

FINANCIAL STATEMENTS 2019

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Life in Aweil South Sudan - Illustration: Camille Oullichini



ASSOCIATION RECONNUE D'UTILITÉ PUBLIQUE




Birth in Dasht-e-Barchi - Afghanistan
Photographer: Sandra Calligaro

Charter of MSF

Médecins sans Frontières is a private international organisation. Most of its members are doctors and health workers, but many other support professions contribute to MSFs smooth functioning. All of them agree to honour the following principles:

- a. Médecins sans Frontières offers assistance to populations in distress, to victims of natural or man-made disasters and to victims of armed conflict, irrespective of race, religion, creed or political affiliation.
 - b. Médecins sans Frontières observes strict neutrality and impartiality. In the name of universal medical ethics and the right to humanitarian assistance Médecins sans Frontières demands full and unhindered freedom in the exercise of its functions.
 - c. Médecins sans Frontières' volunteers undertake to respect their professional code of ethics and to maintain complete independence from all political, economic and religious powers.
 - d. As volunteers, members are aware of the risk and dangers of the missions they undertake, and have no right to compensation for themselves or their beneficiaries other than that which Médecins sans Frontières is able to afford them.
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Khamer - Yemen
Photographeur : Agnes Varraine-Leca

Treasurer's report

The financial report of MSF France

The financial report of the MSF France group provides a consolidated view of the activities, results, assets and cash flow of all Médecins Sans Frontières entities in France. It is developed from combined financial statements that are similar, for non-profit organisations, to the consolidated accounts of companies of the same group. The accounts of the US, Australian and Japanese sections of MSF, which together with the MSF France association form OCP (Paris Operational Centre) group, are not included in the financial statements of the MSF France group; on the other hand, the OCP Group produces a consolidated budget of its activities each year, which determines

its contribution to the Médecins Sans Frontières movement.

The statutory auditors, Ernst & Young Audit, have audited and certified the annual accounts of MSF France group, the association Médecins Sans Frontières (hereinafter referred to as the Association), the Fondation Médecins Sans Frontières (hereinafter referred to as the Foundation), Epicentre and MSF Logistics.

The annual accounts of the Association and of the MSF France Group are approved by the Treasurer of the Association. They are available, as are the annual accounts of all MSF Group entities, on our website www.msf.fr and on request from our Paris headquarters.

MSF France's activities and their financing

Simplified combined application of funds statement as at December 31, 2019

In thousands of euros	2019	2018	Change		of which resources from public generosity (PG) in 2019	
					Collected	Allocated
Private resources from fundraising	305,6	262,1	43,5	17%	248,7	
Institutional resources	3,9	4,3	-0,4	-10%		
Other resources	104,9	136,9	-31,9	-23%		
Total funds	414,4	403,3	11,1	3%	248,7	
Reversals of provisions	2,8	1,3	1,5			
TOTAL INCOME	417,2	404,6	12,6			
Social mission expenses	374,1	373,1	1,1	0%		223,7
of which mission expenses	257,7	259,6	-1,8	1%		
Fundraising costs	14,5	14,0	0,4	3%		13,6
Operating costs	20,5	23,3	-2,8	-12%		11,4
Total application of funds	409,2	410,4	-1,3	0%		248,7
Allowances for provisions	3,4	3,3	0,1			
TOTAL EXPENSES	412,6	413,8	1,2	5%		
Change in funds raised	-0,2	0,0				0,1
Investments of the year						18,8
SURPLUS / DEFICIT	4,4	-9,2			-18,7	
Available reserves	131,4	105,2				
of which public generosity resources not used	36,9	55,6				
Reserves available in months of activity	3,9	3,1				

Summary view of MSF France's combined annual financial statements

Combined revenues increased by 3% to €417.2 million. Over the same period, combined expenses were stable at €412.6 million. MSF France thus recorded **a positive result** of €4.4 million for the year 2019.

The various of the Group entities contribute unevenly to this result: The Association generated a surplus of €9.3 million, which is explained by the additional contributions received from the MSF movement's sections under the terms of a rebalancing of reserves and cash flow between operational centres for a total amount of €18.8 million.

Epicentre and the Foundation are almost at equilibrium MSF Logistics recorded a deficit of €1.3 million and the SCI MSF a shortfall of €2.1 million generated by the operating expenses and financial costs covered by the capital gain on the sale of "Saint Sabin" put into reserves in 2019.

The result for the year consolidates MSF France's combined reserves (available cash or disposable assets), which amounted to €131.4 million as at December 31, 2019. They are equivalent to 3.9 months of activity (compared to 3.1 months at the end of 2018), a level sufficient to guarantee the continuity of the relief operations in the field, to cope with risks related to activities such as the need to respond to emergencies or to offset a sudden decrease in resources, and to finance investments.

The change in MSF France's use of funds ratios reflects good control of growth in operating budgets and continuity of investment to develop fundraising:

- out of 100 Euros raised by public generosity, 84 Euros financed social missions, 5 Euros fundraising, 4 Euros operating costs and 7 Euro investments,
- out of 100 Euros spent, 91.5 Euros were spent on social missions, 3.5 Euros on fundraising and 5 Euros on operating costs.

The activities of the MSF France group

Social mission expenses represent a stable share of 91.5% of MSF France's total combined usage. They increased by €1 million to €374.1 million. They include the cost of operations carried out in France and abroad, operational support, information and public awareness, as well as expenses generated

by satellite activities and funding granted to other humanitarian organisations.

The cost of operations carried out in France and abroad fell by €3.2 million but represents a stable 58% share of combined uses. In 2019, it amounted to €257.7 million. The Association contributes 85%, MSF Logistics for 13% and Epicentre 2%. The increase in expenses incurred by MSF France on behalf of other MSF sections offsets the decrease in total operations expenses by €2.1 million ; these expenses re-invoiced to MSF's other operating centres correspond to the salary costs of expatriate staff on French contracts working for other sections : they account for 7% of operations expenses for a total of €18.3 million.

Fund-raising expenses, which account for 3.5% of uses, rose by 3%, in line with the very significant investments made in 2018. The financing of MSF France's actions is based on the development of private fundraising, the mainstay of the group's resources. Fundraising investments thus aim to cultivate the regular donations that form the basis of the Association's donations while diversifying the channels of solicitation.

Operating costs fell by €2.8 million to represent only 5% of the year's uses. They mainly include the general administration costs of the group's entities as well as the contribution of MSF France to the functioning of the International Bureau of the MSF movement.

The funding of the activities of the MSF France group

MSF France is financed overwhelmingly by the private funds raised by the Foundation and the Association, directly or through from other sections of the MSF movement. These are supplemented by institutional funds, proceeds from sales of MSF Logistics and Epicentre services to other humanitarian organisations and other resources (rebillings to MSF operational centres, financial income from investments, exchange gains and exceptional income).

Private resources from fundraising grew by 16% over the year. This represents €43.5 million more than in 2018. The American, Australian and Japanese entities of OCP⁽¹⁾ alone contributed half

(1) OCP: the MSF association formed with the American, Australian and Japanese associations of MSF the OCP group (Paris Operational Center) which defines, validates and implements the medical and operational plan of MSF France

of this amount, with an additional €22.8 million in donations to MSF France. The contributions of MSF Japan and MSF USA increased by €13.8 million and €10.3 million respectively. In addition to the funding received from OCP, funding was exceptionally received from MSF Switzerland for €11.9 million and MSF Holland for €8.7 million as part of a rebalancing of the means of action between the operational centres of the MSF Movement. Private fundraising in France and the United Arab Emirates totalled €79.7 million and increased by €3.8 million corresponding to additional corporate sponsorship and private funding.

Institutional resources stand at €3.9 million. Their limited amount in relation to MSF's total resources is always explained by the decision taken in 2016 by the MSF movement to suspend the acceptance of public funds from the European Union or its member States. Since that date, MSF France's funds are originally private at 99%.

Revenues from activities related to social missions amounted to €88.1 million compared with €85.4 million in 2018. They include the income from invoicing expenses incurred by MSF France on behalf of other MSF sections and income from the sale of satellite entities to others MSF operational centres and other humanitarian organisations: These are medicines, medical equipment and logistic equipment sold by MSF Logistics, and consultations, research projects and epidemiological training invoiced by Epicentre. In 2019, the Association's invoicing income to other MSF sections increased by €3.5 million and the income generated by activities external to the MSF Logistics and Epicentre external to the group are almost stable. Sales of goods, freight and services by MSF Logistics excluding sales to MSF France amounted to €67.2 million compared with €67.7 million in 2018.

Other resources for the financial year were €34.6 million lower than in 2018, which included €33 million in extraordinary items related to the sale of the Paris headquarters in rue Saint - Sabin by SCI MSF and Sabin.

Focus on the missions of the Association

Operations expenses for the year totalled €241.7 million, i.e. 99% of the budget target and €2 million more than in 2018, showing annual growth of 1%.

Out of this total of €241.7 million, expenses for operations carried out by the Association represent €239 million (compared to €236.2 million in 2018). They include the cost of field missions, coordination, regional support and the cost of Epicentre studies. Projects and coordination totalled €228.2 million, of which €44.1 million in coordination and support. For the second consecutive year, the share of coordination has decreased (€-2.5 million), falling below 20% of project costs.

Financial contributions to other organisations participating in the operational framework are in addition to the cost of missions directly implemented. They amounted to €2.6 million compared to €3.3 million in 2018. As in 2018, the main growing funding is for the project in Cambodia with the DNDI structure to develop new strategies for the diagnosis and treatment of hepatitis C.

The Association is present in 2019 in 34 countries, including the deployment of activities in Burkina Faso and the withdrawal from Greece and Russia. As in 2018, there are a total of 88 projects. The number of emergency missions increased by half, with 26 projects accounting for almost a third of all projects during the year, compared to 20% in 2018. This operational dynamic is accompanied by a change in the distribution of projects by type of intervention. There are more epidemic management projects than in 2018, in connection with the epidemic emergencies in Chad and the Democratic Republic of Congo. Nearly 40% of the year's projects (30% in 2018) thus correspond to the management of epidemics and mobilize nearly a quarter of the year's human resources and budgets. Conversely, missions deployed in contexts of armed conflict, which accounted for half of the interventions in 2018, account for a third in 2019. However, they continue to account for the largest share of operating budgets (46% compared to 57% in 2018).

The 1% annual growth in operational expenditure is unevenly distributed across all projects. Those in the Democratic Republic of Congo are mobilizing €12.9 million more than in 2018, including €6 million for an Ebola vaccination campaign in Beni and €2 million for MSF-supported services in Rutshuru hospital. In Gaza, expenditure on the specialised surgery project, including the development of an osteomyelitis management activity, increased by €2.7 million. In Yemen, the project opened in Hodei-

da at the end of 2018 in support of the hospital's emergency department generated €1.1 million in additional costs, plus €0.8 million incurred to deal with a cholera epidemic. Finally, in Afghanistan, operational expenditure increased by €2 million, including €1 million devoted to developing obstetric and neonatal care at the Dasht-e-Barchi maternity hospital and €0.7 million in support of the Herat regional hospital.

This growth in expenditure was partly offset by budget decrease, mainly in Bangladesh (-€4.1 million), Uganda (-€3.3 million) and Syria (-€2.7 million). In Bangladesh, activities were scaled up and coordinated between the three MSF operational centres in Cox's Bazaar camps to provide assistance to Rohingya refugees. In Uganda, lower expenditure is due to the 2018 emergency response to the cholera outbreak in Hoima and the project for southern Sudanese refugees in Yumbe camp. In Syria, the decrease in the financial volume of operations is due to the suspension of activities in Kobane.

Geographically, missions in African countries account for 54% of operational expenditure. Four of them alone account for almost a third (31%) of project expenditure, with €24.3 million in the Democratic Republic of Congo, €16.9 million in the Central African Republic, €16.8 million in South Sudan and €12.7 million in Nigeria for a total budget of €70.8 million (€10 million more than in 2018).

Missions in the so-called MENA region - which includes Iran, Iraq, Jordan, Lebanon, Libya, Palestine, Syria and Yemen - represent as in 2018 one third of project expenditure with a total of €72.4 million. For the second consecutive year, the re-sizing of operations in Syria (-€2.7 million), Iraq (-€2 million) and Jordan (-€1.4 million) released the budgets necessary for emergency operations and the growth in expenditure in Yemen (+€2.3 million) and Palestine (+€3 million).

Emergency interventions in 2019 totalled €31.8 million, i.e. 13% of operating expenses. Three major emergencies account for three-quarters of this expenditure: in the DRC (€15.3 million) to respond mainly to the Ebola epidemic in North Kivu province, Yemen (€7.1 million) to rescue the injured victims of the violent fighting in Aden and to open an emergency surgery programme in Hodeida hospital, Gaza (€3.6 million) for the surgical and post-operative care of patients injured by devas-

tating bullets.

Taking all types of intervention together, one-third of the Association's missions alone account for two-thirds of the total expenditure on planned activities and emergency response. They include: the Democratic Republic of Congo (€24.3 million), Yemen (€23.1 million), the Central African Republic (€16.9 million), South Sudan (€16.9 million), Jordan (€13.6 million), Nigeria (€12.7 million), Palestine (€10.8 million), Iraq (€9.9 million), Mali (€8.2 million), Kenya (€7.7 million) and Chad (€7.0 million).

The cash position of MSF France

The MSF France group consumed €20 million in cash over the year, an amount equivalent to the sums invested in the work on the Jaurès building and the repayment of the loan which partly financed it. As a result, cash and cash equivalents amounted to €63.3 million at December 31, 2019. They are invested in very low-risk products, such as savings books and interest-bearing foreign currency accounts. The average remuneration of cash is equivalent to 0.4% as in 2018. This limited performance is due to low interest rates and the non-existence of investments that would offer better returns while keeping the risks taken on funds entrusted by donors to a minimum.

Banking risk management is ensured by a distribution of values across four major banking institutions. At the end of the year, the two main ones represented respectively 49% and 35% of MSF France's cash position excluding local mission cash balances. In the areas where it operates, MSF works with several international or local banks, with a prudent policy of limiting the volume of bank deposits to monthly operational needs.

MSF France is exposed to exchange rate fluctuations, as most of its resources and nearly half of the operating expenses are denominated in foreign currencies. While the currencies used for operations depend on the place of intervention, 62% of the foreign currency resources come from the United States (142 million USD), 24% from Japan (5900 million Japanese yen) and 14% from Australia (with 44 million Australian dollars). The Japanese yen is partially used to cover MSF Logistic's purchases in this currency; similarly, the US dollars received by MSF France are largely used to supply missions with US dollars. In order to reduce the impact of currency fluctuations on cash flow forecasts and to secure

its ability to finance its operational and real estate commitments, the MSF Association sets up currency hedges to secure the annual cash plan.

