Annual Report

2010

Medical Action Myanmar

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1. About Medical Action Myanmar

1.1 Introduction

Stichting Medical Action – Myanmar (MAM) started medical activities on the 1st of June 2009. It was officially established on 27th June 2009 and is registered with the Chamber of Commerce in Amsterdam under number 34345953. The legal office address is in Amsterdam. The office of the general director and management team of the organization is located in Yangon, Myanmar.

1.2 Management & Board

The operational management of MAM is based in Yangon, Myanmar and consists of:

- Dr. Frank Smithuis – General Director
- Mr. René Mous – Resource Coordinator
- Dr. Ni Ni Tun – Medical Coordinator

The board of the organization consists of:

- Dr. Alex Winkler, chairman of the board, *(general director Stichting Artsen voor Kinderen, Amsterdam)*
- Drs. Jikke Wigmans
- Drs. Constant Mostart, (general practitioner, Amsterdam)
- Dr. Job van Woensel, (paediatrician/intensive care specialist, Amsterdam)
- Prof. Nick White *(Chairman of the Oxford University based Wellcome Trust Southeast Asian Tropical Medicine Research Programmes)*

1.3 Goals

MAM wants to achieve:

- increased access to prevention, diagnosis, treatment and
- decreased mortality and morbidity,

MAM will focus on the following diseases and conditions:

- HIV/AIDS and sexually transmitted diseases (STI)
- Malaria
- Tuberculosis, and
- Common severe childhood diseases and acute malnutrition.

MAM also wants to achieve increased access to family planning.
In addition MAM will try to treat all patients with severe acute diseases who can realistically be treated by MAM.

1.4 Values

Above all else, Medical Action Myanmar values:

- Accessibility for the poor
- Non-discrimination
- Patient dignity
- Proven effectiveness
- Accountability to patients and donors

- Cost-effectiveness and replication to large scale.

1.5 Strategy

The aim of Medical Action Myanmar is to come to a network of clinics that take on a large number of patients to reach the goals mentioned above. However, the size of the activities and of the number of clinics depends directly on the amount of donations secured. AIDS treatment is long term and needs an additional carefulness with regards to future planning. Medical Action Myanmar is technically capable of growing rapidly, but due to the unsure financial future, and issues with authorization of activities by the authorities, the growth will have to be undertaken step by step, in line with new commitments of donors. However, MAM has the technical capability to set up new activities and clinics can be set up quickly, if additional funds are found.

1.6 Finance

MAM is a relatively young organisation and does not have a large network of institutional donors yet. And due to delayed registration with the Burmese authorities, it is not possible to approach certain institutional donors, who require in-country registration, directly. These donors can only be approached under the umbrella of other registered NGOs. MAM has therefore focused, next to large-scale institutional donors, on fundraising among a large network of private donors.

Due to the fact that many patients need long term treatment, MAM needs to build up a reserve. In case donors suddenly decrease, patient's care and treatment needs to continue. To secure this MAM wants to build up a minimal reserve that covers 6 months of operational costs plus 2 years of medical supply for chronic disease patients.

2. Activity Report 2010

2.1 Introduction

Medical Action Myanmar started operations in June 2009 with the opening of one clinic in Hlaingthayar township. From that moment we aimed to expand activities in this clinic, add more clinics with similar activities in other poor townships of Yangon and start additional projects in other areas. The speed of the growth mainly depended on the acquirement of funds from donors and authorization of government to implement the activities.

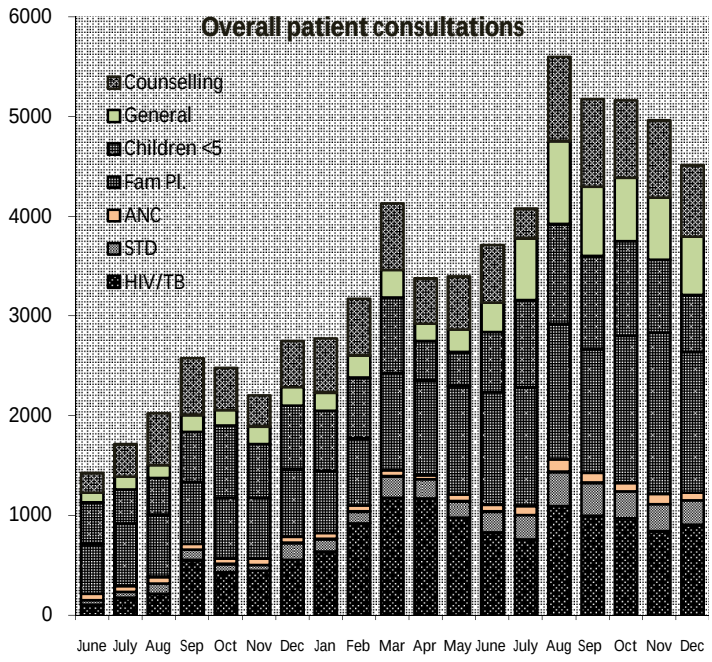
Permission from the authorities has been the dilemma of 2010. We have been waiting for approval to set up a clinic in Shwepyithar township, a neighbouring township of Hlaingthayar, for 6 months and finally abandoned the plan to get approval altogether. And more importantly we have been waiting for 15 months to get approval to start a new malaria project for which 3 Disease Fund had committed 1 million USD. The authorities have told us twice to change the location of the activities. The latest is that the government suggested implementing the project in Mon state. [note; finally approval was granted in January 2011 and after more bureaucratic hurdles we could start in March 2011].

