,657</u>
Swaziland	4,340	1,751	146	754	758	-	<u>7,749</u>	<u>8,387</u>
Chad	5,106	1,189	337	1,809	641	13	<u>9,095</u>	<u>8,848</u>
Other countries	950	28	38	341	356	-	<u>1,713</u>	<u>2,128</u>
Total AFRICA	<u>42,503</u>	<u>10,613</u>	<u>3,560</u>	<u>14,496</u>	<u>5,900</u>	<u>87</u>	<u>77,159</u>	<u>86,281</u>
North Korea	362	274	21	182	64	-	<u>903</u>	<u>876</u>
Iraq	4,138	706	986	1,104	284	-	<u>7,218</u>	<u>3,252</u>
Kyrgyzstan	2,147	902	89	347	310	-	<u>3,795</u>	<u>3,805</u>
Lebanon	3,757	2,663	287	651	427	-	<u>7,785</u>	<u>6,025</u>
Myanmar	1,394	1,062	17	401	148	-	<u>3,022</u>	<u>2,674</u>
Philippines	388	726	692	958	73	-	<u>2,837</u>	-
Syria	1,074	872	207	460	-4	-	<u>2,609</u>	-
Total ASIA	<u>13,260</u>	<u>7,205</u>	<u>2,299</u>	<u>4,103</u>	<u>1,302</u>	-	<u>28,169</u>	<u>16,632</u>
Honduras	1,196	216	2	189	127	-	<u>1,730</u>	<u>1,124</u>
Haiti	6,125	1,033	354	834	179	-	<u>8,525</u>	<u>8,908</u>
Other countries	219	1	-	73	52	-	<u>345</u>	<u>930</u>
Total AMERICA	<u>7,540</u>	<u>1,250</u>	<u>356</u>	<u>1,096</u>	<u>358</u>	-	<u>10,600</u>	<u>10,962</u>
Others	824	-1	2	305	283	38	<u>1,451</u>	<u>1,609</u>
Financing other MSF sections' projects	-	-	-	-	-	4,732	<u>4,732</u>	<u>5,000</u>
TOTAL	<u>64,127</u>	<u>19,067</u>	<u>6,217</u>	<u>20,000</u>	<u>7,843</u>	<u>4,857</u>	<u>122,111</u>	<u>120,484</u>

Glossary

AA	Auswärtiges Amt, foreign affairs office of the German federal government
CIDA	Canadian International Development Agency
SDC	Swiss Agency for Development and Cooperation (Switzerland)

ECHO	European Commission Humanitarian Aid Department
MFA	Norwegian Foreign Affairs Ministry
SIDA	International Agency for Cooperation and Development (Sweden)

OTHER FINANCIAL INFORMATION

MSF International Accounts

The following information is extracted from the *MSF International Movement Financial Report 2012*, which combines the accounts from all the MSF sections and entities under their control, in analogy with International Financial Reporting Standards (IFRS). The information for the financial year 2013 is not yet available as at the publication date of this report.

In thousands of Euros	2012	2011
Private funds	838,913	791,597
Public grants	82,668	75,200
Other income	16,065	18,744
Total income	<u>937,646</u>	<u>885,541</u>
Programme expenses	-619,396	-609,819
Headquarters programme support	-103,948	-92,318
Advocacy	-31,678	-27,441
Other humanitarian activities	-7,370	-7,035
Fundraising costs	-124,836	-110,893
Administration	-56,622	-52,403
Taxes	-87	-28
Total expenses	<u>-943,937</u>	<u>-899,937</u>
Net foreign exchange gains/losses	-4,805	-1,614
Loss / Surplus	<u>-11,096</u>	<u>-16,010</u>

In thousands of Euros	2012	2011
Cash & equivalents	551,425	572,922
Other current assets	91,114	84,374
Non-current assets	57,414	49,595
Total assets	<u>699,953</u>	<u>706,891</u>
Liabilities	101,308	95,979
Own funds	598,645	610,912
Total liabilities & Own funds	<u>699,953</u>	<u>706,891</u>

Financial Indicators	2012	2011
DISTRIBUTION OF EXPENDITURE		
Social mission	81%	82%
Fundraising	13%	12%
Administration	6%	6%
	<u>100%</u>	<u>100%</u>
SOURCE OF REVENUE		
Private funds	90%	90%
Public funding	9%	8%
Other income	1%	2%
	<u>100%</u>	<u>100%</u>
Cash flow (expressed as months of expenditure)	7.0 months	7.6 months
Unrestricted funds (expressed as months of expenditure)	7.6 months	8.1 months

Source: *The MSF International Movement Financial Report 2012* (www.msf.org).



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