Outlook and challenges

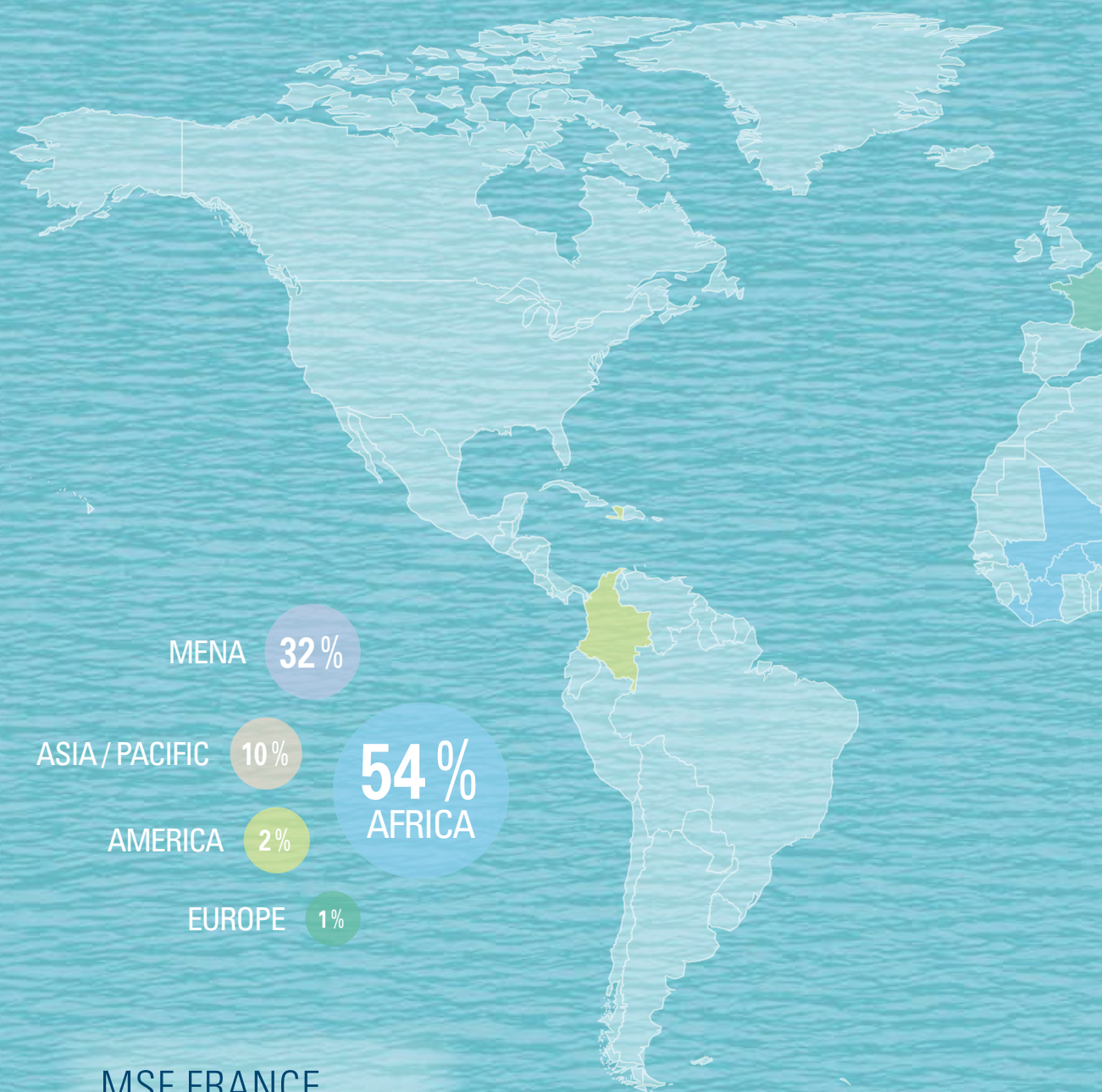
MSF France is one of components of the MSF movement which brings together all MSF associations and their satellites around the world under the same Charter. The coherence of the movement is ensured by policies and internal agreements, jointly defined and coordinated by the International office. One of these agreements, the Resource Sharing Agreement (RSA), is specifically essential for the functioning of the movement, defining its financial framework with the aim of ensuring the continuity and development of interventions of all operational centres. In 2020, the 4th edition of this agreement entered into force for a period of 4 years until 2023. The RSA4 defines the contribution of all MSF entities to the funding of the operational centres in charge of deploying relief. The provisions of the RSA4 allow to reduce the uncertainties of previous agreements regarding the distribution of resources. In particular, the allocation of funds between operational centres was until then subject to late adjustments, resulting in changes in funding receivable that penalized steering and budget arbitration. Under the new agreement, MSF France will receive a fixed percentage of 21.7% of the movement's contributions in 2020 and 2021. A two-year milestone in the agreement will specify for 2022 and 2023.

Applied to the fundraising plan for the 2020 movement, the RSA4 fund distribution key has resulted in a resource forecast of €283 million for the MSF Association. It is on that basis that the 2020 spending budget was voted. It allowed for a 2% growth in planned operating expenses to €245 million. Fund-raising investments continued to grow by

5 per cent and growth in headquarters spending was frozen for the second consecutive year. On the strength of these forecasts, the 2020 budget anticipated a deficit of €27.8 million financed by a sufficient level of reserves.

All of this had been built before the pandemic of Covid-19 breaks out with all the consequences that we know at the time of preparing this report and all those that we do not yet know on the conduct of operations and the budget implementation. As an emergency medical organisation, the operational challenges that MSF has faced since March are immense and the medium-term consequences very uncertain. This global health crisis has resulted in emergencies in most of our areas of operation. All of our missions are faced with difficulties in terms of supplies, protective equipment, materials, diagnostic tests and medicines, with the threat this poses to the continuity of care and treatment. Travel restrictions and quarantine measures make it difficult for teams to get to where they are needed most. In addition to the current operational difficulties, the future is also uncertain as to the economic and social consequences of the pandemic on our resources. In this uncertain context, preserving our project activities is as much a priority as it is an immense challenge. Emergency surgery, obstetric care, vaccination, malaria treatment, nutrition, everything remains essential and vital. This is why, as this report goes to press, I wish to express our sincere gratitude to all the donors who place their trust in us and to tell them how much their support is precious and necessary to us. They are the ones who allow us to act. On behalf of all the Médecins Sans Frontières teams, I would like to warmly thank them.

Michel Cojean
Treasurer of Médecins Sans Frontières France
Member of the Board of Directors

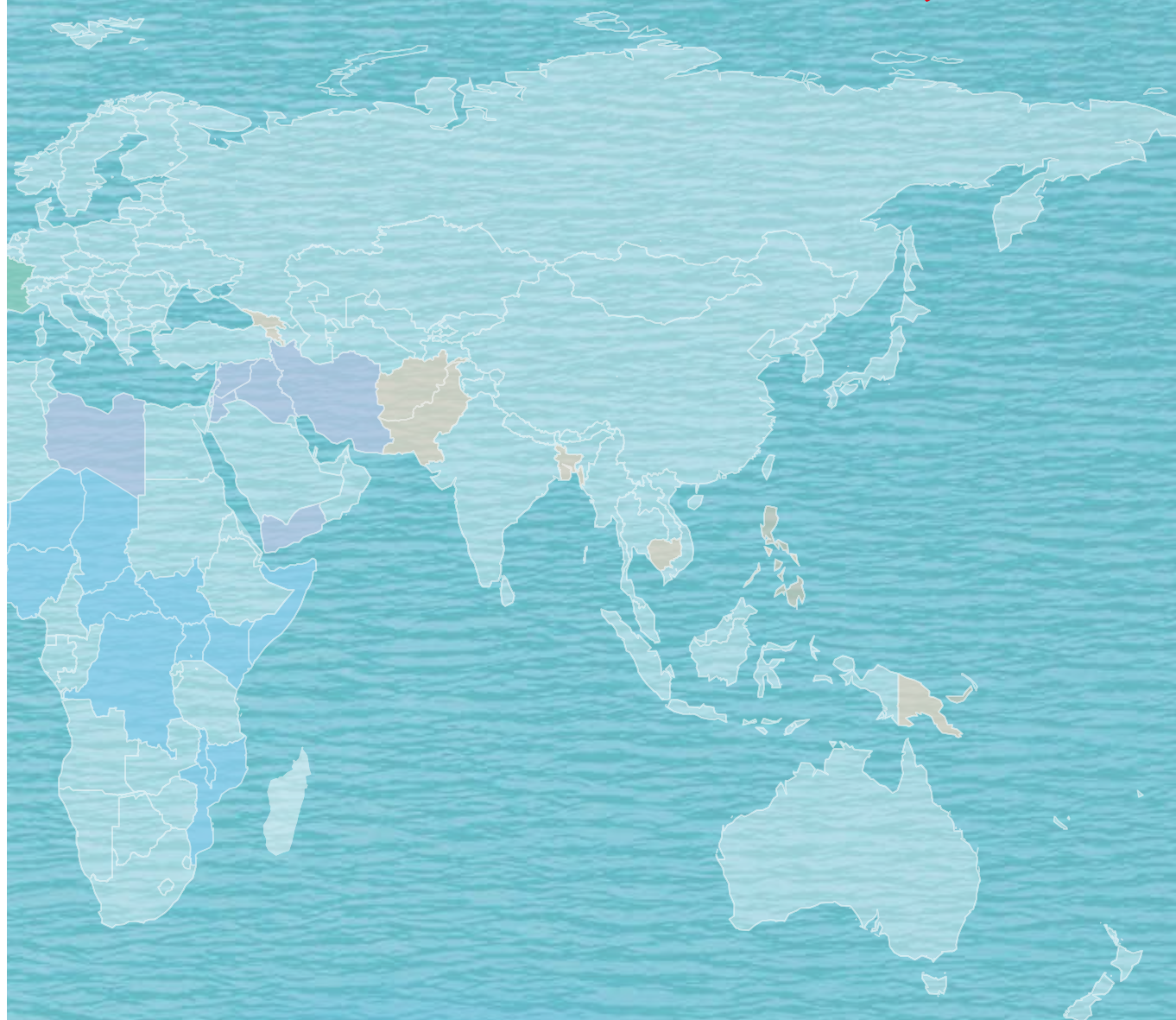


MSF FRANCE
GROUP :

34 countries

88 projects

9 201 field posts



Financial statements December 31, 2019

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This is a translation into English of the statutory auditor's report on the combined financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditor's report includes information required by French law, such as the verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.



Médecins Sans Frontières

Year ended December 31, 2019

Statutory auditor's report on the combined financial statements



Médecins Sans Frontières

Year ended December 31, 2019

Statutory auditor's report on the combined financial statements

To the Annual General Meeting of Medecins Sans Frontières,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying combined financial statements of Medecins Sans Frontières for the year ended December 31, 2019. These combined financial statements were approved by the treasurer on September 6, 2020 on the basis of the elements available at that date, in the evolving context of the health crisis related to Covid-19.

In our opinion, the combined financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

Basis for Opinion

■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditor's Responsibilities for the Audit of the Combined Financial Statements* section of our report.

■ Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in the French Code of Ethics (*Code de déontologie*) for statutory auditors.

Emphasis of Matter

We draw attention to the following matter described in Note 1 to the combined financial statements relating to "Highlights of the financial year". Our opinion is not modified in respect of this matter.



- ▶ The paragraph "Change in the presentation of exchange rate differences "which explains that exchange gains and losses on operating receivables and debts are accounted within the operating results in compliance with the regulation ANC 2015-05 dated July 2, 2015.
- ▶ The paragraph "Change in accounting method for financing agreements" " relating to the modification in accounting policy applied at December 31, 2019 to the funds received by Epicentre from institutional public donors and private organizations.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the assessments that, in our professional judgment, were of most significance in our audit of the combined financial statements of the current period.

These matters were addressed in the context of our audit of the combined financial statements as a whole, as approved in the above-mentioned context, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the combined financial statements.

Statements of utilization of funds

As part of our assessment of the accounting policies used by your association, we verified that the criteria used for the preparation of the annual statement of utilization of the funds, set out in Note 8.1 of the combined financial statements, are disclosed appropriately in that Note and were properly applied.

Accounting estimates

Your association is booking accruals for risks, as set out in Note 3.12 of the combined financial statements. On the basis of the information available to date, our assessment of these accruals is based on our analysis of the risk assessment processes implemented by your association and the analysis of the reporting statements of these risks.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information relating to the Group given in the treasurer's report as approved on September 6, 2020. Regarding the events that occurred and the elements known after the date of approval of the combined financial statements relating to the effects of the Covid-19 crisis, Management has informed us that such events and elements will be communicated to the annual general meeting called to decide on these financial statements.

We have no matters to report as to their fair presentation and their consistency with the combined financial statements.



Responsibilities of Management and Those Charged with Governance for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The combined financial statements were approved by treasurer.

Statutory Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our role is to issue a report on the combined financial statements. Our objective is to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the combined financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the combined financial statements.



- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the combined financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the combined financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the combined financial statements and for the opinion expressed on these combined financial statements.

Paris-La Défense, September 15, 2020

The Statutory Auditor
French original signed by
ERNST & YOUNG Audit

Isabelle Tracq-Sengeissen

Joël Fusil

Balance Sheet as of December 31, 2019

ASSET					LIABILITIES		
In thousands of euros	Gross	Depr.	Net 2019	Net 2018	In thousands of euros	2019	2018
Films produced	3,318	3,318	0	0	Investment grants allocated to assets to be renewed by the MSF Group entities	1,647	1,647
Concessions/Licenses	8,622	5,321	3,301	3,527	Statutory fund	15	15
Assets in progress	290	0	290	430	Investment reserves	3,646	3,900
Intangible fixed assets	12,231	8,639	3,592	3,957	Public generosity reserve	55,579	67,782
Land	50,053	0	50,053	46,629	Investment reserve collected from public generosity allocated and not used	28,857	50,420
Buildings	42,711	4,444	38,268	5,543	Reserve fund	71,426	46,575
Facilities and fixtures and fittings	24,563	5,093	19,470	3,339	Available funds	155,862	164,776
Equipment, furniture, computers	5,206	3,821	1,385	1,146	Net income	4,405	-9,168
Other fixed assets	1,704	1,120	584	133	TOTAL EQUITY	165,574	161,169
Assets in progress	3,125	0	3,125	35,802			
Tangible fixed assets	127,362	14,477	112,885	92,592	Investment grants allocated to assets non-renewable by the MSF Group entities	66	73
Deposits and guarantees	2,199	0	2,199	2,409	TOTAL ASSOCIATION FUNDS	165,640	161,242
Financial assets	2,199	0	2,199	2,409	TOTAL PROVISIONS FOR LIABILITIES	2,558	2,477
TOTAL FIXED ASSETS	141,792	23,117	118,676	98,958	DEDICATED FUNDS	684	475
Materials inventory and other supplies	467	0	467	461	Bank borrowings	30,396	31,979
Merchandise inventory	22,989	1,979	21,010	22,332	loans and equivalent debts		
Financing receivables	14,138	0	14,138	3,594	Bank credit balances	135	7
Bequests and donations receivable	66	0	66	796	Liabilities in other MSF sections	7,098	21,130
Receivables in other MSF sections	40,263	0	40,263	42,297	Advances and down payments received on orders	5,191	5,191
Advances paid on orders	229	0	229	0	Accounts payable	18,763	18,116
Customer receivables	1,689	3	1,686	1,307	Tax and employee-related liabilities	23,267	21,463
Other receivables	1,670	3	1,667	3,516	Allowances payable	128	8
Gross receivables	58,055	6	58,049	51,509	Other liabilities	1,515	1,148
Marketable securities	3,389	0	3,389	3,019	Liabilities	86,493	99,042
Bank and Post Office accounts	44,908	0	44,908	66,359			
Mission cash balances	12,409	0	12,409	12,167	Institutional funding received in advance	229	421
Cash	92	0	92	143	Unrealised exchange gains	79	86
Donations to be collected	2,680	0	2,680	1,680	Deferred income	10,269	22
Liquid assets	60,089	0	60,089	80,349	Adjustment accounts	10,577	529
Unrealised exchange losses	57	0	57	121	TOTAL CURRENT LIABILITIES	97,070	99,571
Prepaid expenses	4,215	0	4,215	7,017	TOTAL LIABILITIES	265,952	263,765
Adjustment accounts	4,272	0	4,272	7,137	Commitments given*	1,842	6,202
TOTAL CURRENT ASSETS	149,261	1,985	147,276	164,807			
TOTAL ASSETS	291,053	25,101	265,952	263,765			
Commitments received*			6,321	9,531			