On the positive side, activities in the Hlaingthayar clinic have been going well with patient numbers increasing steadily and good treatment results. And, in addition, we recently started malaria and family planning activities in Kachin state. These activities are funded by a private donor and implemented with non-government staff. We can therefore implement them without official approval.

2.2 Project A: General health and AIDS services in the poorest townships of Yangon.

Rationale: Hlaingthayar township is the poorest area in Yangon. People cannot afford to pay for basic health needs. The 'Thazin' clinic (Thazin is a name of a flower and the name of the clinic was introduced by MSF. MAM is now using this name as well to 'hide under the name of MSF) provides a mix of activities including mother and child care, treatment for malnourished children, reproductive health including family planning and treatment of sexually transmitted infections, HIV testing and counselling and treatment and care for people with HIV/AIDS.

2.2.1 Consultations



The number of consultations has been going up in the 1st half of 2010 but stabilized over the 2nd half of 2010. The high number of consultations reflects good and accessible services. Before this project started, these patients would have visited the private sector (with poor quality diagnosis and care) or - commonly - remained untreated. The clinic is popular by the people of Hlaingthayar and also attracts seriously ill people from other areas (greater Yangon, Ayeyarwaddy Delta - the cyclone Nargis hit area - and other areas). In total 50,074 consultations were performed in the clinic in 2010; 42,464 clinical consultations and 7,610 counselling

sessions. The clinic staff increased from 9 in 2009 to 19 staff at the end of 2010 (5 doctors, 5 nurse/counsellors, 3 laboratory technicians, 2 outreach worker, 1 logistic staff, 2 guards and a cleaner).

2.2.2 Treatment of children under 5 years of age

Rationale: The most common pathology in children under 5 years of age are respiratory tract infections, diarrhoea and skin infections. All children who visit the clinic are also screened for malnutrition. Severe acute malnutrition has a mortality of over 50%. Children with severe acute malnutrition are admitted and treated according to international guidelines that has been proven to reduce mortality to <10%. This includes rehydration, re-feeding in a step up schedule and treatment of underlying diseases. In the feeding centre they receive 6 meals per day, initially fluids for rehydration and specific diluted milk formula (F75), followed by F100 (therapeutic milk with high in energy, fat, and protein, and a large amount of nutrients) and finally "plumpy nut", a nutritious paste with all required nutrients. They also receive treatment of underlying diseases (mostly TB). Besides the treatment we are looking into the socio-economic situation of the family, in particular for orphans and children with a single parent. Temporary assistance is given for families in serious need. Some children with severe and complicated pathology were referred to a specialist hospital (treatment paid by MAM), but if anyhow possible we prefer to treat severe pathology in the clinic.

8,361 paediatric consultations were performed in 2010 and 93 children were admitted for acute severe malnutrition. 4 children died. 3 were HIV positive. The 4th child's HIV status was unknown. 16 children were lost to follow up after a number of days in the clinic.

2.2.3 Reproductive Health

Rationale: Reproductive health activities include screening and treatment for reproductive tract infections and sexually transmitted infections (STI), including a physical exam and laboratory screening for the most common pathology and testing and consultations for pregnancies. Female sex workers and men who have sex with men are important target groups for STI management because they are involved with high risk behaviour and their positivity rates are usually high. Screening and treatment for RTI reduce the chance to get, or spread HIV. Syphilis prevalence is very high in this township and a potential danger for patients and unborn babies and it is an important factor for the spread of HIV. Pregnant women are an important target because of the danger for themselves and for their unborn babies.

In 2010 2,743 patients were examined for reproductive tract infections (RTI). 952 pregnant women were tested for RTI and HIV. In total 3,565 persons were tested for syphilis and 542 (15%) tested positive.

2.2.4 Family planning

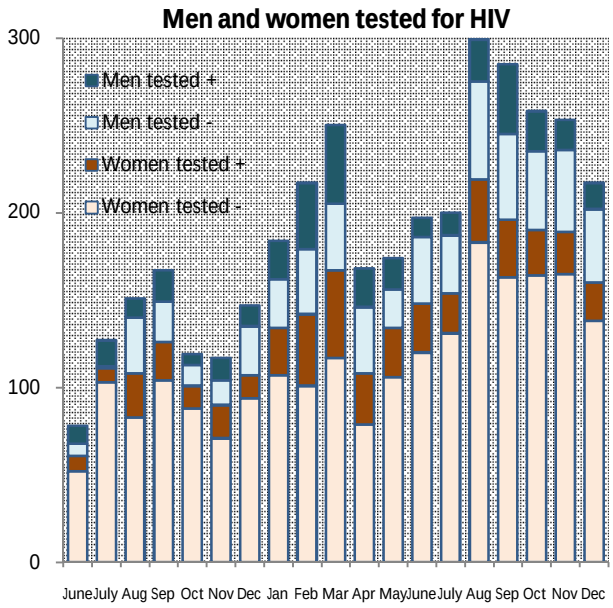
Rationale: Many women have more children than they want and/or can care for adequately. This leads to poor health of both mothers and children. In addition, it leads to illegal abortion, which is usually performed in a non sterile way, leading to infection and death of the mother. This is mainly due to a lack of access to (affordable) family planning methods.

