

**MSF SOUTHERN AFRICA
ANNUAL FINANCIAL
STATEMENT 2020**

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC
(REGISTRATION NUMBER 2007/008324/08)

ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Assists populations in distress by mobilising all material resources at the company's disposal in order to support them. The company also aims to create awareness and act as a witness for disasters, wars and epidemics faced around the world.
Registered office	9th Floor 70 Fox Street Marshalltown Johannesburg Gauteng 2107
Business address	9th Floor 70 Fox Street Marshalltown Johannesburg Gauteng 2107
Postal address	P O Box 61624 Marshalltown Johannesburg Gauteng 2107
Company registration number	2007/008324/08
Public benefit organisation (with S18A) reference number	930025677
Level of assurance	These annual financial statements were audited in compliance with the applicable requirements of the Companies Act of South Africa.
Preparer	These annual financial statements were compiled by K Bailey of Ziyo under the supervision of Zanele Dhludhlu, finance director, Medecins Sans Frontieres Southern Africa NPC.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

INDEX

The reports and statements set out below comprise the annual financial statements presented to the members:

	Page
Directors' Responsibilities and Approval	3
Directors' Report	4 - 5
Independent Auditor's Report	6 - 8
Statement of Financial Position	9
Statement of Surplus or Deficit	10
Statement of Changes in Funds	11
Statement of Cash Flows	12
Accounting Policies	13 - 16
Notes to the Annual Financial Statements	17 - 26

The following supplementary information does not form part of the annual financial statements and is unaudited:

Detailed Income Statement	27 - 28
---------------------------	---------

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in their report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with the International Financial Reporting Standard for Small and Medium-sized Entities ("IFRS for SME's") and the requirements of the Companies Act of South Africa. The external auditor is engaged to express an independent opinion on the financial

The annual financial statements are prepared in accordance with the IFRS for SME's and the requirements of the Companies Act of South Africa, and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

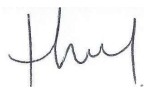
The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2021 and, in light of this review and the current financial position, they are satisfied that the company has, or has access to, adequate resources to continue in operational existence for the foreseeable future.

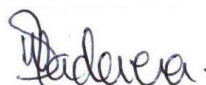
The external auditor is responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditor and the related report is presented on pages 6 to 8.

The annual financial statements set out on pages 4 to 26, which were prepared on the going concern basis, were approved and published by the directors on 12 April 2021 and were signed on their behalf by:

Approval of annual financial statements



Agnes Mwela Musonda



Walter Taderera

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

DIRECTORS' REPORT

The directors have pleasure in submitting their report for the year ended 31 December 2020.

1. Incorporation

The company was incorporated on 14 March 2007 as a non-profit company in South Africa and obtained its certificate to commence business on the same day. It thus has no authorised or issued share capital.

2. Nature of business

The company is a humanitarian organisation, which provides emergency medical aid to populations in danger due to epidemics, armed conflicts and other natural and man-made disasters.

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance and in compliance with IFRS for SME's and the requirements of the Companies Act 71 of 2008. Full details of the financial position, results of operations and cash flows of the company are set out in these financial statements.

4. Directorate

The directors of the company during the year and to the date of this report are as follows:

Directors	Nationality	Changes
K.C.D.A. Adriano	Angolan	Appointed: 21/11/2020
K.M. Chu	American	Resigned: 21/11/2020
G.L. Ngidi	South African	
A.S. Kruger	South African	Resigned: 21/11/2020
Z. Maximina	Zambian	Appointed: 21/11/2020
B.H. Mdlalose	South African	Appointed: 21/11/2020
S. Mire	Swedish	Resigned: 21/11/2020
N.C. Moea	Basotho	Resigned: 21/11/2020
A.M. Musonda	Zambian	
W.T. Taderera	Zimbabwean	
C. Takawira	Zimbabwean	Resigned: 21/11/2020
B.B. Zamadenga	Malawian	

5. Directors interests in contracts

No directors had interests in contracts that require disclosure.

6. Secretary

The company secretary is Andries Stefan Kruger.

Postal and residential address 264 Albertina Sisulu Street
Johannesburg
Gauteng

7. Auditor

PricewaterhouseCoopers Inc. has expressed its willingness to continue in office as auditor in accordance with Section 90 of the Companies Act of South Africa.

8. Non-current assets

Items of property, plant and equipment amounting to R612 383 (2019: R458 221) were purchased during the year in order to expand on the operations in South Africa.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

DIRECTORS' REPORT (CONTINUED)

9. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report which would require additional disclosure.