*commitments received and given are detailed in the notes

Income Statement as of December 31, 2019

EXPENSES			INCOME		
In thousands of euros	2019	2018	In thousands of euros	2019	2018
Medicines and medical equipment	52,226	54,745	Donations collected from the public	66,733	66,158
Food	726	952	Donations from private organisations	232,690	189,112
Logistics and sanitation equipment	4,517	5,384	Contributions	27	25
Equipment and materials	2,145	2,115	Gifts	5,828	6,524
Materials, supplies and small equipment	823	840	Gifts and donations	305,277	261,820
Documentation	1	23			
Transportation and expenses for purchases	1,460	1,470	Within the MSF movement	39,732	45,881
Changes in merchandise inventory	763	955	Outside the MSF movement	8,035	3,325
Cargo purchases	25,046	25,036	Sales of goods	47,767	49,206
Purchases of goods in inventory	87,708	91,521			
Medicines and medical equipment	13,121	10,598	Within the MSF movement	18,937	17,954
Food	3,457	3,070	Outside the MSF movement	516	475
Logistics and sanitation equipment	7,005	9,390	Freight sales	19,454	18,430
Equipment and materials	6,193	6,922			
Materials, supplies and small equipment	5,111	5,162	Ethical products	295	275
Studies and related services	1,658	1,783	Books	5	0
Purchases for resale	47	196	Medical guidelines	34	165
Change in material and other supplies inventories	-6	-49	Other	0	0
Purchases of materials and other supplies	36,587	37,071	Sales of products	334	439
Provision of miscellaneous services	9,048	9,233	Within the MSF movement	2,466	2,548
Rent and rental expenses	18,286	17,909	Outside the MSF movement	84	49
Equipment rental	86	117	Provision of services	2,550	2,597
Maintenance, upkeep and repairs	6,775	6,571			
Insurance	626	713			
Documentation	320	455			
Fees	2,119	2,040	EU funding	0	0
Information/Publications	3,671	2,296	Other funding	3,902	4,314
Transport	6,024	6,679	Institutional grants	3,902	4,314
Travel and Mission expenses	17,996	18,560			
Representation expenses	917	829			
Postal and telecommunications expenses	5,420	6,087	Financing and operating subsidies	2	1
Bank charges and equivalent	956	772	Revenue from ancillary activities	17	25
Operating subsidies	5,488	6,705	Other ordinary income	25,044	22,886
External services	77,731	78,966	Reversal of provisions, depreciation and transfer of expenses	3,320	1,810
External services and purchases	202,026	207,558	Sponsorship	206	235
			Other operating income	28,589	24,957
Taxes and equivalent	6,176	5,436			
Salaries	56,573	47,272	Foreign exchange gains	7 814	0
Allowances	4,130	11,915	OPERATING INCOME	415,687	361,763
Social security contributions and insurance	22,393	24,110			
Staff costs France	83,096	83,297	Investment income	81	275
Staff costs national	98,683	88,979	Interest from interest-bearing accounts	204	96
Salaries and invoices re-invoiced	11,740	11,763	Foreign exchange gains	66	8,686
Staff costs	193,520	184,039	Reversals of provisions and depreciation	137	51
Allocations to amort., depreciations and prov.	6,160	5,708			
Exchange rate losses	3 470	0	FINANCIAL INCOME	488	9,108
OPERATING EXPENSES	411,353	402,742	Exceptional income	990	33,437
			Reversals of provisions and depreciation	38	258
Liquidation Mali	167	0	Reversal of investment grants	7	18
Agios	0	0	EXCEPTIONAL INCOME	1,035	33,714
Interest on loans	403	535			
Exchange rate losses	58	6,943	TOTAL INCOME	417,210	404,584
Allocations to amort., depreciations and prov.	13	138	Designated funds not used in previous years brought forward	209	411
FINANCIAL EXPENSES	642	7,616	DEFICIT	0	9,168
Exceptional expenses	517	3,414			
Dotations amort./prov.	85	0	OVERALL TOTAL	417,420	414,164
CHARGES EXCEPTIONNELLES	602	3,414			
EXCEPTIONAL EXPENSES	412,597	413,772	Assessment of voluntary contributions in kind	7,8 ETP	7,6 ETP
Engagements à réaliser sur ressources affectées	418	392	Volunteers	575	not assessed
SURPLUS	4,405	0	Donations in kind	1,052	1,999
			Benefit in kind	1,052	1,999
OVERALL TOTAL	417,420	414,164	TOTAL	1,627	1,999
Assessment of voluntary contributions in kind	7,8 ETP	7,6 ETP			
Voluntary staff	575	not assessed			
Assistance in kind	1,052	1,999			
Free provision of goods and services	1,052	1,999			
TOTAL	1,627	1,999			



Bamako - Mali
Photographer: Mohammad Ghannam

Note to the 2019 combined accounts 2019 (in thousands of euros)

1. Highlights of the financial year

Several elements had a significant accounting impact on the combined financial statements closed on December 31, 2019 and must be taken into consideration when comparing the financial year 2019 to previous years. These elements, described below, concern the change of address of the registered office, the liquidation of SCI Sabin, the dissolution of SARL EUP after the transfer of all its assets and liabilities to the MSF Association and a change in presentation of the financial result.

Furthermore, at the date of preparation of the combined financial statements, the relevance of the accounting information as presented at December 31, 2019 is not affected by the COVID-19 pandemic. It is specified that this does not call into question the operating capacity of the combined entities for the year 2020.

Change address of the registered office

MSF Association, Epicentre and the MSF Foundation moved into the new premises of the MSF-France group on October 28, 2019, located at 14-34 avenue Jean Jaurès, 75019, Paris.

Liquidation of SCI Sabin

The MSF Association and SCI MSF in their capacity as partners of SCI Sabin decided to liquidate it. This liquidation was approved at the Ordinary General Meeting of SCI Sabin on September 2, 2019. The entire net liquidation balance was paid to the two partners.

Total transfer of the assets and liabilities of SARL EUP

The MSF Association, in its capacity as sole shareholder of SARL EUP, decided to dissolve SARL EUP without liquidation, in application of Article 1844-5 para. 3 of the Civil Code.

This dissolution was approved at the Extraordinary General Meeting of SARL EUP on October 1, 2019 and resulted in the total transfer of assets and liabilities of SARL EUP to the MSF Association on December 31, 2019.

Change in the presentation of exchange rate differences

At December 31, 2019, foreign exchange gains and losses on operating receivables and debts are recognised in operating results instead of financial results in accordance with regulation ANC 2015-05 of July 2, 2015. This change represents an amount of €7,814 K in operating income and €3,470 K in operating expenses.

Change in accounting method for financing agreements

A change in accounting method was applied during the year to funding granted to Epicentre by public institutional donors and private organisations. This funding is recognised as income as soon as it is notified and not as expenses are incurred. The consequences of this change are presented in the paragraphs "Financing receivable" and "Deferred income".

2. Combined accounting principles, rules and methods

2.1 Definition and scope of combination

The entities below have been fully consolidated, for 100% of their activity, in the combined financial statements at December 31, 2019 and constitute the "MSF-France Group":

- Médecins Sans Frontières (RUP Association*) - combining entity
- Médecins Sans Frontières Logistique (Association)
- Épicentre (Association)
- Fondation Médecins Sans Frontières (RUP Association*)
- SCI Médecins Sans Frontières (SCI)

*Recognised for Public Utility

The combined financial statements are the equivalent of the consolidated financial statements for a group of entities whose unity and cohesion result from circumstances other than those provided for in Article 357-1 of the French Commercial Companies Act of July 24, 1966. Thus, the Médecins Sans Frontières Association combines the entities that contribute to its missions through the implementation of specialised and complementary activities. The boards of directors of the group entities are statutorily composed of directors of the MSF Association.

The MSF-France group has developed a privileged partnership with certain non-operational sections of the MSF movement. These are MSF Australia, MSF Japan and MSF USA. These sections are legally governed by national law, present independent annual accounts, and are not part of the scope of combination, as their boards of directors are not controlled by that of Médecins Sans Frontières.

Entities combined with the MSF Association	LEGAL STATUS	ACTIVITIES
MSF Logistique	Association	Purchasing, packaging, storage and freight of medicines and equipment, medical and non-medical, for missions
Epicentre	Association	Epidemiological research, medical studies, IT support, and training of medical staff
Fondation MSF	Fondation	Providing innovative solutions to problems encountered on the ground Think tank on humanitarian action and knowledge in France and abroad. Owner of MSF Logistique's head office and facilities the MSF Association's logistics training centre in Mérignac
SCI MSF	SCI	Owner of the head office in Paris located on Avenue Jean Jaurès 75019

2.2 General combination principles

The combined balance sheets and income statements result from the combined annual accounts of the various associations, foundations and companies included in the scope, possibly after restatements and reclassifications (harmonisation of charts of accounts). Reciprocal accounts, assets and liabilities, expenses and income, are eliminated without impact on the combined result. Internal profits and losses, and any provisions recorded on internal transactions are also eliminated. These eliminations have an impact on the combined result. The combination of accounts also requires the creation of the use of resources account (CER) according to the rules for the allocation of resources to the financing of expenses which are specific to the combined unit and consequently determine the variation in equity linked to the public generosity of the combined balance sheet.

2.3 Accounting methods adopted

The general accounting policies have been applied in respect of the principle of prudence, in accordance with the following assumptions:

- Continuity of operations,
- Permanence of accounting methods from one year to the next,
- Independence of financial years,

and in accordance with the general rules for the establishment and presentation of annual accounts applicable in the associative sector defined by:

- Regulation 2014-03 of the French Accounting Standards Authority (ANC) relating to the New General Accounting Plan amended by Regulations 2015-06 and 2016-07,
- Regulation 99-01 of the Accounting Regulation Committee (CRC) relating to the methods of drawing up the annual accounts of associations and foundations,
- Regulation 99-02 of the Accounting Regulation Committee (CRC) relating to the consolidated accounts of commercial companies and public enterprises, section VI of which deals more specifically with combination.

The accounts are drawn up in Euros and cover the period from January 1 to December 31 of the closing year. No change in method occurred during

the financial year. The main methods used, including combination adjustments, are as follows:

3. Balance sheet accounting rules and methods

3.1 Intangible fixed assets

Intangible fixed assets are recorded at their acquisition or construction cost (purchase price and incidental expenses, excluding training costs). They are generally amortized over a period of between 3 and 5 years on a straight-line basis.

3.2 Property, plant and equipment

Property, plant and equipment located in France are valued at their acquisition cost in accordance with the provisions of CRC Regulation No. 2004-06 (purchase price and incidental expenses).

They are amortized on a straight-line basis over the actual expected useful life of each item.

The resulting depreciation charges are shown under operating depreciation and amortization in the income statement.

Land	Not amortised
Building (operations) - Structure	20-60
Building (administrative) - Structure	10-40
Building (operations) - Facade	15-20
Accommodation - Structure / facade	20-50
Building (administrative) - Structure	30
Garage - Construction	20
Building (operations) - Technical equipment	15-20
Building (administrative) - Technical equipment	10-30
Building (operations) - General facilities	10-20
Building (administrative) - General facilities	10-30
Building (operations) - Fixtures / Fittings	20
Building (administrative) - Fixtures / Fittings	5-30
Accommodation - Technical equipment	15-20
Accommodation - General facilities	10-20
Fees for work	40
Office and computer equipment	2-15
Vehicles	10
Furniture	5-25

Vehicles and computers, which are subject to accelerated wear and tear, as well as buildings and equipment, which are not intended to be kept, are recorded directly in the expense accounts of the countries of operation.

3.3 Financial assets

The gross value of financial assets comprises the purchase cost excluding incidental expenses. When it is higher than the inventory value, a provision for impairment is recorded for the amount of the difference.

3.4 Inventories

Inventories mainly concern medicines, books and medical equipment, logistics and IT equipment.

Inventories of materials and other supplies

They are valued at their acquisition cost corresponding to the purchase price and according to the "first in, first out" method. A depreciation is calculated when the inventory value at the close is lower than the purchase cost.

Inventories of goods

They concern goods stored by MSF Logistics and intended either for use in the fields of intervention of the MSF-France group or sold to missions led by other sections of the MSF movement or to other NGOs. They consist of stocks of medical and logistical goods as well as off-road vehicles. They are valued according to the "weighted average cost price" method, which consists of the price of the goods and incidental purchase costs.

The rules for inventory depreciation are as follows by inventory category:

- Inventory items with an expiry date are depreciated in view of their turnover and the time remaining before they become obsolete,
- Items that have not had any inventory movement in the last three years at the balance sheet date are depreciated in tranches according to the age of the stock rotation,
- Items recorded in the "destruction" depot are depreciated at 100%.

3.5 Financing and bequests receivable and received in advance

Institutional funding

Institutional funding is recognised as income when it is granted by the donors, i.e. when the notification of award decisions is received, and not when the funds are received. In return, the "Grant receivable" account is debited.

It is credited upon actual disbursement of funds by debiting a cash account.

At the close of each financial year, each entity of the MSF-France group recognises, agreement by agreement, the entries necessary so that the income corresponds to the expenditure presented to the donors for the financial year, within the financial limits set by the donors' award decisions.

When, at the end of the eligibility period of the agreement, an entity of the MSF-France group presents the donor with expenses that are lower than its share of funding, all the grant income not yet received is recognised and the corresponding receivable is written down pending the donor's agreement.

Some institutional funding includes conditions precedent. These clauses make the validity of the grant of financing conditional on the fulfilment of a *sine qua non* condition. If it is not fulfilled, the award decision is therefore void. This is the case, for example, of a condition of obtaining co-funding. As the final granting of this funding is only acquired after the conditions precedent have been fulfilled, this funding is not recorded as income until the conditions have been fulfilled.

Bequests

Movable or immovable assets coming from an estate, bequest or donation and intended to be disposed of by the MSF-France group follow the following accounting movements:

- Upon acceptance by the Board of Directors, bequests are recorded off-balance sheet under "Commitments received - Net bequests accepted by the Board of Directors for their estimated value" net of the expenses that may encumber them.
- During the financial year, income from realised goods is recognised on the basis of collections.

- At the end of the financial year, the rules for determining revenue, which may generate accrued income, are as follows:
 - Real estate values: date of the deed of sale.
 - Securities and movable property: date of execution of the sale order.
 - Life insurance: date of the cheque or credit to the account of the transfer, issued by the insurer.
 - Rents: date on which the rents collected are credited to the bank accounts of MSF Association or the MSF Foundation.

In the event of temporary management of a bequeathed or donated property, the rents received and the corresponding operating expenses are recorded in operating income.

In addition, unforeseen expenses incurred in excess of the value of the estate are recorded under operating expenses.

3.6 Receivables

Receivables are recorded at their nominal value and are subject to impairment when there is a risk of non-recovery.

3.7 Investment securities

During the financial year, capital gains or losses on investment securities are recorded using the "first-in, first-out" method. At year-end, MSF Association and the MSF Foundation immediately sell and redeem their investments to value them at the official prices on December 31 of the financial year.

3.8 Conversion of foreign currencies

Receivables and payables in foreign currencies are valued at the official rates at December 31 of the year. This results in translation differences which, in the event of an unrealised loss, imply the recognition of a provision for exchange losses.