In 2010 13,716 consultations were made for family planning. Most women are treated with *depot provera* which prevents pregnancy for ≥ 3 months and is very popular in Myanmar.

2.2.5 AIDS prevention and treatment

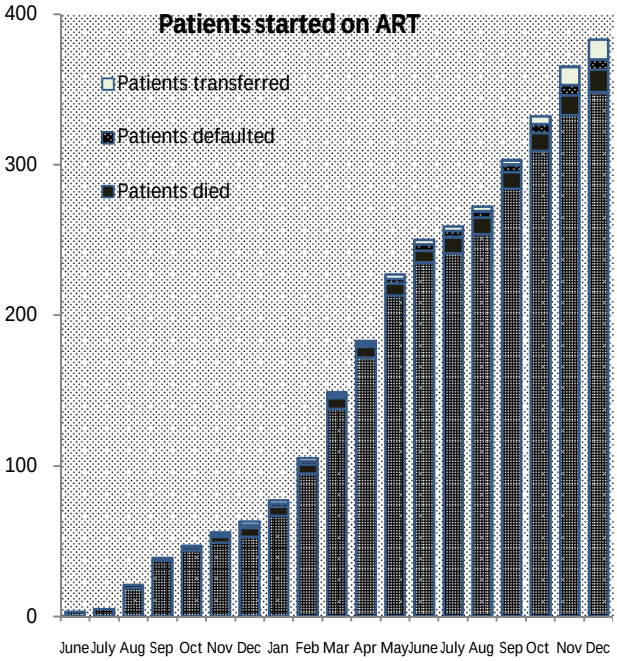
In 2010 HIV testing was done for 2702 people. 1941 women of whom 367 tested + (19%) and 761 men of whom 288 tested + (38%). Patients who tested positive were informed about the possibility of *Anti-Retroviral Treatment* (ART), the specific medicines for people with AIDS. Patients with severe disease or whose immune system was compromised (CD4 count <350) were offered ART. 383 patients were enrolled to receive ART since June 2009. 12 children and 371 adults. Fifteen patients, all adults, died during follow up. They presented with an advanced stage of AIDS and treatment did not prevent a further deterioration. All of them had a baseline CD4 below 50, and 2/3rd of them had a CD4 below 20.
Seven patients, 6 adults and 1 child were lost to follow up.

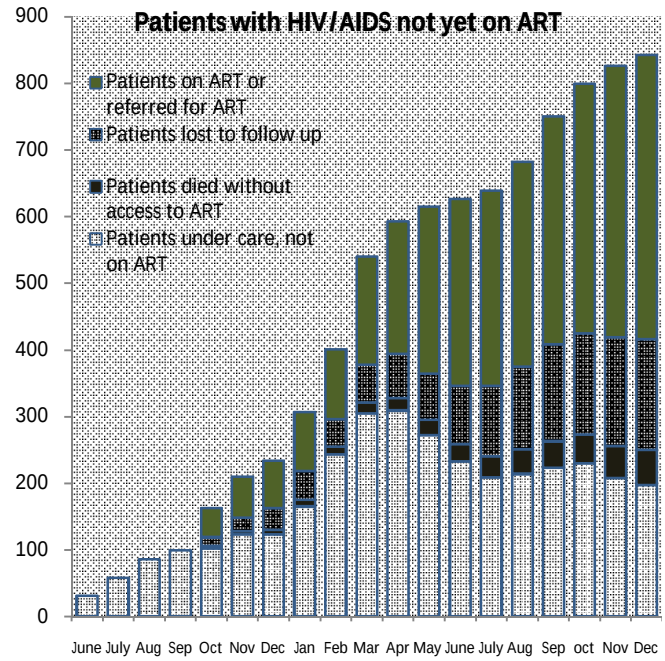
Consequently 361 patients (94%) were still on treatment at the end of 2010. Thirteen patients were transferred to another project where ART is available, because they live very far from the clinic (Mandalay, Shan and Kachin). Of the remaining 348 patients 339 of them were already fit enough to do daily activities (return to work?) and all patients were completely asymptomatic after 6 months of treatment.



In addition 416 HIV+ patients have been visiting the clinic regularly but did not receive ART yet. These patients only received cotrimoxazole prophylactic treatment. 53 of these patients have died so far. Another 166 patients have been lost to follow up. They might have found ART elsewhere (a rare event) or - most likely - died as well. 197 are still waiting in the hope to get admitted into the ART program.