The world continues to battle the economic effects of Covid 19. The company has had to halt its face to face fundraising activities during levels 3, 4 and 5 of the lockdown in South Africa. Face to face fundraising activities result in a significant portion of the total fundraising income received by MSF Southern Africa. Considering the inability to continue this activity in 2020 and the first quarter of 2021, and the economic downturn caused by Covid 19, there is an expectation of increased donor cancellations, which will negatively impact the 2021 results. This is likely to be the case for all organisations dependent on individual donations.

10. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the company.

The company is funded to a significant degree by the Belgian MSF entity (80% of the budget) and confirmation has been received from MSF Belgium of their commitment to continue funding the company and its activities for the next 4 years (2020 - 2023) as per the 4 year projections that were approved by the company's board in November 2019 as well as the MSF Belgium board of directors in the resource sharing agreement.

Having included this confirmation in our scenario planning for the next 4 years, the board is confident that the company will continue to operate effectively and efficiently, guided by careful and regular financial planning and projections, so that at no time will expenditure commitments exceed the ability of the company to meet those commitments.

This resource sharing agreement (RSA) is an agreement covering a 4 year period (2020 - 2023). It reflects on the common aspirations of all MSF institutional members and seeks to enable operational directorates to:

- have a mechanism that ensures financial resources are adequate to meet operational ambitions;
- guarantee enough funding for their operational ambitions;
- have a movement-wide global financial management structure; and
- have mutual accountability.

The agreement is based on the fact that more than 6 million donors worldwide provide MSF with financial support towards our humanitarian activities. By donating to any MSF section, our donors support our collective social mission as implemented by all institutional members. MSF Southern Africa is an institutional member of MSF. Institutional members are stewards of this public generosity and are bound to use the respective revenues in support to our social mission and share them with operational directorates and institutional members based on the principles, goals and mechanisms described in this agreement. As a result, it is this revenue generated by institutional members that will be collectively allocated amongst operational directorates and institutional members. Institutional members' boards have a fiduciary responsibility vis-à-vis each and every donor, and as such, are responsible, jointly with the operational directorates, for the oversight of the use of donated funds, holding each other accountable.

The recently approved resource sharing agreement (RSA4) is built on the premise that donors provide funds to support MSF's work. The mechanism to distribute funding is designed to mutualize the risk, either positive or negative, of fundraising income. The mechanism to distribute funding will propose the grants needed to channel the funding generated by funding contributors to funding recipients. Funding contributors will distribute funding to funding recipients according to agreed-upon percentages totalling 100 percent.



Independent auditor's report

To the Members of Médecins Sans Frontières Southern Africa NPC

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Médecins Sans Frontières Southern Africa NPC (the Company) as at 31 December 2020, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

What we have audited

Médecins Sans Frontières Southern Africa NPC's financial statements set out on pages 9 to 26 comprise:

- the statement of financial position as at 31 December 2020;
- the statement of surplus and deficit for the year then ended;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended;
- accounting policies; and
- the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*.

PricewaterhouseCoopers Inc., 4 Lisbon Lane, Waterfall City, Jukskei View, 2090
Private Bag X36, Sunninghill, 2157, South Africa
T: +27 (0) 11 797 4000, F: +27 (0) 11 209 5800, www.pwc.co.za



Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled of “Médecins Sans Frontières Southern Africa NPC Annual Financial statements for the year ended 31 December 2020”, which includes the Directors’ Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: Raj Dhanlall

Registered Auditor

Waterfall City, Johannesburg, South Africa

12 April 2021

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

STATEMENT OF FINANCIAL POSITION AS AT THE YEAR ENDED 31 DECEMBER 2020

Figures in Rand	Notes	2020	2019 Restated*
ASSETS			
Non-current assets			
Property, plant and equipment	2	1,228,424	1,189,959
Intangible assets	3	-	142,165
		<u>1,228,424</u>	<u>1,332,124</u>
Current assets			
Amounts due from associated entities	4	1,373,407	1,194,438
Trade and other receivables	5	11,082,033	6,671,816
Cash and cash equivalents	6	21,771,725	16,151,220
		<u>34,227,165</u>	<u>24,017,474</u>
Total Assets		<u>35,455,589</u>	<u>25,349,598</u>
FUNDS AND LIABILITIES			
FUNDS			
Accumulated funds	7	9,665,593	2,727,302
		<u>9,665,593</u>	<u>2,727,302</u>
LIABILITIES			
Current liabilities			
Trade and other payables	8	10,594,725	9,834,156
Amounts due to associated entities	4	1,848,209	74,268
Borrowings	9	9,961,980	9,961,980
Provisions	7, 10	3,385,082	2,751,892
		<u>25,789,996</u>	<u>22,622,296</u>
Total Funds and Liabilities		<u>35,455,589</u>	<u>25,349,598</u>