Investments made in foreign currencies and foreign currency assets held in France and abroad (bank accounts and cash) are valued at the official rates at December 31 of the financial year. This results in foreign exchange differences being recorded as foreign exchange gains and/or losses in the income statement.

3.9 Cash and cash equivalents

Cash and cash equivalents consist of bank and cash accounts. Donations received in cheques up to the end of January of the following year, and dated in the closing financial year, are attached to the income of the closed financial year and recorded as donations when received at the end of the financial year.

3.10 Equity and other associative funds

They include:

Investment grants allocated to renewable goods by the MSF-France group

These are grants awarded by public bodies for investments:

- necessary for the sustainable operation of the MSF-France group,
- whose renewal will ultimately be financed exclusively by the Group.

Investment grants for renewable assets, once recorded, are not included in the income statement. Otherwise, investment grants are considered as allocated to a non-renewable asset (by the entities of the MSF-France group) and treated as "other associative funds".

The public generosity fund

This item details the portion of the MSF-France group's equity capital coming from resources collected from the public that have not yet been used and are not allocated to specific projects. It represents the public generosity resources available to the Group at December 31 of the year before appropriation of income.

The investment reserve resulting from public generosity:

This item presents the portion of the MSF-France group's equity from resources collected from the public and not yet used, intended to repay the loan contracted by SCI MSF for the acquisition of the future headquarters of the MSF Association. At the end of each financial year, it materializes the balance of the loan to be repaid with funds from public generosity.

Each year, by allocation of the Group's reserves, as decided by the General Meeting, it is reduced by the annual loan repayments made during the financial year.

The reserve fund

The reserve fund represents the portion of the MSF-France group's equity capital not allocated to public generosity funds or investment reserves.

Investment reserves

They correspond to the private funds received from donors and the US, Swiss and Spanish sections of Médecins Sans Frontières for the successive expansions of the MSF Logistics site in 2003-2004 and 2011-2014. They therefore have tangible fixed assets as a counterpart. They are adjusted by allocating the income at the end of the financial year to the amount of the depreciation and amortisation charges calculated on the portion of the assets financed.

Investment grants allocated to non-renewable goods by the MSF-France group

They are recorded upon notification of the decision to allocate to the Group and according to their allocation to assets. A reversal in the income statement is carried out at the rate of depreciation of the assets.

The reversal of the investment subsidy in the income statement is proportional to the amount of depreciation and amortisation of the fixed assets acquired

3.11 Dedicated funds

Dedicated funds are accounted for in accordance with the provisions of CRC Regulation 99-01. When funds are allocated by testators, donors or third parties for specific projects, the portion of the resources not used at year-end is recorded as an expense under "Commitments to be made on allocated resources". In accounting terms, this represents the commitment made by the MSF-France group to continue to fulfil these wishes, with the counterpart on the liabilities side of the balance sheet under the heading "Dedicated funds".

The amount of dedicated funds is adjusted, as and when the funds are used, by the offsetting entry in the "Carry forward of unused resources from previous years" account, which is recorded in the income statement.

3.12 Provisions for risks and charges

The MSF-France group applies the rules for setting up and evaluating provisions for risks and charges

(CRC no. 2000-06). These provisions make it possible to cover a risk or charge whose due date or amount cannot be precisely determined. Thus, a provision is recognised at the balance sheet date if the entities of the MSF-France group have a legal, contractual or implicit obligation towards a third party that is likely to result in an outflow of resources with no expected future consideration. The amounts provisioned for correspond to the best estimate of the resources required to settle the obligations. Provisions for litigation are determined on the basis of an analysis of each case according to the procedures in progress, the formalised claims and their likelihood of occurrence.

4. Income statement accounting rules and methods

4.1 Presentation of the income statement

The income statement model adopted by the MSF-France Group complies with CRC regulation 99-01 relating to the methods for preparing the annual financial statements of associations.

The use of resources account completes the reading of the use of funds received by the MSF-France group.

4.2 Mission expenses

Expenditure on MSF-France group missions is incurred according to two procedures:

- by entity head offices on behalf of the missions,
- by the missions themselves.

The expenses incurred by the head offices are taken into account when the goods are delivered or when the service is actually provided. Expenses incurred by the missions (purchases of materials, salaries of national employees, local transport, etc.) are recognised as expenses on the date of their payment.

4.3 Donations, bequests and grants

Assets received as bequests and donations are realised and the corresponding income is

recognised in the income statement. Bequests and grants are recognised as operating income and attached to the financial year in accordance with the cut-off rules specified in points 3.5 "Funding and bequests receivable or received in advance" and 3.11 "Dedicated funds".

Donations are the main resource of the MSF-France group, which gives them the character of operating income and not extraordinary income.

4.4 Financial income

Financial income from investment securities is recognised in accordance with the rules for determining realised and unrealised capital gains and losses set out in points 3.7 "Investment securities" and 3.8 "Foreign currency translation".

Foreign exchange gains and losses are recognised as financial income in the financial statements when they arise from:

- The revaluation of bank and cash accounts balances in foreign currencies using the closing foreign exchange rates as at the balance sheet date,
- Allocations and reversals of provisions for unrealized foreign exchange losses (on foreign currency payables and receivables at the balance sheet date).

As stated above, a change in accounting method has been made to present the exchange differences generated by operations in operating income.

4.5 Commitments to be made on allocated resources and carry forward of unused allocated resources from previous years

The amounts entered under the heading "Commitments to be made on allocated resources" correspond to the increase in "Dedicated funds". They are recorded as income in the profit and loss account in subsequent years, and at the rate at which the commitments are fulfilled, by crediting the account "Carry forward of unused allocated resources from previous years". Dedicated funds recorded in the balance sheet decrease in proportion to these reversals. (see also 3.11 "Dedicated funds").

5. Off-balance sheet accounting rules and methods

5.1 Voluntary contributions in kind

These are contributions made by a natural or legal person providing the MSF-France group with work, goods or services free of charge that are necessary to achieve the purpose of the Group's entities. The main voluntary contributions received by the MSF-France group are as follows:

- Medicines and medical equipment,
- Logistical equipment,
- Volunteer work.

In view of the difficulties encountered in obtaining complete and uniform contributions, the MSF-France group accounts for only part of the contributions concerned. Nevertheless, by way of a declaration, the intervention sites report at the end of the financial year all the goods and/or services that the missions received during the financial year free of charge. This quantitative information, when sufficiently reliable, is given for information purposes in the notes to the financial statements (see 7.5 and 7.6).

5.2 Retirement benefits

No provision has been made in the combined financial statements for estimated retirement benefits at the end of the financial year. Their amount is indicated in note 6.5.

Retirement benefits are calculated using the projected unit credit method, which consists of projecting the rights acquired by each employee at the date of retirement. The calculation takes into account wage inflation and the probability that the employee will still be on the payroll at the date of retirement.

The assumptions used to calculate the provision for retirement benefits are as follows:

- Retirement at the age of 62
- Average salary growth rate: 1.05%
- Discount rate: 0.77 %
- Average staff turnover rate of 5.3%
- Rate of social charges: 52.69 %

5.3 Tax regime

The combined entities are not subject to commercial taxes with the exception of the MSF Association for its ancillary income-generating activities segmented since January 1, 2014.

Entities not subject to commercial taxes, as well as the MSF Association for its non-profit activities, are, however, liable for tax at a reduced rate on income from movable capital, with the exception of the MSF Foundation.

6. Details of the balance sheet and income statement at december 31, 2019

6.1 Details of fixed assets

See also rules and methods: 3.1 & 3.2

Intangible asset:

Intangible assets are mainly composed of acquired and/or produced software, licences and films. As at December 31, 2019, the net book value of capitalized films is zero.

Property, plant and equipment

Note on "Capital assets in progress"

As a result of MSF's move to its new building on avenue Jean Jaurès, SCI MSF has capitalised 53,462 K€ of fixed assets that were put into service on October 29, 2019, to which are added 345 K€ of furniture, videoconferencing and telephony equipment acquired by the MSF Association and activated in 2019 to equip its offices and meeting rooms.

Capital assets including construction, property, plant and equipment break down as follows:

In thousands of euros	FIXED ASSETS					DEPRECIATION					
	Gross amount at year start	Increase	Decrease	Reclassification	Gross amount at year end	Accumulation at year start	Increase	Decrease	Reclassification	Accumulation at year end	Net amount at year end
Start-up costs, lease rights	0	0	0	0	0	0	0	0	0	0	0
Films produced	3,318	0	0	0	3,318	3,318	0	0	0	3,318	0
Concessions/Licenses	7,894	282	66	513	8,622	4,367	1,015	61	0	5,321	3,301
Assets in progress	430	393	13	-519	290	0	0	0	0	0	290
Intangible fixed assets	11,642	674	79	-6	12,231	7,685	1,021	61	0	8,639	3,592
Land	46,629	0	0	3 424	50,053	0	0	0	0	0	50,053
Buildings	9,532	0	0	33 180	42,711	3,989	455	0	0	4,444	38,268
Facilities and fixtures and fittings	8,502	313	1,117	16 865	24,563	5,163	731	801	0	5,093	19,470
Equipment, furniture, computers	4,502	616	86	174	5,206	3,355	538	70	-3	3,821	1,385
Other fixed assets	1,166	375	8	171	1,704	1,033	90	6	3	1,120	584
Assets in progress	35,802	21,425	294	-53 807	3,125	0	0	0	0	0	3,125
Tangible fixed assets	106,132	22,729	1,505	6	127,362	13,540	1,814	877	0	14,477	112,885
Various deposits	1,704	35	401	0	1,338	0	0	0	0	0	1,338
Guarantees in the field	705	524	368	0	861	0	0	0	0	0	861
Financial assets	2,409	559	769	0	2,199	0	0	0	0	0	2,199
TOTAL	120,184	23,962	2,354	0	141,792	21,225	2,829	938	0	23,117	118,676

Voir également règles et méthodes : 3.1 et 3.2

In thousands of euros	Association MSF	MSF Logistique	Epicentre	Fondation MSF	SCI MSF	Net TOTAL
Land	0	0	0	3,349	46,704	50,053
Buildings	0	0	0	5,259	33,008	38,268
Fixtures and fittings	197	533	0	2,105	16,635	19,470
Equipment, furniture, computers	1,099	205	61	0	20	1,385
Other fixed assets	569	9	6	0	0	584
Assets in progress	167	0	5	2,954	0	3,125
TOTAL	2,032	746	72	13,668	96,367	112,885

The assets in progress as at December 31, 2019 mainly concern the construction work for the new MSF Association training space, the "Centre Jacques Pinel", asset of the MSF Foundation financed and managed by the MSF Association on the MSF Logistics site in Mérignac.

Financial assets

See also rules and methods: 3.3

Deposits and guarantees represent €2,199,000 and mainly relate to guarantees paid on MSF missions.

6.2 Details of current assets

Inventories

In thousands of euros	Gross amount at year start	Change	Gross amount at year end
Medical guide inventory	57	5	62
Logistic inventory	403	-2	401
Other supplies inventory	1	3	3
Materials inventory and other supplies	461	6	467
Logistic inventory	7,527	-529	6,998
Food and medical inventory	16,225	-234	15,991
Merchandise inventory	23,752	-763	22,989
TOTAL	24,213	-757	23,456

See also rules and methods: 3.4

3,057K€ of the 22,989K€ of inventories of goods correspond to stocks pre-positioned to respond rapidly to major crises. The composition and volume of these "emergency stocks" are defined by the MSF sections or other client organisations (mainly Médecins du Monde, ICRC).

In view of the rotation of certain products and their obsolescence, inventories of goods have been depreciated by 9% for 1,979K€.

In thousands of euros	Gross	Depreciation	Net
Materials inventory and other supplies	467	0	467
Logistic inventory	6,998	312	6,686
Food and medical inventory	15,991	1,667	14,325
Merchandise inventory	22,989	1,979	22,010
TOTAL	23,456	1,979	21,477

Funding receivable

In thousands of euros	Gross amount at year start	Change	Gross amount at year end
Private funding receivables J&J* - Ebola	0	1,520	1,520
Private funding receivables SDC* - Urgence Gaza	0	937	937
Institutional funding receivables Unitaid - TB	2,682	-861	1,821
Funding receivables Association MSF	2,682	1,596	4,277
Private funding receivables CEPI* - Ebola	0	5,229	5,229
Private funding receivables EDCTP* - TB et Fièvre jaune	0	1,543	1,543
Funding receivables Unitaid - TB	384	-355	29
Miscellaneous funding receivables	528	1,668	2,196
Funding receivables Epicentre	912	8,085	8,997
Funding receivables - Foundation Tides - ASTapp	0	864	864
Funding receivables - Foundation MSF	0	864	864
TOTAL	3,594	10,545	14,138

See also rules and methods: 3.5

* **J&J** : Johnson & Johnson

* **EDCTP** : European and Developing Countries Clinical trials Partnership

* **SDC** : Swiss Agency for Development and Cooperation

* **CEPI** : Coalition for Epidemic Preparedness Innovations

MSF Association

The overall amount of funding receivable increased by 1,596 K€ and corresponds to:

- 1,707 KUSD (equivalent to 1,520 K€) granted for three years by Johnson & Johnson (J&J) and the London School of Hygiene & Tropical Medicine (LSHTM) for the implementation phase of a research study on "the evaluation of a preventive Ebola vaccine in the Democratic Republic of Congo". As at December 31, no cash has been received by the MSF Association from this funding.
- 2,000 KCHF (equivalent to 1,776 K€) granted for two years by the Swiss Agency for Development and Cooperation (SDC) for trauma and emergency care in Gaza. As at December 31, the MSF Association had received 1,000 KCHF (equivalent to 839 K€).
- In addition, since 2015, the MSF Association, in collaboration with the NGOs Partners In Health and InterActive Research and Development, has been leading the "endTB" programme funded by Unitaïd, which aims to identify shorter, less toxic and more effective treatments to fight multidrug-resistant tuberculosis (MDR-TB) through:
 - Access to new drugs
 - Two clinical trials
 - Sharing of results and advocacy at national and global levels

Epicentre

The overall amount of funding receivable increased by 8,085 K€ as a result of the accounting harmonisation of financing agreements within the MSF-France Group. Indeed, this funding is recognised as income as soon as it is notified and not as expenses are incurred. The main variations come from:

- 5,229 K€ funded by the Coalition for Epidemic Preparedness Innovation (CEPI), a consortium led by the London School of Hygiene & Tropical Medicine (LSHTM) for Ebola vaccine trials in Kivu Province and Uganda. Funding runs until 2021 for the DRC trial and 2023 for the Uganda trial
- 1,543 K€ funded by the European & Developing Countries Clinical Trials Partnership (EDCTP) for a clinical trial of the yellow fever vaccine and a treatment to reduce mortality from tubercular

meningitis. Funding for the clinical trial runs until 2021, and funding for the treatment of meningitis runs until 2023.