HIV+ pregnant women visiting the clinic get preferential treatment and are offered ART immediately to treat their HIV infection. This treatment not only saves their lives, which enables them to take care for their children, but it is also highly effective to prevent HIV transmission to their unborn baby.





2.2.6 Tuberculosis treatment

Rationale: We test all patients who are suspected for tuberculosis in the clinic. Patients who are diagnosed to have uncomplicated Tuberculosis are usually referred to the government hospital where treatment is supposed to be free. Patients who have complications (patients who are co-infected with HIV, patients who have acute malnutrition or other vulnerable patients) are treated in our clinic to be able to address the complications as well.

415 patients were diagnosed with TB. 258 of the most sick (with HIV or other complications) were treated in the clinic while 157 less severe were referred to the Department of Health. All patients received food support.

2.2.7 Intensive-care patients & overnight stay

Rationale: Critically ill patients need intensive treatment for a number of days (mostly patients with severe dehydration, severe malnutrition, meningitis, sepsis or patients who needed 14 days consecutive treatment with IV amphotericin for cryptococcal meningitis). MAM provides them with "intensive *day* care" in the clinic. These patients are not allowed to stay overnight in the clinic (government rules). That is problematic, especially for patients who come from far. For these patients we have built a house with 6 rooms nearby the clinic, where they can stay overnight. In the evening the patients are brought to the house and in the morning they are brought back to the clinic to continue their treatment. When their intensive care treatment has finished, they have to vacant the room for the next IC patients. Also patients under extra difficult circumstances can get temporary shelter in the house. (like single mothers thrown out of the house by the in-laws after the husband died, … unfortunately not uncommon).

328 patients were critically ill and needed intensive treatment for a total of 1421 days. Patients who need 24 hour care are referred to government hospitals. 52 patients were referred.

2.2.8 Training of staff from other NGOs

The quality of the HIV/AIDS project of MAM (including the skills of the staff) has been recognized by other NGOs working with HIV/AIDS, which lead to requests to provide training courses. In 2010 four doctors have received a four week training from MAM and are qualified to take care of patients with AIDS, including the diagnosis and treatment of opportunistic infections and ART. In addition two doctors were trained in general medical skills and 2 laboratory technicians were trained in the clinic.

2.2.9 Laboratory testing

10,185 laboratory tests were performed to investigate blood, stool, urine, spinal fluid, lymph node aspiration (for TB), and skin smears (for penicilliosis, cryptococcosis & TB).

2.2.10 Food support and support for travel to the clinic

Rationale: Patients in these poor townships, who have serious chronic infections, are usually more vulnerable because they are not able to work and therefore have no income. This hampers them in buying food and paying transport fees to visit the clinic. At times patients feel forced to sell part of their medicines, which will lead to inadequate treatment, treatment failure and development of resistant strains. For these patients MAM provides food support, usually for a few months until the patient is physically able to start working again. For the same reasons MAM also provides bus fees to regularly visit the clinic. This has most likely been an important contributing factor to the high cure rates and low defaulter rates we have seen in the clinic. In the long run we expect to see less treatment failures and less need to switch to expensive second line treatment for HIV.

A total of 475 patients received 2069 months of food supply (rice, beans, oil, fish and salt).

2.2.11 Community outreach survey for malnutrition

2 outreach workers visited all houses of the surrounding population between July and October. They informed the population about the clinic services and screened children for malnutrition. Sick people were advised to go to the clinic. This lead to a significant increase in patient consultations (graph page 5) and the number of admissions of children with acute severe malnutrition in the period July-October doubled compared to the 4 month period prior to the outreach activity (March-June). In previous research it became clear that mothers are not aware of the nutritious status of their child.

2.3 Project B: Malaria control and family planning project in Kachin state

Rationale for malaria: Malaria is the leading cause of morbidity and mortality in Myanmar. Malaria cases are estimated at 4-8 million per year and malaria deaths are estimated at 9,097 while others believe that it can be as high as 40,000 to 80,000 per year. Malaria management in Myanmar is inadequate. Lack of good diagnostics and consequent empirical clinical diagnosis based on non-specific symptoms is still common practice. Cheap, ineffective and/or incomplete anti-malaria treatments are still commonly prescribed.

Artemisinin derivates are a 'new' (+/- 30 years) class of highly effective anti-malarials and artemisinin-based combination therapy (ACT) is now considered as the best treatment for *falciparum* malaria and recommended throughout the world. Replacing ineffective regimen with ACT has significantly reduced morbidity and mortality.

In 2008 *artemisinin resistance* was identified in Western Cambodia. Exposure to incomplete treatment for many years have probably been the driving force in the selection of resistant parasites. Subsequent monitoring in the Greater Mekong region discovered that artemisinin resistance is also present on the Chinese-Myanmar (Kachin) border and on the Southern Myanmar-Thai border (Mon state and Tanintharyi division).

The spread of artemisinin resistance is a very serious threat to malaria all over the world and measures for containment are needed urgently to limit the spread of these parasites and to prevent a major disaster. There are currently no drugs that can replace artemisinins and the costs of wide-spread artemisinin resistance in terms of lives lost and resources used, in Asia and above all in Africa, would be immense. Only in Africa the increase in malaria deaths could be 200,000 per year if artemisinin resistance spreads[1].