* Refer to note 7

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

STATEMENT OF SURPLUS OR DEFICIT FOR THE YEAR ENDED 31 DECEMBER 2020

Figures in Rand	Notes	2020	2019 Restated*
Revenue	11	141,271,158	116,153,562
Other income		247,291	298,469
Operating expenses		<u>(134,777,833)</u>	<u>(118,801,184)</u>
Operating surplus / (deficit)	12	6,740,616	(2,349,153)
Investment income	13	472,864	432,590
Interest expense		<u>(275,189)</u>	<u>(250,172)</u>
Net surplus / (deficit) for the year		<u>6,938,291</u>	<u>(2,166,735)</u>

* Refer to note 7

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

STATEMENT OF CHANGES IN FUNDS

Figures in Rand	Note	Accumulated Funds	Total funds
Balance at 1 January 2019 as restated		4,894,037	4,894,037
Deficit for the year		(2,166,735)	(2,166,735)
Opening balance as previously reported		5,479,194	5,479,194
Prior period error		(2,751,892)	(2,751,892)
Balance at 1 January 2020 as restated	7	2,727,302	2,727,302
Surplus for the year		6,938,291	6,938,291
Balance at 31 December 2020		<u>9,665,593</u>	<u>9,665,593</u>

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

STATEMENT OF CASH FLOWS

Figures in Rand	Notes	2020	2019 Restated*
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from operating activities		137,108,232	123,498,822
Cash paid to suppliers and employees		(132,732,658)	(114,194,840)
Cash generated from operations	15	<u>4,375,574</u>	<u>9,303,982</u>
Investment income		472,864	432,590
Interest expense		(275,189)	(250,172)
Net cash from operating activities		<u>4,573,249</u>	<u>9,486,400</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(454,326)	(124,199)
Proceeds on disposal of property, plant and equipment		<u>64,667</u>	<u>43,393</u>
Net cash utilised in investing activities		<u>(389,659)</u>	<u>(80,806)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance lease payments		(158,057)	(334,022)
Net movement in related party balances		<u>1,594,972</u>	<u>1,980,525</u>
Net cash from financing activities		<u>1,436,915</u>	<u>1,646,503</u>
Total cash movement for the year		5,620,505	11,052,097
Cash and cash equivalents at the beginning of the year		<u>16,151,220</u>	<u>5,099,123</u>
Cash and cash equivalents at the end of the year	6	<u>21,771,725</u>	<u>16,151,220</u>

* Refer to note 7

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis in accordance and in compliance with the IFRS for SME's, and the Companies Act. The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below. They are presented in South African Rands.

1.1 Significant judgements and sources of estimation uncertainty

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the annual financial statements.

Key sources of estimation uncertainty

The financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.2 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year.

Property, plant and equipment are initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write down the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	5 years
IT equipment	Straight line	3 years
Leasehold improvements	Straight line	6 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

ACCOUNTING POLICIES (CONTINUED)

1.2 Property, plant and equipment (continued)

The depreciation charge for each year is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Any gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.3 Intangible assets

Intangible assets are initially recognised at cost and subsequently at cost less accumulated amortisation and accumulated impairment losses.

Research and development costs are recognised as an expense in the period incurred.

Amortisation is provided to write down each intangible asset, on a straight-line basis, over its useful life as assessed by management on a case-by-case basis.

Item

Computer software (implementation costs capitalised)

In cases where management is unable to make a reliable estimate of the useful life of an intangible asset, its best estimate is applied, limited to 10 years.

The residual value, amortisation period and amortisation method for intangible assets are reassessed when there is an indication that there is a change from the previous estimate.

1.4 Financial instruments

Initial measurement

Financial instruments are initially measured at the transaction price (including transaction costs except in the initial measurement of financial assets and liabilities that are measured at fair value through surplus or deficit) unless the arrangement constitutes, in effect, a financing transaction in which case it is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial instruments at amortised cost

These include loans, trade receivables and trade payables. Those debt instruments which meet the criteria in section 11.8(b) of the Standard, are subsequently measured at amortised cost using the effective interest method. Debt instruments which are classified as current assets or current liabilities are measured at the undiscounted amount of the cash expected to be received or paid, unless the arrangement effectively constitutes a financing transaction.