Bequests receivable

In thousands of euros	Gross amount at year start	Change	Gross amount at year end
Bequests to be collected	796	-730	66
TOTAL	796	-730	66

See also rules and methods: 3.5

Receivables on MSF sections

In thousands of euros	Gross amount at year start	Change	Gross amount at year end
MSF Australia	151	-94	56
MSF Belgium	3,986	4,033	8,019
MSF Germany	64	-51	13
MSF Holland	4,747	7,103	11,850
MSF Hong Kong	334	-334	0
MSF Italy	14	-14	0
MSF International	1,060	-120	940
MSF Japan	2,780	1,268	4,048
MSF Luxembourg	94	-46	49
MSF Norway	7	-4	4
MSF Spain	2,824	124	2,949
MSF Sweden	1	-1	0
MSF Switzerland	6,136	1,487	7,623
MSF United Kingdom	5	2	7
MSF USA	19,150	-17,417	1,733
MSF Supply	342	-342	0
MSF Greece	603	-603	0
MSF Czech republic	0	28	28
MSF Brazil	0	41	41
MSF South Korea	0	2,903	2,903
TOTAL	42,297	-2,034	40,263

See also rules and methods: 3.6 & 3.8

All of these receivables are due in less than one year. They are distributed among the various combined entities as follows:

- MSF Association: 29,579 K€
- MSF Logistics: 9,330 K€
- Epicentre: 1,354 K€.

They correspond to contributions receivable and invoices to be collected from sections of the MSF Movement.

Trade and other receivables

In thousands of euros	Gross amount at year start	Change	Gross amount at year end
Customer receivables	1,304	313	1,617
Doubtful accounts			
Customer invoices to be issued	3	0	3
	3	65	68
Customer receivables	1,310	379	1,689
Suppliers debts	1,830	-1,320	510
Miscellaneous field advances	752	-575	177
Advances and loans to staff	286	127	413
Social agencies	27	-2	26
Statements, Taxes and equivalent	64	45	110
Income receivable	33	137	170
Sundry debtors	525	-261	265
Other receivables	3,519	-1,849	1,670
TOTAL	4,828	-1,470	3,358

See also rules and methods: 3.6 & 3.8

All of these receivables are due in less than one year.

Investments and cash

The investments of the MSF-France group amount to 3,389 K€, including 3,379 K€ linked to 2 savings accounts taken out by the MSF Foundation:

In thousands of euros	Number of shares	Book value	Interest for the year	Unrealised gains and losses
Securities - euros - MSF Association	975	10	0	0
Savings accounts - MSF Foundation	n.a	3,379	0	0
TOTAL	975	3,389	0	0

See also rules and methods: 3.7 & 3.8

Cash amounts to 60,089 K€ as at December 31, 2019 and include cash donations of 2,520 K€ from MSF Association and 160 K€ from the MSF Foundation.

Prepaid expensive

In thousands of euros	Association MSF	MSF Logistique	Epicentre	Fondation MSF	SCI MSF	Total net
On behalf of the missions	3,498	0	0	0	0	3,498
On behalf of the head offices	80	398	25	76	138	717
TOTAL	3,578	398	25	76	138	4,215

6.3 Details of liabilities

Table of changes in combined association funds

In thousands of euros	Position at year start	Allocation of income from previous year	After allocation of income	Movements in reserves and grants	Income for the year	Position at year end
Investment grants allocated to assets to be renewed by the MSF Group entities	1,647	0	1,647	0	0	1,647
Statutory fund	15	0	15	0	0	15
Investment reserves	3,900	-254	3,646	0	0	3,646
Public Donation Fund	67,782	-12,203	55,579	0	0	55,579
Investment reserve collected from the public	50,420	-21,563	28,857			28,857
Reserve fund	46,575	24,851	71,426	0	0	71,426
Income	-9,168	9,168	0	0	4,405	4,405
Investment grants allocated to assets renewable by MSF Foundation	73	0	73	-7	0	66
TOTAL	161,242	0	161,242	-7	4,405	165,640

See also rules and methods: 3.10

Following the decision of the General Meeting of June 15, 2019, the combined result, which showed a deficit of 9,168 K€ at the end of 2018, has been allocated as follows:

- as a reduction from the public generosity fund for 12,203 K€, said fund now amounting to 55,579 K€.
- as a reduction from the investment reserve for 254 K€, said reserve now amounting to 3,646 K€.
- as a reduction from the investment reserve collected from the public, the share of public generosity intended to repay the loan which financed the acquisition of the future headquarters of the MSF association, in an amount of 21,563 K€. The investment reserve

collected from the public as a result of the above operation now amounts to 28,857 K€.

- as an increase of the public generosity fund for 24,851 K€, said fund now amounting to 71,426 K€.

The dissolution of two entities in the scope of combination (SARL EUP and SCI Sabin) did not have any impact on the net position of the MSF Group. For EUP, this is an internal restructuring with the transfer of the audiovisual activity to the MSF association. For SCI Sabin, the proceeds from the sale of the building at 4 rue Saint Sabin were recognised in the combined financial statements for 2018.

The combined result is broken down as follows:

In thousands of euros	Association MSF	MSF Logistique	Epicentre	Fondation MSF	SCI MSF	Total net
Result of the corporate accounts by entity	9 307	-1 315	-16	-66	-2 144	5 765
Dividend restatement of SCI Sabin	-2 365	0	0	0	-24	-2 389
Equities Eliminations of dissolved entities	960	0	0	0	10	970
Mali neutralization of EUP	182	0	0	0	0	182
Bonus neutralization of SCI Sabin	-28	0	0	0	0	-28
Reversal of provision for contingencies and charges related to EUP deficits	-195	0	0	0	0	-195
Change in margin on prepaid MSF Logistique expenses	100	0	0	0	0	100
Contribution of each entity to the combined result	7 960	-1 315	-16	-66	-2 158	4 405

Provisions for liabilities and charges

By nature

In thousands of euros	Amount at year start	Allocations to provisions	Reversals of provisions		Amount at year end
			Used	Not used	
Provisions for liabilities	1,629	869	30	745	1,723
Provisions for charges	833	486	345	78	897
Operating provisions	2,462	1,355	374	823	2,620
Financial provisions	15	13		136	-109
Exceptional provisions	0	85	38	0	47
TOTAL	2,477	1,453	412	960	2,558

See also rules and methods: 3.12

By entity

In thousands of euros	Amount at year start	Allocations to provisions	Reversals of provisions		Amount at year end
			Used	Not used	
MSF Association	2,419	1,348	374	939	2,453
MSF Logistique	56	102	38	18	102
Epicentre	2	3	0	2	3
MSF Foundation	0	0	0	0	0
TOTAL	2,477	1,453	412	960	2,558

See also rules and methods: 3.12

Allocations for the year mainly concern the risk of litigation on assignments. The use of reversals

of provisions relates to disputes settled during the year as well as project closures that were scheduled for the 2019 financial year-end.

Table of changes in dedicated funds

In thousands of euros

	Amount at year start	Collected in 2019 and not used by 12.31	Collected in 2019 and used by 12.31	Amount at year end
Watsan logistics activities*	53	154	53	154
Dedicated funds	0	8	0	8
Dedicated funds that have not been mobilised for more than two years	83	38	0	121
Antimicrobial resistance research programme (ASTAP)	0	27	0	27
3D project	273	0	156	117
Innovation for Humanitarian Action Foundation (FIHA)	65	191	0	256
TOTAL	475	419	209	684

See also rules and methods: 3.11

* Watsan activities: water, hygiene and sanitation

The funds allocated to Watsan logistics activities and not consumed during the financial year mainly concern the installation of waste and wastewater treatment facilities on the intervention sites.

Dedicated funds that have not been used for more than two years correspond to donations allocated for past emergencies in Bam, Iran and Algeria. The funds dedicated to the BAM emergency, named after the city of Iran devastated by the December 2003 earthquake, represent 58 K€ that have not been used for nearly fifteen years.

In 2020, it will be proposed to the Board of Directors to use these funds to finance the association's programmes in Iran.

27 K€ was received from the Tides Foundation for the ASTapp project.

The funds dedicated to the 3D project carried by the MSF Foundation amount to 117 K€ and come from public generosity.

256 K€ was received from the sheltered Foundation "FIFHA - Foundation Innovators For Humanitarian Action" for its future activities.

Bank borrowings and similar debts

In October 2016, SCI MSF took out a 20-year, 35,000,000 Euro bank loan to finance the acquisition of a building on avenue Jean Jaurès in Paris, which now accommodates all the Paris entities of the combined group.

At December 31, 2019, 4,612 K€ had been repaid out of these 35,000 K€.

Debts towards MSF sections

In thousands of euros	Amount at year start	Change	Amount at year end
MSF Australia	224	-134	90
MSF Austria	83	-40	44
MSF Belgium	2,505	-824	1,681
MSF Canada	74	12	86
MSF Denmark	11	30	41
MSF France	0	0	0
MSF Germany	175	-34	141
MSF Holland	603	4	607
MSF Hong Kong	8	-5	4
MSF Italy	106	-14	93
MSF International	52	-36	16
MSF Japan	460	-22	439
MSF Luxembourg	0	1	1
MSF Norway	1	11	12
MSF Spain	172	23	195
MSF Sweden	117	-67	50
MSF Switzerland	1,960	-698	1,262
MSF United Kingdom	99	18	116
MSF USA	13,766	-11,625	2,141
MSF Supply	204	-166	39
MSF Greece	452	-446	6
MSF South Africa	12	-8	3
MSF Ireland	8	-7	1
MSF Brazil	11	-7	4
MSF South Korea	27	-8	20
MSF Nairobi	0	10	10
TOTAL	21,130	-14,031	7,098

All of these debts are due in less than one year.

Debts to other sections correspond mainly to expatriate staff expenses, invoiced to MSF France by other MSF sections.

The variation in these debts is mainly explained by the balance in 2019 of the cash advance of 10,877 K€ paid by the MSF USA section in 2018.

Advances and deposits received on orders

Customer advances and deposits received correspond to the prepayment of the emergency stock made available to MSF Switzerland, MSF Spain and Médecins Du Monde (MDM) by MSF Logistics.

In thousands of euros	Amount at year start	Change	Amount at year end
MSF Spain emergency stock	563	0	563
MSF Switzerland emergency stock	4,287	0	4,287
MDM emergency stock	342	0	342
TOTAL	5,191	0	5,191

Trade payables

All of these debts amounting to 18,763 K€ are due in less than one year.

In thousands of euros	Amount at year start	Change	Amount at year end
MSF Association	5,975	1,027	7,002
MSF Logistique	11,923	-2,288	9,635
Epicentre	148	65	213
MSF Foundation	16	40	56
SCI MSF	47	1,809	1,856
EUP	5	-5	0
SCI Sabin	2	-2	0
TOTAL	18,116	647	18,763

Tax and payroll contribution payables

In thousands of euros	Amount at year start	Change	Amount at year end
Taxes and equivalent	1,178	809	1,987
Staff	300	1,049	1,349
Social agencies	8,138	-442	7,696
Provisions for paid holidays, time-saving accounts, unemployment	11,848	387	12,235
TOTAL	21,463	1,804	23,267

All of these debts are due in less than one year.

Compensation payable and other debts

These debts total 1,643 K€. They are all due in less than one year. They correspond mainly to the MSF Association's contribution to the Drugs for Neglected Diseases initiative (DNDi). DNDi is

an independent, non-profit research organisation based in Geneva, Switzerland, with the aim of developing drugs for neglected tropical diseases, e.g. leishmaniasis, sleeping sickness or Chagas disease.

Deferred funding

Deferred revenue as at December 31, 2019 represents funding granted and not yet received by donors for projects for which expenses will be incurred in 2020.

In thousands of euros	Amount at year start	Change	Amount at year end
MSF Association funding	316	-316	0
Epicentre funding	105	124	229
TOTAL	421	-191	229

Deferred income

In thousands of euros	Amount at year start	Change	Amount at year end
MSF Association	0	2,177	2,177
MSF Foundation	0	864	864
MSF Logistique	0	23	23
Epicentre	22	7,183	7,205
TOTAL	22	10,247	10,269

MSF Association

Deferred income mainly concerns Johnson & Johnson (J&J) for 1,169 K€ and Swiss Agency for Development and Cooperation (SDC) for 961 K€.

MSF Foundation

Deferred income concerns the Tides Foundation for 864 K€.

Epicentre

Deferred income corresponds mainly to funding from the Coalition for Epidemic Preparedness Innovations (CEPI) for 4,095 K€ and the European & Developing Countries Clinical Trials Partnership (EDCTP) for 1,590 K€.

6.4 Details of the income statement

Operating result

The combined financial statements of the MSF Group show an operating surplus of 4,334 K€. Total operating expenses amounted to 411,353 K€ and operating income amounted to 415,687 K€.

Operating income and expenses are presented by nature, category of activity and geographical segment in the analysis of the Use of Resources Account (see 8.2).

Institutional funding from donors amounts to 3,902 K€, broken down as follows:

In thousands of euros	2019	2018	Change
UNITAID	1,821	2,955	-1 135
Government of Canada	1,218	936	282
Government of Switzerland	860	0	860
Government of Japan	0	400	-400
O.M.S.	0	14	-14
Municipal councils EDI	3	9	-6
TOTAL	3,902	4,314	-412

Financial result

See also rules and methods: 4.4

Financial income and expenses amount to 642 and 488 K€ respectively, generating a net financial loss of 154 K€.

The financial result includes only 58 K€ of exchange losses and 66 K€ of exchange gains at December 31, 2019 compared to 6,943 K€ of losses and 8,686 K€ of gains in the 2018 financial statements. This variation is explained by the reclassification of 3,470 K€ of foreign exchange losses as operating expenses and 7,814 K€ of foreign exchange gains as operating income.

Extraordinary result

Extraordinary expenses

In thousands of euros	2019	2018	Change
Exceptional expenses arising from the missions	130	186	-56
Net book value of divested assets	320	3,117	-2,796
Miscellaneous exceptional expenses	1	96	-94
Exceptional expenses in previous years	66	16	50
Risk provisions allocations on extraordinary charges	85	0	85
TOTAL	602	3,414	-2,812

6.5 Off-balance sheet commitments

Commitments given in thousands of euros	MSF Association	MSF Logistique	Epicentre	MSF Foundation	Amount
Pensions and retirement benefit commitments	1,088	480	180	76	1,824
Commercial lease Jafza Dubai	0	18	0	0	18
TOTAL	1,088	498	180	76	1,842

The net book values of the assets sold by SCI MSF in 2018 as part of the sale of number 4, 6 and 8 rue St Sabin by SCI MSF account for most of the annual variation in extraordinary expenses in 2019

Extraordinary income

In thousands of euros	2019	2018	Change
Proceeds from the sale of fixed assets	1	33,000	-32,999
Exceptional income	793	360	434
Exceptional income from previous years	101	69	32
Various exceptional income	94	7	87
Exceptional income	990	33,437	-32,447
Reversal of depreciations/ provisions and transfer of expenses	45	277	-231
TOTAL	1,035	33,714	-32,679

33,000 K€ in exceptional income on the disposal of fixed assets in 2018 came from the sale of the buildings at 4, 6 and 8 rue Saint Sabin. They explain most of the annual variation in extraordinary income for the financial year 2019.

Gainful activity within the MSF group

In thousands of euros	For-profit sector	Not-for-profit sector	Total
Income	263	417,156	417,420
Expenses	179	412,836	413,015
Book income	85	4,320	4,405
Taxable income subject to corporate tax	48	0	48

See also rules and methods: 2.3

The MSF Group is subject to commercial taxes for the ancillary profit-making activities segmented within the MSF Association.

Gainful activity represents less than 0.1% of the MSF Group's income and expenses. It concerns the partnership activity of the MSF Association.

Commitments given in thousands of euros

	MSF Association	MSF Logistique	Epicentre	MSF Foundation	Amount
Sub-lease of 14/34 avenue Jean Jaurès	67	0	0	0	67
Bequests and donations authorized by the board of directors	6,255	0	0	0	6,255
TOTAL	6,321	0	0	0	6,321

See also rules and methods: 5.1 and 5.2

MSF Logistics signed:

A lease on the Jafza Dubai offices of 45 m² for a period of 1 year, starting on August 30, 2019 and ending on August 28, 2020. The basic annual rent excluding tax and charges amounts to 26 K€.