In Cambodia a large containment programme has been launched, funded by a number of major donors (Global Fund, Gates, USAID, DFID, AusAID). In Myanmar, the next place to which resistant parasites appears to have spread, large scale activities to contain the spread of resistance are not yet in place. Donor interest for containment activities in Myanmar is slow and limited (which is usual for Myanmar). Clearly, containment will only be effective if all areas where resistance has occurred are included.

Good diagnosis and treatment are almost not available in Kachin state. A complete course of ACT costs +/- 4 USD in public (officially for free) and private clinics, which is not affordable for most people in Kachin state. Therefore the people resort to services with poor diagnostics and incomplete treatments, worsening the situation. Immediate action is needed to treat the Kachin people adequately and to prevent further spread of this resistant parasite.

Family planning; In Kachin state the average family size is large. Most women have more children than they want and/or can care for adequately. This leads to poor health of both mothers and children. In addition, it leads to illegal abortion, which is usually performed in a non sterile way, leading to infection and death of the mother. This is mainly due to a lack of access to (affordable) family planning methods.

Activities in Kachin state regarding malaria and family planning have started in June in two clinics in northern Kachin state (Putao). These clinics are small not-for-profit clinics set up by the local Kachin community. We provided them with diagnostic tests to identify malaria, anti-malarial medicines and medicines for family planning. In addition we gave a refresher training to the laboratory technician to diagnose malaria. His accuracy to identify malaria improved from 25% accuracy before the training (!) to 96% after the training.

These clinics have little financial means and to recover some of the costs, they charge patients 500 kyat (0.50 USD) for a patient consultation including diagnostics and medicines. Poor patients who cannot afford this get treatment for free. From July to October 1394 patients with fever or complaints of fever were checked for malaria in these 2 clinics. 541 patients tested positive for malaria.

In October 7 additional potential sites to set up malaria diagnosis and treatment services were identified and staff from these locations were invited for a training in Myitkyina, the capital of Kachin state, in

[1] MARC framework, Annex 6, Assessment of the potential losses of lives if artemisinin resistance spreads west of Myanmar.

November. After the staff passed their exam (6 passed the first test, one passed after extra training) they received supply for diagnosis and treatment.
Note; In January 2011 staffs were moved from Kachin to Mon state to prepare the large scale activities there. The number of malaria patients in Kachin state is very low in the cold and dry season (December – May). We left enough medicines for the low season and in May we will send the staff back to Kachin state. Data from November and December 2010 have not been collected yet.

2.4 Project C: Laboratory training and quality control in Kachin and Shan State

MAM laboratory staff has trained staff from Asian Harm Reduction Network (AHRN) in laboratory testing for malaria, tuberculosis, reproductive tract infections and HIV. These staffs have now set up their laboratories in their project areas in Phakant (Kachin State) and Laukkai (Northern Shan, Kokaung special region). MAM is making follow up visits to do quality control for these laboratories.

2.5 Project D: Malaria control project in Mon State

End 2009 we received approval from a large donor (the 3 Diseases Fund) to start a new malaria project in Rakhine state (Western Myanmar). The health authorities have to approve 3 Disease Fund projects and that has been the problem for the past 14 months! They have told us twice to change the location of the activities, because the organisation we are working under did not have an agreement with the authorities to work there. The latest is that the government suggested implementing the project in Mon state. A new proposal has been sent. Mon state is one of the areas where artemisinin resistance has been located (see rationale under Kachin state).
Note; approval has been granted in February 2011 and implementation will start in March 2011.

2.6 Future Plans

2.6.1 Yangon townships

Shwepyithar township is one of the poorest townships of Yangon, similar to Hlaingthayar township and we want to open a clinic there as well. The Yangon State health director has been delaying the process of approval and we are considering to open a private clinic, which does not need a complicated approval process. The German embassy has already given a grant to purchase furniture and equipment.

2.6.2 Malaria along the Chinese and Thai-Myanmar border

The malaria situation along the eastern Myanmar border, with looming artemisinin resistance, is extremely serious. MAM staff have extensive expertise in large malaria projects (before MAM we set up the largest malaria project in Myanmar, responsible for over 1 million patients treated) and we want to be involved in the containment of artemisinin resistance. From their side, several donors have also shown interest to get MAM involved. It is likely to see an increase in donor money for artemisinin containment activities in Myanmar over the coming year and it is likely that MAM can receive part of that money. This might also be a good opportunity to work on other health issues along the eastern border, which is plagued by conflict and poor health services as a consequence.

2.6.3 Kachin state general health activities

In northern Kachin state we are looking into the possibility to extend the malaria and family planning activities to other general health activities. The population are poor and the needs are high and we have contact with counterparts with potential.