At each reporting date, the carrying amounts of assets held in this category are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence, the recoverable amount is estimated and compared with the carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

ACCOUNTING POLICIES (CONTINUED)

1.4 Financial instruments (continued)

Amounts due to/(from) related parties

Amounts due to/(from) related parties whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

Derecognition

Financial instruments are derecognised when:

1. the contractual rights to the cash flows from the financial asset expire or are settled;
2. all of the significant risks and rewards relating to the financial asset are transferred to another party; or
3. the ability to sell the asset in its entirety to an unrelated third party (who is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer) has been transferred, even if some significant risks and rewards relating to the financial asset have been retained.

Amounts due to/(from) related parties

Amounts due to/(from) related parties whose fair value cannot otherwise be measured reliably without undue cost or effort are measured at cost less impairment.

1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership to the lessee. All other leases are operating leases.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term unless:

1. another systematic basis is representative of the time pattern of the benefit from the leased asset, even if the payments are not on that basis; or
2. the payments are structured to increase in line with expected general inflation (based on published indices or statistics) to compensate for the lessor's expected inflationary cost increases.

Any contingent rents are expensed in the period they are incurred.

1.6 Impairment of assets

The company assesses at each reporting date whether there is any indication that property, plant and equipment or intangible assets or goodwill or investment property on the cost model may be impaired.

If there is any such indication, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit.

If an impairment loss subsequently reverses, the carrying amount of the asset (or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of assets) in prior years. A reversal of impairment is recognised immediately in surplus or deficit.

1.7 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, those payable within 12 months after the service is rendered, such as leave pay and sick leave, bonuses, and non-monetary benefits such as medical care, are recognised in the period in which the service is rendered and are not discounted.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

ACCOUNTING POLICIES (CONTINUED)

1.7 Employee benefits (continued)

Provision for end of mandate benefit

The end of mandate benefit is aimed at attracting and retaining professionals to deliver on the organisation's strategic objectives. The organisation, in line with its global workforce and diversity strategy, employs both local and foreign employees. The end of mandate benefit assists foreign employees to re-integrate into their home country after assignment by assisting them in making provisions for periods of unemployment when they return to their home countries, as well as as an incentive for locally established employees to retain the strategic expertise of the foreign employee for the fixed period. This provision recognises the company's contractual commitment to fixed-term foreign employees employed under the Global Position Package who are paid a lump-sum on completion of their employment period to assist them to meet the financial disruption of the return to their home countries. The value of the benefit, introduced in 2018, is based on the length of the fixed-term employment period.

Provision for annual flight home benefit

This provision recognises the company's contractual commitment to provide flights for its employees employed under the Global Position Package and their dependents during their terms of employment.

1.8 Provisions and contingencies

Provisions are recognised when:

1. the organisation has an obligation at the reporting date as a result of a past event;
2. it is probable that the organisation will be required to transfer economic benefits in settlement; and
3. the amount of the obligation can be estimated reliably.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised.

1.9 Revenue and other operating income

Revenue is measured at the fair value of the consideration received or receivable.

Donations and grants that are project specific are recognised as income over the duration of the project as and when the expenditure is incurred. Donations and grants received which are project specific and are not utilised are deferred until the related expenditure is incurred, under the terms of the relevant contract.

Donations that are not project specific or otherwise restricted, and sundry income, are recognised as income when they are received.

Interest is recognised in surplus or deficit using the effective interest rate method.

1.10 Foreign exchange

Foreign currency transactions

Exchange differences arising on monetary items are recognised in surplus or deficit in the period in which they arise.

All transactions in foreign currencies are initially recorded in surplus or deficit, using the spot rate at the date of the transaction. Foreign currency monetary items at the reporting date are translated using the closing rate. All exchange differences arising on settlement or translation are recognised in surplus or deficit.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

2. PROPERTY, PLANT AND EQUIPMENT

	2020			2019		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	368,238	(340,274)	27,964	368,238	(327,567)	40,671
Motor vehicles	285,159	(175,159)	110,000	398,971	(228,097)	170,874
Office equipment	81,020	(55,707)	25,313	78,922	(43,758)	35,164
IT equipment	1,489,097	(850,663)	638,434	1,815,025	(1,201,157)	613,868
Leasehold improvements	492,079	(65,366)	426,713	334,022	(4,640)	329,382
	2,715,593	(1,487,169)	1,228,424	2,995,178	(1,805,219)	1,189,959

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Depreciation	Disposals At cost	Disposals Acc dep	Closing balance
Furniture and fixtures	40,671	-	(12,707)	-	-	27,964
Motor vehicles	170,874	-	(12,298)	(113,812)	65,236	110,000
Office equipment	35,164	6,249	(16,100)	(4,151)	4,151	25,313
IT equipment	613,868	448,077	(347,439)	(774,005)	697,933	638,434
Leasehold improvements	329,382	158,057	(60,726)	-	-	426,713
	1,189,959	612,383	(449,270)	(891,968)	767,320	1,228,424