6.6 Real estate security interests granted

As part of the acquisition of the new headquarters of the MSF Association, SCI MSF has taken out a loan with the following security interests:

- Lender's lien with a principal amount of 35,000 K€ until October 21, 2036,
- Pledge of the 500 shares held by the MSF Association and Epicentre in the capital of SCI MSF,
- Assignment of the receivables of the Jaurès offices in respect of the rents that will result

from the leases to be concluded on the Jaurès building.

6.7 Changes in cash

At December 31, 2019, cash and cash equivalents were 20,017 K€ lower than at December 31, 2018. This development can be explained in detail as follows:

- Cash from private donors or funders amounted to 298,079 K€, i.e. 11,370 K€ more than the previous year. This increase in cash is mainly due to the rebalancing of reserves within the MSF movement.
- Cash from institutional funders represents 2,704 K€. It has decreased by 1,389 K€ compared to 2018, the consequence of less demand on European funds since 2016.

Change in cash flow in thousands of euros

	2019	2018
1. Cash from private donors and funders	298,079	286,709
+ Funds collected from the public and other private funds	305,572	262,086
+ Changes in assets and liabilities related to donations and private funds	-7,494	24,623
2. Cash from institutional donors and funders	2,704	4,093
+ Public institutional funding	3,902	4,314
- Share of investment grants allocated to income	-7	-18
+ Changes in assets and liabilities related to institutional funding	-1,190	-202
3. Cash related to humanitarian activities and operations	-295,747	-292,638
+ Other funds	107,737	105,167
- Expenses for social missions	-374,147	-373,024
- Other expenses and provisions	-38,449	-40,748
+ Changes in depreciation and provisions	3,468	4,550
+ Book value of fixed assets sold	647	5,291
- Gains / losses generated by assets and financial debts	277	-1,691
+ Changes in inventories, other receivables and payables	4,720	7,816
Changes in cash related to activity (a) = 1+2+3	5,036	-1,837
Changes in cash related to investment activities (b)	-23,193	-16,213
Changes in cash related to funding activities (c)	-1,860	10,783
Overall change in cash (a+b+c)	-20,017	-7,267
Cash at year start (A)	83,360	90,628
Cash at year end (B)	63,343	83,360
Overall change in cash = (B) - (A)	-20,017	-7,267

- Social missions and operations consumed 295,747 K€, i.e. 3,109 K€ more than in 2018 (1%),
- The change in cash of 23,193 K€ on investments for the year corresponds to the disbursements made by SCI MSF for the work on the new building of the entities of the MSF France group,
- The change in cash flows from financing activities corresponds to the repayment of a bank loan by SCI MSF.

7. Other information

7.1 Statutory auditor fees

The fees of the statutory auditors Ernst and Young for the financial year for the MSF France group amounted to 170 K€ excluding tax.

7.2 Workforce

The number of employees expressed in full-time equivalents (FTE) mentioned below corresponds to the staff working for the MSF-France group, including those made available to it by the other MSF sections. They do not include staff under contract with the MSF-France group working on behalf of other sections. These staff numbers increased by 0.8% with 9,909 FTEs at December 31, 2019 (708 in headquarters and 9,201 on the intervention sites) compared with 9,833 FTEs (706 in headquarters and 9,127 on the intervention sites) at December 31, 2018. They do not take into account day labourers and Ministry of Health staff.

7.3 Boards of directors of group entities

Only the Chairman of the Board of Directors of Médecins Sans Frontières is remunerated. The gross compensation paid to Dr. TARAZIAN amounted to 91,570 Euros for the 2019 financial year. No other member of the boards of directors of the MSF-France group is remunerated for their office as director.

7.4 The highest three gross remunerations paid in 2019

The highest three gross remunerations are presented in the financial statements of each of the entities of the MSF-France group, as well as the monthly remunerations of the three most senior executives, paid in 2019.

7.5 Volunteer workforce

In ETP	2019	2018
Social missions	5,5	3,5
Fundraising	1,8	2,2
Management and general administration	0,5	2,0
TOTAL	7,8	7,6

This item considers an overall number of regular and occasional volunteers in headquarters and regional branches expressed as full-time equivalent (FTE).

These voluntary contributions in kind are neither valued nor recognised in the income statement.

7.6 Nature and valuation of resources in kind

MSF Association

Medicines and other supplies provided by partners as part of joint projects or administered to beneficiaries on behalf of partners are not considered voluntary contributions in kind.

Only unallocated contributions for the association are included in the in-kind resources listed below.

In thousands of euros	2019	2018
Bangladesh	42	125
Cambodia	0	99
France	51	2
Haiti	22	872
Iraq	10	10
Jordan	100	0
Kenya	1	5
Lebanon	0	4
Liberia	0	5
Mali	0	7
Malawi	6	0
Mozambique	36	0
Niger	4	1
Nigeria	19	6
Palestine	11	0
Central African Republic	8	119
Democratic Republic of Congo	117	7
South Sudan	56	0
Syria	31	125
Chad	0	370
Yemen	51	0
Social missions	568	1,759
Fundraising	7	106
Operations	0	134
TOTAL	575	1,999

The MSF Foundation

Google made six of its employees available to the MSF Foundation free of charge as part of the ASTapp project, winner of the Google Impact

Challenge. This in-kind contribution was valued by Google as follows: 25 working weeks at 40 hours per week, i.e. 1,000 hours per employee equivalent to 195 K\$ per employee, i.e. a total of 1,170 K\$

for six full-time employees. At the average USD/EUR exchange rate for the last six months of the financial year, this represents 1,052 K€ of benefits in kind.

8. Use of ressources account

In thousands of euros

APPLICATION	Applications in 2019	Allocation of public generosity funds used in 2019	FUNDS	Public generosity collected in 2019	Follow-up of public generosity collected from the public and used in 2019
			Carryforward of funds collected from public generosity, not designated and not used at year start		55,579
1. SOCIAL MISSIONS	374,147	223,675	1. FUNDS COLLECTED FROM PUBLIC GENEROSITY	248,720	248,720
1.1 Carried out in France			1.1 Donations and bequests collected		
Actions carried out directly	2,851	2,444	Undesignated gifts	66,091	
Payments to other organisations acting in France	0	0	Designated gifts	712	
1.2 Carried out abroad			Bequests and other gifts not designated	5,748	
Actions carried out directly	368,075	218,199	Bequests and other gifts designated	80	
Payments to a central organisation or other organisations	3,222	3,032	1.2 Other income related to appeals for public generosity	176,089	
2. FUNDRAISING COSTS	14,488	13,605	2. OTHER PRIVATE FUNDS	56,848	
2-1 Costs of appeals for public generosity	13,853	13,010	3. GRANTS AND OTHER PUBLIC AID	3,902	
2-2 Costs for finding other private funds	536	504	4. OTHER INCOME	104,949	
2-3 Expenses related to finding grants and other public aid	99	91			
3. OPERATING COSTS	20,523	11,400	I - Total funds for the year included in the income statement	414,418	
I - Total applications for the year included in the income statement	409,158		II - Reversals of provisions	2,792	
II - Allocations to provisions	3,438		III - Designated funds not used in previous years brought forward	209	
III - Commitments to be fulfilled from designated funds	418		IV - Changes in designated funds collected from public generosity		74
			V - Deficit in funds for the year	0	
IV - Surplus of funds for the year	4,405		VI - OVERALL TOTAL	417,420	248,794
V - OVERALL TOTAL	417,420	248,680			
VI - Share of acquisitions of gross assets for the year financed by public generosity funds		18,841	VII - Total applications financed by funds collected from public generosity		267,521
VII - Neutralisation of depreciation of assets financed by public generosity funds from the date of the first application of the regulation		0	Balance of funds collected from public generosity not designated and not used at year end		36,852
VIII - Total applications financed by public generosity funds		267,521			

8.1 Principles, rules and methods adopted

Pursuant to Order 2005-856 of July 28, 2005, the use of resources account (CER) is included in the notes to the financial statements, together with information on its preparation. The entities included in the combination of the use of resources account, as well as the methods of combination used, are those mentioned in the first part of this document.

In accordance with the provisions of the decree of December 11, 2008, which supplements the regulations applicable to the presentation of the accounts of associations (Act No. 91-772 of August 7, 1991 and the decree of July 30, 1993), the combined use of resources account is drawn up in accordance with the principles set out in regulation No. 2008-12 of the Accounting Regulation Committee (CRC).

The CER reports, for a given year, on the composition of expenditure and the origin of resources. It details the resources derived from public generosity and their "use" to finance expenditure and investment. Regarding spending, the CER groups expenses under five separate headings: social mission expenses, fund-raising expenses, operating expenses, allocations to provisions and commitments to be made from allocated resources.

Commitments to be made from allocated resources reflect the part of the resources allocated for the financial year, by third-party funders, not yet used at the date of the financial year-end.

The CER presents expenditure on social missions separately between those carried out in France, those carried out abroad and payments to other bodies (as opposed to actions directly implemented by the association).

A column is dedicated to the presentation of the allocation by type of use of the resources collected from the public, which can be allocated to expenses for the year but also to investments.

Regarding resources, the CER groups income under five separate headings: resources raised from the public, other private funds, subsidies and other public aid, other income, write-backs of provisions and carry-over of unused allocated resources from previous financial years.

Resources collected from the public include all donations and bequests received from individuals in France and abroad (by the MSF sections and the association's office based in the United Arab Emirates). Only two entities in the combined group receive donations from individuals: MSF Association and the MSF Foundation.

The carry-forward of unused allocated resources from previous years reflects the consumption in the current year of allocated resources from private or public donors that could not be used in accordance with the commitment made to them in previous years.

Resources collected from the public are tracked on a specific column. This allows to make the link between:

- the unallocated amount collected from the public and not used at the beginning of the year (public generosity in reserve at the beginning of the financial year),
- resources collected from the public during the financial year,
- the use during the financial year of resources collected from the public,
- and the unallocated amount collected from the public and not used at year-end (public generosity in reserve at the end of the financial year),

The transition tables presented below provide a link between the income statement and the use of resources account.

8.2 Transition tables from the combined use of resources account to the combined income statement

Transition table - uses to expenses

In thousands of euros

INCOME STATEMENT	Staff costs	Other operating expenses	Financial expenses	Exceptional expenses	Commitments to be fulfilled from designated funds not used	TOTAL EXPENSES
EMPLOIS						
Operations carried out in France	1,761	1,090	0	0	0	2,851
Operations carried out abroad	129,223	104,551	28	214	0	234,015
Payments to other organisations	0	2,580	0	0	0	2,580
Operations on behalf of other sections	12,203	6,065	0	33	0	18,300
Expenses for operations in France and abroad	143,186	114,286	28	247	0	257,746
Operations support	22,108	15,305	2	26	0	37,441
Information and public awareness	2,059	1,032	0	0	0	3,091
Other activities related to the social mission	10,538	64,440	28	221	0	75,227
Payments to other organisations	0	642	0	0	0	642
Social missions	177,890	195,705	58	494	0	374,147
Direct costs of appeals for public generosity	3,018	10,828	0	7	0	13,853
Costs for finding other private funds	404	130	0	2	0	536
Fundraising costs for public institutional funds	74	25	0	0	0	99
Fundraising costs	3,495	10,984	0	9	0	14,488
Operating costs	12,134	7,803	571	15	0	20,523
TOTAL APPLICATIONS	193,520	214,492	629	517	0	409,158
Allocations to provisions	0	3,341	13	85	0	3,438
Commitments to be fulfilled from designated funds not used	0	0	0	0	418	418
TOTAL	193,520	217,833	642	602	418	413,015

Transition table - resources to income

In thousands of euros

INCOME	Gifts and donations	Sales of products	Sales of goods and freight and services	Institutional grants	Other operating income	Change Products exploitation	Financial income	Exceptional income	Designated funds not used in previous years brought forward	TOTAL INCOME
FUNDS										
Public generosity funds collected	248,720	0	0	0	0	0	0	0	0	248,720
Other private funds	56,558	295	0	0	-4	0	0	0	0	56,848
Private funds from fundraising	305,277	295	0	0	-4	0	0	0	0	305,568
Grants and other public aid	0	0	0	3,902	0	0	0	0	0	3,902
Funds from fundraising	305,277	295	0	3,902	-4	0	0	0	0	309,469
Funds from activities related to the social mission	0	39	69,410	0	18,619	0	0	0	0	88,068
Other funds	0	0	361	0	7,357	7,814	352	997	0	16,881
Other income	0	39	69,771	0	25,976	7,814	352	997	0	104,949
TOTAL FUNDS	305,277	334	69,771	3,902	25,972	7,814	352	997	0	414,418
Designated funds not used in previous years brought forward	0	0	0	0	0	0	0	0	209	209
Reversals of provisions	0	0	0	0	2,618	0	137	38	0	2,792
TOTAL	305,277	334	69,771	3,902	28,589	7,814	488	1,035	209	417,420

8.3 Contributory use of resources account by entity

Applications table

In thousands of euros

APPLICATION	ENTITIES	MSF Association	MSF Logistique	Epicentre	MSF Foundation	SCI MSF	TOTAL	Eliminations	Restatements	Combined total
Expenses for operations in France and abroad		261,520	34,074	5,663	0	0	301,257	-44,172	662	257,746
Operations support		34,499	86	870	1,293	2,228	38,975	-1,578	44	37,441
Information and public awareness		2,235	0	0	768	190	3,193	-115	14	3,091
Other activities related to the social mission		772	67,515	7,925	0	0	76,212	-1,951	966	75,227
Payments to other organisations		642	0	0	545	0	1,187	-545	0	642
SOCIAL MISSIONS		299,669	101,674	14,457	2,606	2,417	420,823	-48,361	1,685	374,147
Direct costs of appeals for public generosity		13,723	0	0	264	9	13,996	-196	53	13,853
Costs for finding other private funds		549	0	0	0	0	549	-13	0	536
Fundraising costs for public institutional funds		88	0	0	0	14	103	-4	0	99
FUNDRAISING COSTS		14,359	0	0	264	23	14,647	-212	53	14,488
OPERATING COSTS		18,572	3,631	984	277	1,126	24,590	-1,052	-3,015	20,523
TOTAL APPLICATIONS		332,600	105,306	15,441	3,147	3,566	460,061	-49,625	-1,277	409,158
Allocations to provisions		1,354	2,081	3	0	0	3,438	0	0	3,438
Commitments to be fulfilled from designated funds not used		162	0	38	218	0	418	0	0	418
TOTAL		334,117	107,387	15,482	3,366	3,566	463,917	-49,625	-1,277	413,015

Funds table

In thousands of euros

FUNDS	ENTITIES	MSF Association	MSF Logistique	Epicentre	MSF Foundation	SCI MSF	Total	Eliminations	Restatements	Combined total
Public generosity funds collected		246,621	0	0	2,098	0	248,720	0	0	248,720
Other private funds		52,646	0	3,735	478	0	56,859	-11	0	56,848
Private funds from fundraising		299,267	0	3,735	2,577	0	305,579	-11	0	305,568
Grants and other public aid		3,902	0	0	0	0	3,902	0	0	3,902
Funds from fundraising		303,169	0	3,735	2,577	0	309,480	-11	0	309,469
Funds from activities related to the social mission		20,013	101,640	6,817	0	0	128,470	-40,402	0	88,068
Other funds		18,644	2,956	4,911	566	1,422	28,500	-9,212	-2,407	16,881
Other income		38,657	104,596	11,728	566	1,422	156,970	-49,615	-2,407	104,949
TOTAL FUNDS		341,826	104,596	15,463	3,143	1,422	466,450	-49,625	-2,407	414,418
Designated funds not used in previous years brought orward		53	0	0	156	0	209	0	0	209
Reversals of provisions		1,545	1,476	2	0	0	3,023	0	-231	2,792
TOTAL		343,424	106,072	15,465	3,299	1,422	469,683	-49,625	-2,638	417,420

8.4 DETAIL OF THE USES

Accounting representation of uses in the combined group

In the use of resources account, uses are presented at full cost. The use of resources account is constructed directly from the cost accounting of the combined entities. This reflects, through separate cost centres, the expenses of the different services and activities of the combined group.