2.6.4 Budget Forecast

The budget forecast for 2011 is as follows:

	2011 EUR	2010 EUR
FUNDS		
Remaining project funds previous year	124,961	77,251
Estimated Income this year		
- Donor Grants	800,000	850,000
- Donation	200,000	130,000
- Donated materials	20,000	50,000
- Other income	3,000	2,000
TOTAL ESTIMATED FUNDS	1,147,961	1,109,251
Estimated Expenses		
- Personnel cost	382,020	411,095
- Operating running cost	50,925	48,882
- Medical / running cost	390,281	357,790
- Logistic & watsan expenses	116,234	48,867
- Training & support	32,519	29,441
- Transport / freight / storage	111,856	94,785
- Consultants / external support	39,089	5,108
TOTAL ESTIMATED EXPENSES	1,122,924	995,968
ESTIMATED RESULT	25,037	113,283

Budget per project activity 2011

The budget per project activity can be specified as follows:

	Yangon Coordination EUR	Yangon Clinics EUR	Malaria Mon EUR	Lab AHRN EUR	Malaria Kachin EUR	Total EUR
EXPENSES						
Personnel cost	16,141	71,797	275,436	2,627	16,019	382,020
Operating running cost	3,900	2,911	34,675	1,204	8,235	50,925
Medical / running cost	0	238,160	123,147	0	28,974	390,281
Logistic & watsan expenses	0	8,286	106,423	0	1,525	116,234
Training & support	0	3,269	27,351	374	1,525	32,519
Transport / freight / storage	11,774	24,333	70,435	1,662	3,652	111,856
Consultants / external support	532	0	38,557	0	0	39,089
TOTAL EXPENSES	32,347	348,756	676,024	5,867	59,930	1,122,924

Note: The budget forecast for 2011 presented above does not yet include a possible extension of the malaria activities in Mon state and a possible donation for activities in Shwepyithar starting in the 2nd half of 2011

3. Financial Statement 2010

3.1 Balance Sheet 31st December 2010

	31-12-2010 EUR	31-12-2009 EUR
ASSETS		
Non Current Assets		
Long term deposit	4,513	
	4,513	0
Current Assets		
Outstanding orders	84,804	0
Amounts recievable	0	0
	84,804	0
Liquid Assets		
Bank	441,303	92,678
Cash	52,283	18,579
	493,586	111,257
TOTAL ASSETS	582,903	111,257
LIABILITIES		
Non current liabilities		
Allocated project funds this year	124,961	77,251
	124,961	77,251
Current liabilities		
Outstanding order payable	300,695	
Amounts payable	87,496	26,503
	388,191	26,503
TOTAL LIABILITIES	513,152	103,754
EQUITY		
Reserves	69,751	7,503
TOTAL LIABILITIES & EQUITY	582,903	111,257

For additional clarification see chapter 3.4

3.2 Income & Expense Statement 2010

	Actual 2010 EUR	Budget 2010 EUR	Actual 2009 EUR
FUNDS			
Remaining project funds previous year	77,251	77,251	0
Income this year			
Donor Grants Turnover	441,573	850,000	124,055
Donations Received	182,735	130,000	54,723
Donated materials received	48,245	50,000	38,260
Other Income	3,924	2,000	
Total Income this year	676,477	1,032,000	217,038
TOTAL FUNDS	753,728	1,109,251	217,038
EXPENSES			
Personnel cost	196,375	411,095	68,880
Operating running cost	24,389	48,882	6,768
Medical / nutrition cost	325,579	357,790	45,895
Logistic & watsan expenses	23,017	48,867	4,182
Training & support	3,939	29,441	76
Transport / freight / storage	18,100	94,785	6,607
External consultants / field support	313	5,108	
Miscellaneous expenses	-25,192		-124
TOTAL EXPENSES	566,519	995,968	132,284
Result	187,209	113,283	84,754
Addition / withdrawn:			
Allocated project funds for next year	124,961		77,251
Reserves	62,248	113,283	7,503
Result	187,209	113,283	84,754

3.3 Cash Flow Statement

	2010 EUR	2009 EUR
Cash & Bank Balance at 1st January	111,257	0
Total Income	676,477	217,038
Total Expenses	-566,519	-132,284
	221,215	84,754
increase / (decrease):		
Cash flow operational activities		
- Long term deposit (to AFXB account)[2]	-4,513	0
- Outstanding orders to be received	-84,804	0
- Amounts to be received	0	0
- Medical orders to be paid	300,695	0
- Salary to be paid	60,993	26,503
	272,372	26,503
Cash & Bank Balance at 31st December	493,586	111,257

For additional clarification see chapter 3.4

[2] See note 3.3.5

4. Explanation Financial Statement

4.1 Introduction

The Annual Accounts are made based on the recommendations of Guideline 650 (Reporting Fundraising Organizations) of the Council for Annual Reporting in the Netherlands.[3]

Assets and liabilities are recorded at nominal value, unless stated otherwise.

The income from our own fundraising activities consists of donations from third parties. The greater part of the income from these third parties consists of donations which are directly allocated to certain project activities. In case such donations are not fully spent at the balance sheet date, the remaining balance is presented on the balance sheet as allocated project funds.