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Depreciation	Disposals At cost	Disposals Acc dep	Closing balance
Furniture and fixtures	55,939	6,430	(21,372)	(326)	-	40,671
Motor vehicles	212,968	-	(42,094)	-	-	170,874
Office equipment	51,274	23,099	(39,209)	-	-	35,164
IT equipment	820,731	94,670	(252,929)	(48,604)	-	613,868
Leasehold improvements	-	334,022	(4,640)	-	-	329,382
	1,140,912	458,221	(360,244)	(48,930)	-	1,189,959

Net carrying amounts of leased assets

	2020	2019
Leasehold improvements	426,713	329,382

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand

3. INTANGIBLE ASSETS

	2020			2019		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software (Implementation costs capitalised)	<u>284,330</u>	<u>(284,330)</u>	<u>-</u>	<u>284,330</u>	<u>(142,165)</u>	<u>142,165</u>

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Closing balance
Computer software (Implementation costs capitalised)	<u>142,165</u>	<u>-</u>	<u>(142,165)</u>	<u>-</u>

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Closing balance
Computer software (Implementation costs capitalised)	<u>284,330</u>	<u>-</u>	<u>(142,165)</u>	<u>142,165</u>

4. AMOUNTS DUE (TO) / FROM ASSOCIATED ENTITIES

Related parties

	2020	2019
Medecins Sans Frontieres - Belgium	459,810	629,480
Medecins Sans Frontieres - Belgium	(572,729)	-
Medecins Sans Frontieres - Belgium CT Co-ordination	209,053	11,168
Medecins Sans Frontieres - Belgium Trust	(56,084)	(74,268)
Medecins Sans Frontieres - Brazil	(409,270)	-
Medecins Sans Frontieres - Geneva	203,409	110,249
Medecins Sans Frontieres - Greece	96,699	28,789
Medecins Sans Frontieres - Hong Kong	128,747	103,034
Medecins Sans Frontieres - International office	-	42,571
Medecins Sans Frontieres - OCA Amsterdam	139,170	185,799
Medecins Sans Frontieres - Paris	116,907	15,838
Medecins Sans Frontieres - Spain OCBA	14,149	17,342
Medecins Sans Frontieres - Supply	(261,720)	-
Medecins Sans Frontieres - Switzerland	5,463	50,168
Medecins Sans Frontieres - United Kingdom	(548,406)	-
	<u>(474,802)</u>	<u>1,120,170</u>

The balances are unsecured, interest free with no fixed terms of repayment.

Current assets	1,373,407	1,194,438
Current liabilities	(1,848,209)	(74,268)
	<u>(474,802)</u>	<u>1,120,170</u>

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2020	2019 Restated*
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	8,539,059	3,488,823
Prepayments	711,127	616,118
Deposits	542,489	536,989
Value-added tax	1,157,612	1,633,344
Other receivables	76,144	51,344
MSF fieldworker expense recoverables	-	292,532
Employee costs in advance	55,602	52,666
	<u>11,082,033</u>	<u>6,671,816</u>
6. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents consist of:		
Cash on hand	1,003	753
Bank balances	21,770,722	16,150,467
	<u>21,771,725</u>	<u>16,151,220</u>
7. PRIOR YEAR ERROR		
The end of mandate benefit was not previously identified as a potential liability and thus not disclosed in the annual financial statements of the previous years. The prior year figures have now been restated. The effect of the error results in the following adjustments:		
Statement of financial position		
Opening accumulated funds	2,751,892	2,501,720
Provisions	(2,751,892)	(2,751,892)
Statement of surplus or deficit		
Interest charge	-	250,172
8. TRADE AND OTHER PAYABLES		
Trade and other payables	5,251,261	4,141,429
Fundraising income payable	5,343,464	5,692,727
	<u>10,594,725</u>	<u>9,834,156</u>
9. BORROWINGS		
At amortised cost		
Medecins Sans Frontieres - Belgium	<u>9,961,980</u>	<u>9,961,980</u>

The loan is unsecured and interest-free with no fixed terms of repayment.