The vast majority of expenditure is allocated directly to one of the use headings of the CER. However, some expenses are related to activities under more than one heading. They are then broken down between the different uses concerned according to distribution keys.

The main keys used to break down the activities of the combined entities by use heading are as follows:

- Time spent per person for the activities of the communication, collection and partnership teams, the legal department and the ISD,
- Areas occupied by staff dedicated to each activity for rental costs and general expenses,
- Percentage of turnover achieved with the MSF association and that achieved with other organisations, in order to divide MSF Logistics and Epicentre's business expenses within the social mission between operating expenses and other humanitarian activities.

Detail of social missions and social mission uses

The social missions of the MSF France group reflect the combined social missions of the different entities and are detailed in the annual financial statements of each of them.

The MSF Association provides assistance to the most vulnerable populations, develops local medical and operational skills, informs and raises public awareness of the distress situations faced by medical teams and supports medical research and development.

- Assistance and training to populations
This social mission corresponds to the medical relief

operations carried out in the field and the activities of the headquarters for the part concerning the implementation of these operations.

The following are attached to this social mission :

- Direct interventions (national and international teams stationed in the field, medical and logistical supplies, local administrative support) carried out by MSF Association alone, jointly with other MSF sections or carried out only on behalf of other MSF sections,
- Operations support activities, which include the steering, coordination, programme evaluation and technical support provided to missions in the medical, logistics, financial and human resources (including recruitment, administrative management and training) areas. This support is deployed from the Paris headquarters, supplemented by teams based in Dubai, New York, Tokyo, Sydney, Dakar and Abidjan. The support teams thus decentralised are in charge of certain programmes and projects under the responsibility of the operational and medical departments of the MSF Association. They participate in defining and implementing the Association's medico-operational strategic plan.
- Payments made to other agencies that provide operational support to MSF in the field.
- Public information and awareness

This social mission corresponds to the actions of testimony and communication centred on the activities of the Association and their contexts aimed at informing and raising public awareness.

The following are attached to this social mission:

- The activities of the communication department for the part dedicated to these actions;
- Publications and audiovisual productions relating to situations in the field, expenditure relating to travelling thematic exhibitions, meetings with the press, etc., are not included in the budget.
- Research and development in the medical field.

As part of this social mission, MSF Association financially supports several initiatives of the MSF movement such as the activities of the Campaign for Access to Essential Medicines (CAME) and the Drugs for Neglected Diseases Initiative (DNDI).

Innovation and research are at the heart of the social mission of the MSF Foundation, which focuses on three areas:

- **Technological innovation:** based on technological innovations, the MSF Foundation develops solutions to problems in the field,
- **Applied medical research:** to validate new medical protocols, the MSF Foundation supports medical research conducted by other institutional players. This research, carried out in the field, is chosen for its transformative potential,
- **Humanitarian knowledge:** within the MSF Foundation, CRASH aims to stimulate debate and critical reflection on practices in the field and more generally on the humanitarian world.

The MSF Logistique Association is the MSF Association's main supply centre (materials and medicines). It integrates all the supply chain professions, from purchasing to transporting goods, and also offers logistics services. The corresponding costs are directly integrated into operating expenses. The activity of MSF Logistics with other actors than the MSF Association, Epicenter or the MSF Foundation generates the costs of other activities linked to the social mission.

Costs of other activities linked to the social mission also include costs generated by the Epicentre Association's research activities, epidemiological studies and medical training with other actors than the MSF France group.

Finally, SCI MSF, owner of the Paris headquarters of MSF France, hosts the activities of all the teams based in Paris.

Breakdown of expenditure on social missions

The CER requires a presentation of social mission expenditure broken down into three categories: "Actions carried out in France", "actions carried out abroad" and "payments to other organisations". The actions carried out in the countries of intervention can be directly linked to one or other of these categories.

The support and information activities carried out by headquarters cannot be directly linked to these categories since they concern all the countries of intervention. The corresponding support and information expenses are thus divided between "actions carried out in France" and "actions carried out abroad" in proportion to the cost of operations carried out in France on the one hand and in the countries of intervention outside France on the other hand.

Details of social mission uses

In thousands of euros	2019	2018	% of applications	% of applications
<i>Operations carried out in France</i>	2,851	2,215	1%	1%
<i>Transactions carried out abroad</i>	234,015	237,810	57%	58%
Operations led by MSF-France	236,866	240,025	58%	58%
Payments to other organisations Operations	2,580	3,342	1%	1%
On behalf of other sections	18,300	16,214	4%	4%
Expenses for operations in France and abroad	257,746	259,581	63%	63%
Operations support	37,441	42,157	9%	10%
Information and public awareness	3,091	3,248	1%	1%
Other activities related to the social mission	75,227	67,440	18%	16%
Payments to other organisations	642	663	0%	0%
Social missions of MSF and its satellites	374,147	373,089	91%	91%

Details of social mission uses by destination

	Missions carried		Total 2019	Total 2018
	in France	Out abroad		
In thousands of euros	(1)	(2)	(1) + (2)	
Operations led by MSF France	2,851	234,015	236,866	240,025
Payments to other organisations *	0	2,580	2,580	3,342
Operations carried out on behalf of other sections	0	18,300	18,300	16,214
Expenses for operations in France and abroad	2,851	254,896	257,746	259,581
Operations support	400	37,041	37,441	42,157
Information and public awareness	26	3,066	3,091	3,248
Other activities related to the social mission	9	75,218	75,227	67,440
Payments to other organisations *	0	642	642	663
Social missions	3,285	370,862	374,147	373,089

	Missions carried		Total 2019	Total 2018
	in France	Out abroad		
In thousands of euros	(1)	(2)	(1) + (2)	
* Total payments to other organisations	0	3,222	3,222	4,005
Actions carried out directly	3,285	367,640	370,924	369,085
Social missions	3,285	370,861	374,146	373,089

In 2019, uses assigned to social missions amounted to 374,147 K€.

These uses include:

- 236,866 K€ (compared to 240,025 K€ in 2018) in direct expenses for operations (national and international teams in the field, medical and logistical supplies, local administrative support) carried out solely by the combined entities in conjunction with other MSF sections, most of which are carried out abroad.
- 18,300 K€ was spent on behalf of other MSF sections. They increased by 2,087 K€ over the financial year (+13%), compared to expenses for 2018, which stood at 16,214 K€.
- 37,441 K€ in operation support costs. They correspond to the steering, coordination, programme evaluation and technical support provided to missions in the medical, logistics, financial and human resources (including recruitment and training) areas. This support is

deployed from headquarters by teams based in Paris, the United Arab Emirates, New York, Tokyo, Dakar, Abidjan and Bordeaux. These costs incurred for all activities deployed in the countries of intervention are broken down between actions carried out in France and those carried out abroad in proportion to the direct expenses of operations conducted in France or outside France.

- 3,091 K€ in public information and awareness-raising expenditure, which consists of external communication events for testimonial purposes: setting up exhibitions, press releases and press kits, book writing, film production, etc. They are broken down in the same way as mission support costs between operations in France and abroad.
- Other activities related to social missions, which combine the activities of the satellites (mainly MSF Logistics and Epicentre) with other sections or humanitarian organisations. They are allocated directly to missions abroad.
- Payments to other organisations:

In thousands of euros

Organisme	Statut	Pays d'intervention	Montant	Mission
DNDI	Association		2,118	MSF and DNDI work in Cambodia to develop new diagnostic and treatment strategies for the treatment of Hepatitis C. Payments to DNDI for this project represent €1,890,000. Moreover, MSF annually finances the Drugs for Neglected Diseases Initiative, a research and development organisation whose goal is to deliver new treatments for the most neglected diseases. The 2018 contribution amounted to €228,000.
CAME	Association		332	MSF annually finances CAME (Campaign for Access to Essential Medicines), an association that aims to improve access to essential medicines. Its missions revolve around three axes: overcoming barriers for access to essential drugs, stimulating research and development for neglected diseases.
LIKHAAN	Association	Philippines	291	As part of its sexual and reproductive healthcare project, MSF finances Likhaan, a local organisation that provides family planning services to people in the disadvantaged districts of Tondo and San Andres.
ARTEMEDIS	Association	Liban	255	As part of its programme in Lebanon, MSF works in partnership with Artemedis, International organization whose activities aim to improve the health of underprivileged populations around the world.
MSF Greece	Association	Greece	144	MSF payment supports MSF Greece's migrant aid activities.
MSF UK	Association		82	MSF co-finances with MSF UK the LEAP training program, a tailor-made master's program for experienced MSF staff, in partnership with the HRCI and the LSTM.
Total			3,222	

Details of fundraising uses

In thousands of euros

	2019	2018	% des emplois	% des emplois
Fundraising costs France	12,141	11,679	3%	3%
Costs of processing donations	1,035	1,212	0%	0%
Bequest management	677	514	0%	0%
Costs of appeals for public generosity	13,853	13,405	3%	3%
Costs for finding other private funds	536	611	0%	0%
Fundraising costs for public institutional funds	99	32	0%	0%
Fundraising costs	14,488	14,048	4%	3%

Fundraising costs distinguish between costs associated with calls for public generosity, seeking other private funds as well as seeking grants or public assistance from state humanitarian aid agencies (also called institutional funding).

The costs of calling for public generosity in 2019 amount to 13,853 K€. They include the cost of actions implemented by the MSF Association and the MSF Foundation to solicit the support of individual donors whose donations are essential to

the implementation of social missions, the cost of processing donations (manual, computer and bank processing), as well as the costs resulting from bequest management.

The research costs of other private funds (536 K€) correspond to the costs of seeking funding and corporate partnerships as well as expenses related to the distribution of products from the solidarity online store to support Médecins Sans Frontières.

Detail of operating uses and other expenses

In thousands of euros	2019	2018	% of applications	% of applications
Cost of general administration	16,192	18,871	4%	5%
Operating expenses re-invoiced to sections	3,004	3,039	1%	1%
Management cost of the association hub	1,328	1,401	0%	0%
Operating costs	20,523	23,311	5%	6%

The administration and general operations of the MSF-France group are carried out from the headquarters of the various entities by the general management, the head office human resources departments, the finance departments, and the internal operating departments (head office human resources, internal communication).

Operating costs decreased by 12% over the year, mainly due to exceptional events in 2018: increase in the MSF Association's additional contribution to the running costs of the MSF International Office and additional IT costs related to the work on the new headquarters.

The operating costs of the associative division cover the expenses inherent to the associative governance of the combined entities (meeting of the boards of directors, general meetings and coordination of the associative network of the MSF Association).

Provisions for risks and charges, write-downs of receivables and inventory write-downs amounted to 3,438 K€ for the year, compared to 3,324 K€ in 2018.

The unused allocated resources for the financial year amount to 418 K€ and correspond for 162 K€ to funds received to finance the deployment of waste and waste water treatment facilities for missions; 38 K€ for donations allocated to the yellow fever project led by Epicenter, 27 K€ for donations specific to the Foundation's ASTapp project and 191 K€ to the funds of the Sheltered Foundation "FIHA - Fondation Innovation for Humanitarian Action" under the aegis of the MSF Foundation.

8.5 Details of resources

Definition of resources collected from the public

Resources collected from the public (known as public generosity resources) are defined as manual donations, bequests and other gifts made by individual donors to MSF branches and foreign offices, and used for the implementation of the operational project.

This international approach to public generosity resources is supported by the desire to report on the economic and political reality of the implementation of the operational plan developed by the MSF-France group.

Thus, this operational project is jointly defined and validated by the US, Australian, French and Japanese sections, each of which provides the human and financial resources necessary for its implementation.

Furthermore, given the significant public origin of the resources collected by the MSF movement, this international definition of public generosity has been extended to all resources received from MSF sections.

Each year, the collecting sections of the MSF movement declare the origin of the resources allocated to MSF France, which makes it possible to account for the public generosity funds received from other MSF sections.

Breakdown of resources

In thousands of euros

	2019	2018
Donations and bequests from individuals collected in France United Arab Emirates	72,630	72,852
Donations from individuals collected by MSF-Australia, MSF-Japan, MSF-USA and other MSF sections	176,089	142,665
Other private funds collected by other MSF sections	49,772	43,543
Other private funds collected in France and the United Arab Emirates	7,077	3,039
Private funds from fundraising	305,568	262,098
Grants and other public aid	3,902	4,314
Funds from fundraising	309,469	266,412
Funds from activities related to the social mission	88,068	85,410
Other funds	16,881	51,462
Other income	104,949	136,872
TOTAL FUNDS	414,418	403,284
Designated funds not used brought forward	209	411
Reversals of provisions	2,792	1,299
TOTAL INCOME	417,420	404,995

In 2019, private resources from fundraising amounted to 305,568 K€. They include:

- 79,707 K€ were collected in France and the Emirates comprising:
 - 72,630 K€ in public generosity resources, down 0.4% over the financial year;
 - 7,077 K€ in other private funds (including 3,524 K€ in corporate sponsorship collected

by the MSF association and the MSF Foundation, 3,235 K€ in private funding granted to Epi-centre, 27 K€ in memberships from members of the MSF association and 290 K€ in revenue generated by sales of solidarity products by the MSF association).

- 225,861 K€ were collected by the sections of the MSF movement including:

Section	Private collection	2019	2018	2019	2018
MSF USA	Donations from individuals Other private funds	84,022 42,863	79,173 37,413		
Private funds from fundraising		126,885	116,586	56%	63%
MSF Australie	Donations from individuals Other private funds	23,922 3,744	27,239 1,774		
Private funds from fundraising		27,666	29,013	12%	16%
MSF Japon	Donations from individuals Other private fund	45,845 2,852	32,279 2,558		
Private funds from fundraising		48,696	34,837	22%	19%
Autres MSF	Donations from individuals Other private fund	22,300 313	3,973 1,798		
Private funds from fundraising		22,613	5,771	10%	3%
TOTAL	Total Donations from individuals Total Other private funds	176,089 49,772	142,665 43,543	78% 22%	77% 23%
OVERALL TOTAL		225,861	186,207		

In total, resources from public generosity of the combined group totalled 248,720 K€, 29% of which was raised in France and the Emirates.

Grants and other public funding (also called institutional funding) correspond to funding obtained from international and government aid agencies and local governments.

In 2019, the total of these resources amounted to 3,902 K€, of which 47% paid by Unitaïd (1,821 K€) mainly for the endTB project, 31% by the Canadian government (1,218 K€) for emergencies in Uganda and the Democratic Republic of Congo, 22% by the Swiss government (860 K€) for the emergency in Gaza and 3 K€ from other institutional donors. This funding concerns exclusively the MSF Association.