4.2 Explanation

4.2.1 Foreign currency

Transactions in foreign currency are converted to Euro's at the average monthly exchange for the Foreign Exchange rate applicable at the month of transaction. At the end of the financial year all assets and liabilities are converted to Euro's at the year-end Foreign Exchange rate. Exchange results are included in the Income & Expense statement.

4.2.2 Fixed Assets

The organization does not keep any fixed assets on the balance sheet. Durable assets such as vehicles and computers are directly expensed and recorded as such in the Income & Expense Statement of the year of acquisition. An inventory list of equipment such as vehicles, office and medical equipment is recorded in a separate equipment register.

4.2.3 Stocks

The organization does not keep any stock on the balance sheet. Stocks such as medical drugs and consumable materials are directly expensed and recorded as such in the Income & Expense Statement of the year of procurement. A stock inventory list of pharmaceuticals and other medical consumables are recorded in a separate stock overview.

4.2.4 Non-Current Assets

Specified as follows:	**31-12-2010 EUR**	**31-12-2009 EUR**
Long term deposit		
USD 6,000 deposit at AFXB account	4,513	0

[3] Richtlijn 650 (Verslaggeving Fondsenwervende Instellingen) van de Raad voor de Jaarverslaggeving.

MAM has deposited USD 6,000 into the AFXB account to open a bank account on MAM's behalf in order to facilitate the money transfers from 3DF for the Mon State Malaria project. This deposit should be paid back to MAM at the end of the project period.

4.2.5 Current Assets

Specified as follows:	31-12-2010 EUR	31-12-2009 EUR
Outstanding orders		
MSF Holland outstanding orders[4]	84,804	0

4.2.6 Liquid Assets

Specified as follows:	31-12-2010 EUR	31-12-2009 EUR
Cash – Kyat	3,869	1,397
Cash – USD	23,779	5,120
Cash – FEC	12,095	12,062
Cash – EUR	12,540	0
CB Bank current a/c - Kyat	5	54,368
CB Bank savings a/c - Kyat	12,615	20,742
UOB Bank – USD	334,338	108
ABN AMRO Bank – USD	17,954	0
ABN AMRO Bank – EURO	71,626	13,478
UOB Bank 07198 a/c – Baht	4,631	3,877
UOB Bank 05854 a/c – Baht	133	105
TOTAL LIQUID ASSETS	493,586	111,257

4.2.7 Reserves

Specified as follows:

	31-12-2010 EUR	31-12-2009 EUR
As per 31st December previous year	7,503	-
Added / withdraw this year	62,248	7,503
As per 31st December this year	69,751	7,503

In order to safeguard the continuity of the project activities, the board aims to create a reserve of 6 months operational costs plus 2 years of medical supply for chronic disease patients which amount to approximately EURO 350,000. Due to the long term commitment of certain activities (ARV treatment) and difficulties securing the necessary funds, the management team is of the opinion that such as reserve is minimally required to ensure the continuity the project activities in the future.

[4] Purchase orders confirmed by MSFH but not yet received nor paid by MAM

4.2.8 Allocated project funds

Specified as follows:

	31-12-2010 EUR	31-12-2009 EUR
As per 31st December previous year	77,251	-
Withdraw this year	-77,251	
Added this year	124,961	77,251
As per 31st December this year	124,961	77,251

4.2.9 Allocated project funds

Specified as follows:

	31-12-2010 EUR	31-12-2009 EUR
Amounts payable medical material *MSF-Holland outstanding Invoices*[5]	300,695	0
Staff expenses to be paid	87,496	26,503
	388,191	26,503

4.2.10 Specification Donor Income

Donation and Grants received

Specified as follows:

	2010 EUR	2009 EUR
AHRN	5,521	
Aids Ark	16,152	14,133
D&K Rickards (via GDG)	207,359	35,673
Dutch Embassy Bangkok	20,885	
German Embassy Yangon	15,039	
New Zealand Aid	0	11,955
Planet Wheeler Foundation (via GDG)	160,773	62,294
Virginia Wellington Cabot Foundation	15,845	
Wettstein Family/CW Asia Fund	32,611	
YPO	21,086	
Lotte-Ehrhardt-Stiftung	20,000	
J. Gessner	23,577	
D. Hartz	20,000	
The Radiology Assistant (website)	10,000	
Various donations	55,461	54,723
Total	624,308	178,778

[5] All Purchase orders confirmed by MSFH, both received and not received. We have not received the final invoice yet so not yet paid by MAM

Donation in-kind received

Specified as follows:
(Donations in kind of pharmaceuticals and medical material are valued based on the MSF-H 2010 pricelist)

	2010 EUR	2009 EUR
MSF-Holland	22,530	19,474
MSF-Switzerland	5,966	13,442
CW Asia Fund	3,939	2,159
MDM	1,722	1,616
AMI	3,034	1,240
Welcome Trust	1,129	
Malteser	8,692	
Save The Children	1,233	
Other		329
Total	48,245	38,260

4.2.11 Specification Expenditure

Expenses per destination

The expenses per destination can be specified as follows:

	Project activities EUR	Fundraising activities EUR	Operational Support Activities EUR	Total 2010 EUR	Budget 2010 EUR	Total 2009 EUR
Personnel cost	121,195	31,447	43,732	196,375	411,095	68,880
Operating running costs	2,867	1,845	19,676	24,389	48,882	6,768
Medical / nutrition costs	325,579	0	0	325,579	357,790	45,895
Logistic & watsan expenses	23,017	0	0	23,017	48,867	4,182
Training & support	3,939	0	0	3,939	29,441	76
Transport / freight / storage	12,021	754	5,325	18,100	94,785	6,607
Consultants / external support	0	156	156	313	5,108	
Miscellaneous expenses[6]	0	0	-25,192	-25,192		-124
TOTAL EXPENSES	488,619	34,203	43,698	566,519	995,968	132,284

The allocation of staff expenses to the project -, fundraising – and operational activities is based on the approximate time spent on each of those activities. The other expenses are either directly related to an activity or allocated pro rata where necessary.

[6] In 2010 this mainly consists of exchange results on foreign currency cash and bank accounts

Expenses per project activity

The expenses per project activity can be specified as follows:

	Project A HIV/PHC Yangon EUR	Project B Malaria Mon EUR	Project C Lab AHRN EUR	Project D Malaria Kachin EUR	Total 2010 EUR	Total 2009 EUR
Personnel cost	112,105	5,727	860	2,504	121,195	39,434
Operating running costs	2,412	65		390	2,867	2,141
Medical / nutrition costs	313,431	15		12,133	325,579	45,895
Logistic & watsan expenses	23,017	0		0	23,017	4,182
Training & support	3,189	10		740	3,939	76
Transport / freight / storage	9,989	1,158		874	12,021	2,791
Consultants / external support	0	0		0	0	
Miscellaneous expenses	0	0			0	
TOTAL EXPENSES	464,144	6,976	860	16,640	488,619	94,519

4.2.12 Key Indicators

Percentage Project Expenses / Total Expenses

	2010 EUR	2009 EUR
Project expenses	488,619	94,519
Total expenses	566,519	132,285
Percentage[7]	86.2%	**71.5%**

Percentage Fundraising expenses / Total donations and grants received

	2010 EUR	2009 EUR
Fundraising expenses	34,203	14,445
Total donations and grants received	672,553	217,039
Percentage[8]	5.1%	6.7%

[7] This percentage indicates the ratio of expenses spent on direct project activities such as medical material, medical staff and other cost directly related to project activities in comparison with the total expenses that also includes the running of the head office and other support activities such as management, logistic & finance support

[8] This percentage indicates the ratio of expenses related to fundraising in comparison with the total funds received

4.2.13 Other Explanation

Employees

The number of employees is as follows:

	2010	2009
Expatriate Staff	2	2
National Staff	28	18
Total	30	20

Salary payment to board members and director

None of the board members received any salary or other benefits from the organization.

4.3 Other Information

4.3.1 Allocation of Result

The result of the year subtracted with not yet spent allocated project funds will be added to the reserves.

4.3.2 Approval Annual Report by the Board

The annual account have been acknowledged and approved by the board on .....

4.3.3 Auditors Statement

An independent auditor has reviewed the financial statements and procedures, validation of documents and the annual report. A copy of the official statement of the auditor is attached below.

Audit Report
On
"Medical Action Myanmar (MAM)"
For the operational period from 1 January to 31 December 2010

Our group has audited the accompanying annual report-financial statements of MAM which is related activities (stated in page no 3) implemented by Management Team of MAM for the operational period from 1 January to 31 December 2010.

Responsibilities of Management Team of MAM
MAM is responsible for the maintenance of proper financial and records and the preparation of the financial statements relating to the activities of MAM.

Responsible of External Audit Team
External Auditors or Independent Auditors is responsible to give the professional opinion upon the observations for annul financial statements.

Opinion of Independent Auditor
Our group has audited the attached annual report of MAM in accordance with "General Accepted Auditing Standards", "International Standards on Auditing" and "Myanmar Standards on Auditing" when necessary. An audit includes examination, test basis, supporting evidence for such other amounts and necessary disclosure in the annual report-financial statement. An audit also includes an assessment of whether the accounting policies, procedures and guidelines used are appropriate, consistently applied and disclosed necessary.
Our group has conducted our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the annual report- financial statements are free from material misstatement, misuse, any fraud and irregularity or error.
Overall opinion on annual report –financial statements have been shown fairly presented of its financial position.

Internal Control
Internal control procedures has been set up adequately and sufficient control procedures and control frameworks for making the payments and uses of expenses during the course of audit.

Financial Risk Assessment
During the course of audit, there is no financial risk upon implementing of activities of MAM.

Best regards,
Yours truly,

(Wan Tin)
B.Com, Q, C.P.A, ACCA (Affiliate-UK)
Certified Public Accountants , Auditors & Financial Consultants
JF Group

WAN TIN
B.Com, Q, C.P.A, ACCA (Affiliate - UK)
Certified Public Accountant and Auditor

CC: Office Master File