* Refer to note 7

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2020	2019 Restated*
10. PROVISIONS		
End of mandate benefit	3,027,082	2,751,892
<p>The end of mandate benefit is aimed at attracting and retaining professionals to deliver on the organisation's strategic objectives. The organisation, in line with its global workforce and diversity strategy, employs both local and foreign employees. The end of mandate benefit assists foreign employees to re-integrate into their home country after assignment by assisting them in making provisions for periods of unemployment when they return to their home countries, as well as as an incentive for locally established employees to retain the strategic expertise of the foreign employee for the fixed period. This provision recognises the company's contractual commitment to fixed-term foreign employees employed under the Global Position Package who are paid a lump-sum on completion of their employment period to assist them to meet the financial disruption of the return to their home countries. The value of the benefit, introduced in 2018, is based on the length of the fixed-term employment period.</p>		
Annual flight home benefit	358,000	-
<p>This provision recognises the company's contractual commitment to provide flights for its employees employed under the Global Position Package and their dependents during their terms of employment.</p>		
	<u>3,385,082</u>	<u>2,751,892</u>

* Refer to note 7

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2020	2019
11. REVENUE		
Grants received	84,576,785	77,987,822
Restricted fundraising income	18,636,002	6,073,317
Unrestricted fundraising income	38,058,371	32,092,423
	<u>141,271,158</u>	<u>116,153,562</u>
Grants received is made up of:		
MSF Operational Centre Brussels	58,940,470	54,642,010
Southern Africa Medical Unit	21,756,765	19,895,025
Learning and Development	3,879,550	3,450,787
	<u>84,576,785</u>	<u>77,987,822</u>
Restricted fundraising income is made up of:		
Covid 19 Pandemic		
Companies and Trusts		
Dell Foundation	7,000,000	-
Maitri Trust	3,345,190	-
Nedbank Foundation	2,000,000	-
Standard Bank	2,000,000	-
Zurich Foundation	1,916,000	-
Raith Foundation	1,000,000	-
Lowenstein	100,000	-
Givaudan	50,762	-
Others	913,400	-
	<u>18,325,352</u>	<u>-</u>
Cyclone IDAI and Southern Africa Floods		
Companies and Trusts		
Datatec Limited	-	1,000,000
Samsung Electronics South Africa (Pty) Ltd	-	517,190
Donor Choice Foundation - FNB	-	503,483
MTN Foundation	-	500,000
Illova Sugar South Africa	-	500,000
Loewenstein Trust (Investec)	-	500,000
Staalboer	-	100,000
Bureau Veritas	-	50,000
SME's and other smaller donations	-	289,856
	<u>-</u>	<u>3,960,529</u>
Individuals	<u>-</u>	<u>838,798</u>
	<u>-</u>	<u>4,799,327</u>
Projects in South Africa		
Companies and Trusts		
Loewenstein Trust (Investec)	-	1,000,000
Discovery Vitality	268,640	268,640
	<u>268,640</u>	<u>1,268,640</u>
Individuals	<u>-</u>	<u>5,350</u>
	<u>268,640</u>	<u>1,273,990</u>
Other Emergency Earmarked Fundraising Income	42,010	-
	<u>18,636,002</u>	<u>6,073,317</u>

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2020	2019 Restated*
12. OPERATING SURPLUS / (DEFICIT)		
Operating surplus / (deficit) for the year is stated after accounting for the following:		
Operating lease charges		
Premises - contractual amounts	1,498,600	1,249,014
Deficit on sale of property, plant and equipment	59,981	5,537
Depreciation of property, plant and equipment	591,435	489,531
Employee costs	52,534,817	47,741,391
Donations	49,682,019	32,804,398
Advertising and promotions	14,186,110	13,738,506
Consulting and professional fees	7,762,812	9,503,399
Travel costs	3,217,036	7,187,367
Sundry	5,245,023	6,082,041
13. INVESTMENT INCOME		
Interest income		
Bank	<u>472,864</u>	<u>432,590</u>
14. TAXATION		
The company is an approved public benefit organisation. As a result, non-trading income is exempt from income tax in terms of section 10(1)(cN) of the Income Tax Act. Only receipts and accruals from trading or business activities which fall outside the parameters of section 10(1)(cN) will be subject to tax.		
15. CASH GENERATED FROM OPERATIONS		
Surplus / (deficit) for the year	6,938,291	(2,166,735)
Adjustments for:		
Depreciation and amortisation	591,435	502,409
Deficit on disposal of property, plant and equipment	59,981	5,537
Investment income	(472,864)	(432,590)
Interest expense	275,189	250,172
Changes in working capital:		
(Increase) / decrease in trade and other receivables	(4,410,217)	7,046,791
Increase in trade and other payables	760,569	3,848,226
Increase in provisions	633,190	250,172
	<u>4,375,574</u>	<u>9,303,982</u>
16. COMMITMENTS		
Operating leases - as lessee (expense)		
Minimum lease payments due		
Within one year	1,378,977	-
In second to fifth year inclusive	7,104,628	-
	<u>8,483,605</u>	<u>-</u>

Operating lease payments represent rentals payable by the company for certain of its office properties. Leases are negotiated for an average term of six years. No contingent rent is payable.