Other income of 104,949 K€ includes resources from activities related to social missions in the amount of 88,068 K€ and other resources of 16,881 K€:

- resources from activities related to social missions correspond mainly to income from the activities of the two main satellite entities (67,220 K€ from sales of medicines, medical equipment and logistics generated by MSF Logistics and 2,189 K€ from consulting, research and training services provided by Epicentre for other players) and income from re-invoicing expenses incurred by the MSF Association for other sections (18,619 K€).
- 7,087 K€ generated mainly by the activities of Epicentre, MSF Logistics and the MSF Association with other MSF sections, financial income including interest and capital gains generated by investments (285 K€), foreign exchange gains (7,880 K€), other miscellaneous trading activities (631 K€) and extraordinary income (997 K€).

Reversals of provisions for risks and charges and reversals for inventory write-downs amounted to 2,792 K€.

The carry-over of unused allocated resources corresponds for 53 K€ to the financing of the activities of the Watsan project to install waste and wastewater treatment facilities on the intervention sites and for 156 K€ to the financing of the 3D programme run by the MSF Foundation.

Tracking of resources collected from the public

Funding of uses and capital assets and allocation of resources collected from the public

All the resources of the combined group are intended to finance all its uses and investments.

Priority resource allocations are governed by the following four principles:

- a. In accordance with the will of the donors, the allocated resources are fully assigned to the expenditures concerned (e.g.: donations dedicated to an emergency or a particular theme).
- b. In compliance with contractual commitments, resources are allocated to the expenditure concerned in accordance with the contractual clauses (e.g.: institutional funding).
- c. Expenditure incurred on behalf of other actors (MSF sections or other NGOs) is financed by the resources generated by these activities (e.g.: re-invoicing to satellites and MSF sections).
- d. The margin generated by the satellites' external activities primarily finances the operating costs of these satellites

The public generosity resources not yet used after application of these various principles are allocated to the uses remaining to be financed (including the acquisition of fixed assets for the year) up to the amount represented in the total resources not yet used of only the resources collected from the public. This "R" ratio determines the proportion of unallocated public generosity to be used to finance the remaining uses.

Upon transfer of ownership of an acquisition financed by borrowing, a portion of public generosity is made unavailable in advance to secure the funds needed to repay the loan.

The ratio "R" applied to the amount of the loan reflects the proportion of financing of the acquisition covered by public generosity.

In the event that funds not derived from public generosity participate in the repayment of this loan, it is necessary to top-up public generosity resources with this surplus funding.

In the CER, this top-up would result in a negative amount of public generosity being used for capital acquisitions, so that the balance of unused public generosity resources at year-end would be increased.

Use of public generosity by category of use

According to the principles described above, the combined group used 267,521 K€ of public generosity resources in the 2019 financial year, i.e. 100% of the resources collected from the public during the year and 18,801 K€ taken from the resources collected from the public that had not been unallocated and unused as at December 31, 2018.

As of December 31, 2019, the balance of unallocated and unused resources collected from the public at the end of the financial year represented less than 1 month of activity for the combined group (1.6 months at the end of 2018) and amounted to 36 852 K€.

For reasons of clarity and simplicity, the depreciation allowances for the year have been deducted in full from the uses that can be financed, rather than cancelling under the heading "Neutralisation of depreciation allowances for financed fixed assets" the amount of public generosity that would

have been allocated to the "financing" of depreciation allowances.

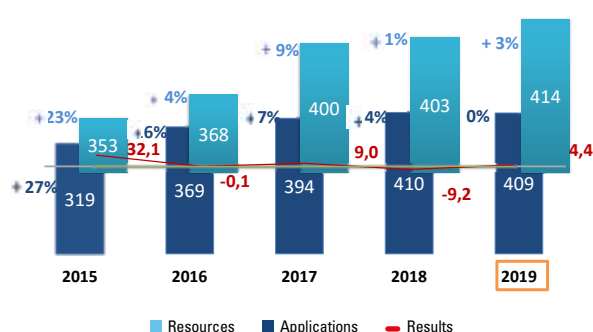
The resources collected from the public are thus allocated to the different use categories of the CER as follows:

- 223,675 K€ to finance social missions (i.e. 84% of the public generosity resources used over the year),
- 13,605 K€ to fund fundraising expenses (i.e. 5% of the public generosity resources used over the year),
- 11,400 K€ to finance operating costs (i.e. 5% of the public generosity resources used over the year),
- 18,841 K€ to finance the work on the new head office and the acquisition of fixed assets linked to its operation (i.e. 7% of the public generosity resources used over the year).

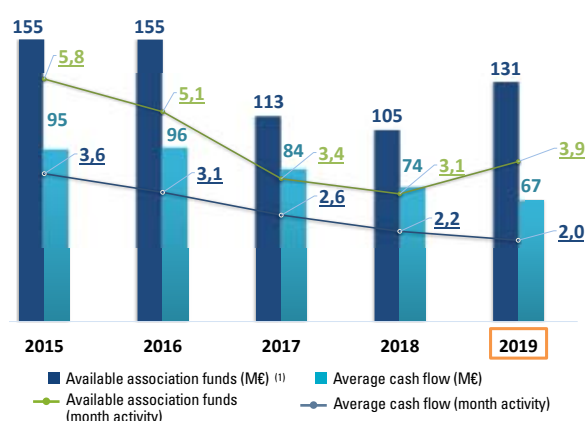
Social missions are 60% funded by resources collected from the public, fundraising costs for 94% and operating costs for 56%.

Multiannual management indicators

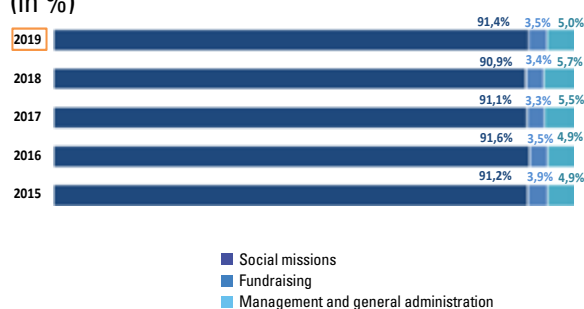
COMBINED FUNDS, APPLICATIONS OF FUNDS AND RESULTS (in € million)



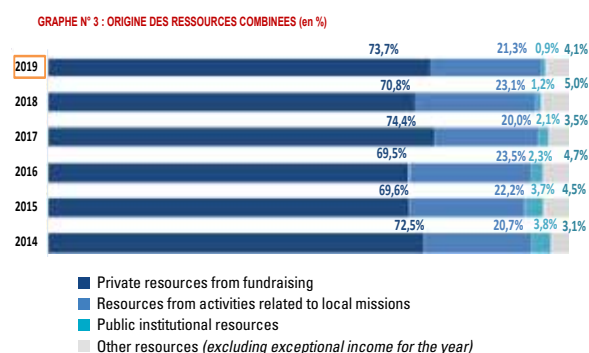
AVAILABLE ASSOCIATION FUNDS AND AVERAGE CASH FLOW (in € million)



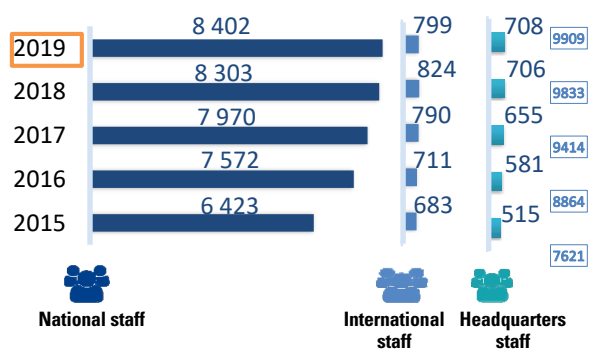
COMPOSITION OF COMBINED APPLICATIONS (in %)



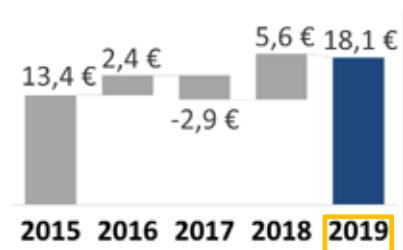
ORIGIN OF COMBINED FUNDS (in %)



AVERAGE ANNUAL HEADCOUNT



COST OF APPEALS FOR PUBLIC GENEROSITY



COST OF RAISING PRIVATE FUNDS





MSF and SOS MEDITERRANEE - France
Photographer: Hannah Wallace Bowman

Organisation of MSF and governance

1. The Médecins Sans Frontières movement

The MSF association, together with the US, Australian and Japanese MSF associations, forms the OCP group (Paris Operational Centre). OCP is one of the 5 operational centres around which the Médecins Sans Frontières movement is organised.

1.1 Organisation and governance of the MSF movement

Médecins Sans Frontières is an international humanitarian medical association founded in 1971 in Paris by doctors and journalists. It provides its assistance in complete independence and impartiality and reserves the right to express itself publicly on the situations its teams may witness. Grouped around the same Charter, MSF teams are composed of medical, logistical and administrative staff of dozens of different nationalities, expatriates or local employees. They provide assistance in accordance with the principles of humanitarian action and medical ethics.

Today, the international MSF movement includes twenty-one associations, including five operational centres, as well as 11 branch offices, specialised satellite organisations mainly for logistics, supply and epidemiology and MSF International. All associations are legally independent entities registered under the laws of the country in which they are established and united under one and the same Charter. On the ground, each operational centre carries out its own projects independently, while ensuring an exchange of information for consistency. In very large-scale emergencies, the various operational centres involved try to divide the task among themselves in order to provide more relief.

MSF International is the association that safeguards the identity of the movement, support the movement in terms of coordination and information, and represent MSF in international institutions.

The associative governance bodies of the movement are as follows:

- The International General Assembly (IGA) is the highest authority of MSF International. It is responsible for safeguarding MSF's medical humanitarian mission. It provides strategic orientation to all MSF entities delegating duties to the International Board and holds the board accountable for those tasks. It meets annually and includes two representatives from each association, two representatives of individual MSF International members, and the International President, himself elected by the representatives. Each representative, as well as the International President, has an independent vote on issues brought to the Assembly for resolution.
- The International Board (IB) consists of 12 voting members, and a co-opted non-voting treasurer:
 - the International President,
 - five representatives appointed by the Operational Centres (one per operational centre),
 - six members (the number of representatives of the operational centres plus one) elected by the International General Assembly).

The Secretary General attends meetings of the IB as a non-voting secretary.

The International board generally meets eight times a year or as often as its responsibilities require.

The International Board may be directive, but its purpose is to play a guiding role; it reports on the implementation of decisions, and facilitates agreement within the movement in a timely

manner. The IB is mandated to solve problems within the MSF movement, open and close executive bodies, and make recommendations to the International General Assembly.

- The executive governance platforms are as follows:
 - The International Office, which houses the MSF International Secretariat, is responsible for coordinating the executives in the movement, providing support in terms of information flows, representing MSF externally and implementing international initiatives and projects as needed. Its registered office is in Geneva and its staff is distributed over all MSF sections,
 - The ExCom (Executive Committee) is the body which brings together the general directors of the sections. It is responsible to the IBC for implementing the policies defined and is a space for reflexion and advice on strategic operational issues. Depending on the matters on the agenda, a meeting is held of the Full ExCom (composed of all the general directors of the MSF sections, the international medical secretary and the general secretary) or of the Core ExCom (composed of the general directors of the five operational centres, the international medical secretary, two other general directors elected by the Full ExCom and the general secretary).
- International thematic platforms: Operations, Medical, Communication, Fundraising, Finance, Human Resources, Logistics, Information Systems.

Non-operational associations carry out fundraising, communication and recruitment activities. They also participate in the definition and implementation of operations under the responsibility of one of the five operational centres within privileged partnerships. Thus, the operational project implemented by the Parisian operational centre is jointly defined and validated by the US, Australian, French and Japanese sections, each of which provides the human, financial or technical resources needed to carry it out. The links between these four sections, partners of the Paris Operational Group (OCP), have been formalised by an agreement between their boards of directors and by the creation of a Group Committee in which each of them is represented. This committee is in charge of validating and monitoring the strategic and annual plans, the group's social mission and the operating budget.

Exchanges between sections (international projects, human resources, fundraising, etc.) lead to many financial flows that bias the reading of the national accounts. For many years now, although no law requires it, the international accounts of Médecins Sans Frontières have been combined, certified and presented annually in the International financial report. This combination is prepared in accordance with "Swiss GAAP" standards and adapted to a non-profit organisation, and has the same objective of presenting a faithful picture of the use of funds after the elimination of internal financial flows. The international financial report is available on MSF's international website (www.msf.org).

1.2 Other activities of the MSF movement

In 1999, Médecins Sans Frontières launched the Campaign for Access to Essential Medicines (CAME). Its goal is to improve access to quality treatments, diagnostic tools and vaccines that meet the needs of patients in its areas of intervention. It encourages other forms of medical research whose objectives are defined according to the most important needs and no longer according to a market logic. Together with other international organisations, its action has made it possible to lower prices and import generic molecules. The CAME is financed by all sections of the MSF movement.

In 2002, Médecins Sans Frontières, with the support of international partners¹, launched a new initiative to promote the research and development of new medicines to treat patients suffering from the most neglected diseases, with the same objective of improving access to treatment.

This initiative led to the creation of a foundation under Swiss law, DNDi ("Drugs for Neglected Diseases initiative"). The MSF movement is one of the members of the DNDi Board of Directors and financially supports the development of this initiative.

The MSF international movement in figures as of December 31, 2019

In millions of Euros	2019		2018	
Private income	1,570	96%	1,460	97%
Public institutional income	20	1%	21	1%
Other income	42	3%	23	2%
OPERATING INCOME	1,632	100%	1,503	100%
Programmes	1,092	80%	1,047	79%
Programme support	208	15%	210	16%
Awareness-raising and Access Campaign	46	3%	47	4%
Other humanitarian activities	25	2%	15	1%
Total social mission	1,371	81%	1,319	82%
Fundraising	229	14%	208	13%
Management & General Administration	85	5%	81	5%
OPERATING EXPENDITURE	1,685	100%	1,608	100%
Deficit from operational activities	-52		-105	
Result from exceptional activities	0		30	
Net exchange gains / losses	5		3	
TOTAL DEFICIT	-47,108		-72,435	

In millions of Euros	2019	2018
Non-current assets	327	290
Current assets	255	266
Cash and cash equivalents	678	726
ASSETS	1,261	1,282
Restricted funds	36	42
Unrestricted funds	882	928
Other equity	47	35
Organisational capital	929	963
Non-current provisions	7	2
Non-current liabilities	289	275
LIABILITIES, FUNDS AND CAPITAL	1,260	1,282

1 The Institut Pasteur, Médecins Sans Frontières and four public sector research institutes in countries with high endemic prevalence: the Oswaldo Cruz/Farmanguinhos Foundation in Brazil, ICMR (Indian Council for Medical Research) in India, KEMRI (Kenya Medical Research Institute) in Kenya, the Ministry of Health of Malaysia, with the support of the special UNICEF/UNDP/World Bank/WHO Tropical Disease Research and Training (TDR) programme.

About this report

This report was made possible thanks to the support of many people, whom we thank for their collaboration.

It is available on **www.msf.fr** and on request, from our Paris headquarters.

Photos

We would like to thank Camille QUILICHINI, Sandra CALLIGARO, Agnes VARRAINE-LECA, Mohammad GHANNAM and Hannah WALLACE BOWMAN, for the loan of the photographs illustrating the report.

Graphic design and realisation

Sophie De Vrée



Life in Aweil South Sudan
Illustration: Camille Quilichini



14-34, avenue Jean Jaurès 75019 Paris • Téléphone : +33 (0)1 40 21 29 29