* Refer to note 7

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand

17. RELATED PARTIES

Relationships

Common directorship	Medecins Sans Frontieres - Amsterdam - OCA
	Medecins Sans Frontieres - Australia
	Medecins Sans Frontieres - Belgium
	Medecins Sans Frontieres - Belgium - CT Co-ordination Office
	Medecins Sans Frontieres - Brazil
	Medecins Sans Frontieres - Canada
	Medecins Sans Frontieres - Emergency Pool
	Medecins Sans Frontieres - Epicentre
	Medecins Sans Frontieres - Geneva
	Medecins Sans Frontieres - Geneva - Maputo
	Medecins Sans Frontieres - Hong Kong
	Medecins Sans Frontieres - International Office
	Medecins Sans Frontieres - Luxembourg
	Medecins Sans Frontieres - Malawi
	Medecins Sans Frontieres - OCA - Zimbabwe
	Medecins Sans Frontieres - Operational Centres
	Medecins Sans Frontieres - Paris
	Medecins Sans Frontieres - Spain - OCBA
	Medecins Sans Frontieres - Supply
	Medecins Sans Frontieres - Swaziland - Nhlngano
	Medecins Sans Frontieres - Sweden
	Medecins Sans Frontieres - Swiss
	Medecins Sans Frontieres - Switzerland
	Medecins Sans Frontieres - UK
	Medecins Sans Frontieres - USA
	Medecins Sans Frontieres International - Access Campaign
	Medecins Sans Frontieres OCB - Zimbabwe

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

Figures in Rand	2020	2019
17. RELATED PARTIES (CONTINUED)		
Related party balances		
Amounts due (to) / from related parties		
Medecins Sans Frontieres - Belgium	459,810	629,480
Medecins Sans Frontieres - Belgium	(572,729)	-
Medecins Sans Frontieres - Belgium	(9,961,980)	(9,961,980)
Medecins Sans Frontieres - Belgium CT Co-ordination	209,053	11,168
Medecins Sans Frontieres - Belgium Trust	(56,084)	(74,268)
Medecins Sans Frontieres - Brazil	(409,270)	-
Medecins Sans Frontieres - Geneva	203,409	110,249
Medecins Sans Frontieres - Greece	96,699	28,789
Medecins Sans Frontieres - Hong Kong	128,747	103,034
Medecins Sans Frontieres - International office	-	42,571
Medecins Sans Frontieres - OCA Amsterdam	139,170	185,799
Medecins Sans Frontieres - Paris	116,907	15,838
Medecins Sans Frontieres - Spain OCBA	14,149	17,342
Medecins Sans Frontieres - Supply	(261,720)	-
Medecins Sans Frontieres - Switzerland	5,463	50,168
Medecins Sans Frontieres - United Kingdom	(548,406)	-
	<u>(10,436,782)</u>	<u>(8,841,810)</u>
Related party transactions		
Grants received from related party		
Medecins Sans Frontieres - Belgium	<u>84,576,785</u>	<u>77,987,822</u>
18. DIRECTOR'S AND PRESCRIBED OFFICERS' REMUNERATION		
Executive		
A.M. Musonda		
Emoluments	<u>200,190</u>	<u>190,750</u>
	<u>200,190</u>	<u>190,750</u>
Prescribed officers		
G.S.G. Molinie		
Emoluments	724,546	1,528,971
Other benefits	227,396	49,545
Pension paid or receivable	128,275	149,889
	<u>1,080,217</u>	<u>1,728,405</u>
A. Mews		
Emoluments	<u>603,234</u>	-
	<u>603,234</u>	-
	<u>1,683,451</u>	<u>1,728,405</u>

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

19. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the company to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to procure funding for the ongoing operations of the company.

The company is funded to a significant degree by the Belgian MSF entity (80% of the budget) and confirmation has been received from MSF Belgium of their commitment to continue funding the company and its activities for the next 4 years (2020 - 2023) as per the 4 year projections that were approved by the company's board in November 2019 as well as the MSF Belgium board of directors in the resource sharing agreement.

Having included this confirmation in our scenario planning for the next 4 years, the board is confident that the company will continue to operate effectively and efficiently, guided by careful and regular financial planning and projections, so that at no time will expenditure commitments exceed the ability of the company to meet those commitments.

This resource sharing agreement (RSA) is an agreement covering a 4 year period (2020 - 2023). It reflects on the common aspirations of all MSF institutional members and seeks to enable operational directorates to:

- have a mechanism that ensures financial resources are adequate to meet operational ambitions;
- guarantee enough funding for their operational ambitions;
- have a movement-wide global financial management structure; and
- have mutual accountability.

The agreement is based on the fact that more than 6 million donors worldwide provide MSF with financial support towards our humanitarian activities. By donating to any MSF section, our donors support our collective social mission as implemented by all institutional members. MSF Southern Africa is an institutional member of MSF. Institutional members are stewards of this public generosity and are bound to use the respective revenues in support to our social mission and share them with operational directorates and institutional members based on the principles, goals and mechanisms described in this agreement. As a result, it is this revenue generated by institutional members that will be collectively allocated amongst operational directorates and institutional members. Institutional members' boards have a fiduciary responsibility vis-à-vis each and every donor, and as such, are responsible, jointly with the operational directorates, for the oversight of the use of donated funds, holding each other accountable.

The recently approved resource sharing agreement (RSA4) is built on the premise that donors provide funds to support MSF's work. The mechanism to distribute funding is designed to mutualize the risk, either positive or negative, of fundraising income. The mechanism to distribute funding will propose the grants needed to channel the funding generated by funding contributors to funding recipients. Funding contributors will distribute funding to funding recipients according to agreed-upon percentages totalling 100 percent.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (CONTINUED)

20. EVENTS AFTER REPORTING PERIOD

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report which would require additional disclosure.

The world continues to battle the economic effects of Covid 19. The company has had to halt its face to face fundraising activities during levels 3, 4 and 5 of the lockdown in South Africa. Face to face fundraising activities result in a significant portion of the total fundraising income received by MSF Southern Africa. Considering the inability to continue this activity in 2020 and the first quarter of 2021, and the economic downturn caused by Covid 19, there is an expectation of increased donor cancellations, which will negatively impact the 2021 results. This is likely to be the case for all organisations dependent on individual donations.

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

DETAILED INCOME STATEMENT

Figures in Rand	Notes	2020	2019 Restated*
Revenue			
Grants received		84,576,785	77,987,822
Restricted fundraising income		18,636,002	6,073,317
Unrestricted fundraising income		38,058,371	32,092,423
	11	<u>141,271,158</u>	<u>116,153,562</u>
Other income			
Sundry income		99,493	60,350
Grants received - HWSETA		147,798	238,119
Investment income	13	472,864	432,590
		<u>720,155</u>	<u>731,059</u>
Operating expenses (refer to page 28)		(134,777,833)	(118,801,184)
Operating surplus / (deficit)	12	<u>7,213,480</u>	<u>(1,916,563)</u>
Interest expense		(275,189)	(250,172)
Net surplus / (deficit) for the year		<u>6,938,291</u>	<u>(2,166,735)</u>

The supplementary information presented does not form part of the financial statements and is unaudited.

* Refer to note 7

MEDECINS SANS FRONTIERES SOUTHERN AFRICA NPC

(Registration number 2007/008324/08)

Annual Financial Statements for the year ended 31 December 2020

DETAILED INCOME STATEMENT (CONTINUED)

Figures in Rand	2020	2019
OPERATING EXPENSES		
Advertising	14,186,110	13,738,506
Auditor's remuneration	466,579	406,805
Bank charges	110,150	147,015
COVID 19 association activities	1,022,993	-
Deficit on sale of assets	59,981	5,537
Depreciation and amortisation	591,435	489,531
Design of media production expenses	90,328	308,872
Donations	49,682,019	32,804,398
Employee expenses	52,534,817	47,741,391
Fines and penalties	118,162	-
Insurance	198,950	195,025
Language translation expenses	37,843	120,523
Lease rentals on operating lease	1,498,600	1,249,014
Legal fees	113,688	29,615
Meeting and workshops	503,895	1,783,106
Merchandising expenses	-	5,791
Motor vehicle expenses	59,532	90,798
MSF Sections - unclaimed/unpaid	-	1,150
Municipal expenses	276,849	307,749
Other consulting and professional fees	7,762,812	9,503,399
Other expenses	807,344	1,116,512
Postage and delivery expenses	20,906	252,600
Printing and stationery	46,556	54,080
Repairs and maintenance	620,026	560,234
Subscriptions	35,152	43,635
Telephone expenses	595,640	432,651
Training	120,430	225,880
Travel expenses	3,217,036	7,187,367
	<u>134,777,833</u>	<u>118,801,184</u>

The supplementary information presented does not form part of the annual financial statements and is unaudited.