

Independent Auditor's Report <Summary>

We have audited the financial statements, comprising the balance sheet, the statement of financial activities, the notes to financial statements and the summary of assets of Not-for-Profit Organization Médecins Sans Frontieres Japon as of and for the year ended December 31, 2020.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with accounting principles of public interest corporation generally accepted in Japan; and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit as independent auditor. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, while the objective of the audit is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above are prepared, in all material respects, in accordance with the accounting standards of Public Interest Corporation generally accepted in Japan.

Other Matter

We have no interest in the Partnership which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

March 12, 2021
Tokyo, Japan

Controller's Audit Report

Mar 12th, 2021

Médecins Sans Frontières, Japon
President: Takashi Kurumiya

In accordance with the Act on Promotion of Specified Non-profit Activities, Article 18, I have conducted the audit of Médecins Sans Frontières, Japon (hereinafter MSFJ) for the business year started 1st January 2020 and ended 31st December 2020. The methods we used, and the audit results are as follows.

I. Summary of the methods used in the audit

(1) Financial Audit

I attended the regular Board Meetings and got treasurer's report regarding the financial statements of MSFJ for 2020 discussed at Finance Committee as well as other important finance-related meetings. Furthermore, I obtained the explanation from the external auditors about the results of audit implemented for the Financial Statements for the above-mentioned period, in order to monitor and check the appropriateness of the method and process of the audit. Based on the above methods, I examined the above financial statements of MSFJ for 2020.

(2) Operational Audit

I reviewed the appropriateness of the activities of the board members and operations of the MSFJ board for 2020, by obtaining explanation and opinions from the board members and office staff by attending the important meetings including regular board meetings.

II. Results of the Audit

(1) Audit for the financial statements

I believe that the methods and the results of audit implemented by the external auditors are appropriate. In my opinion, the financial statements referred to above are prepared without material misstatement, whether due to fraud or error, in accordance with the accounting standards generally accepted in Japan.

(2) Audit for the execution of duties of the board members etc.

In my opinion, the board members had engaged in proper activities in their execution of duties and there has been no serious violation of NPO Law of Japan as well as the Articles of Associations etc.

Gilles DELMAS, Controller

A handwritten signature in blue ink that reads "Gilles Delmas" with a stylized flourish at the end.

Not-for-Profit Organization
Médecins Sans Frontières Japon

Balance Sheet

As of December 31, 2020

(Unit : JPY)

	2020	2019	Changes	
			Amount	%
I Assets				
1. Current Assets				
Cash and deposit with banks	3,551,329,306	2,129,418,761	1,421,910,545	66.8%
Accounts receivable	344,035,419	219,290,460	124,744,959	56.9%
Prepaid expenses	10,477,275	11,869,282	(1,392,007)	-11.7%
Advances	1,125,398	481,877	643,521	133.5%
Other current assets	31,533,949	23,536,338	7,997,611	34.0%
Total Current Assets	3,938,501,347	2,384,596,718	1,553,904,629	65.2%
2. Non Current Assets				
1) Specific purpose funds				
Reserve funds for grant to emergency program	-	32,773,357	(32,773,357)	-100.0%
2) Other Non-Current Assets				
Building structures	8,952,589	17,949,288	(8,996,699)	-50.1%
Office equipment and fixtures	33,645,255	38,623,068	(4,977,813)	-12.9%
Software	14,208,491	17,491,494	(3,283,003)	-18.8%
Long-term deposit	41,589,540	42,299,540	(710,000)	-1.7%
Total Non Current Assets	98,395,875	149,136,747	(50,740,872)	-34.0%
Total Assets	4,036,897,222	2,533,733,465	1,503,163,757	59.3%
II Liabilities				
1. Current Liabilities				
Accounts payable	2,802,255,324	1,457,581,967	1,344,673,357	92.3%
Deposits received etc.	9,554,778	2,919,666	6,635,112	227.3%
Total Current Liabilities	2,811,810,102	1,460,501,633	1,351,308,469	92.5%
2. Non Current Liabilities				
Provisions for retirement benefits	49,608,800	49,321,000	287,800	0.6%
Total Non Current Liabilities	49,608,800	49,321,000	287,800	0.6%
Total Liabilities	2,861,418,902	1,509,822,633	1,351,596,269	89.5%
III Net Assets				
Earmarked Net Assets	-	32,773,357	(32,773,357)	-100.0%
Non-earmarked Net Assets	1,175,478,320	991,137,475	184,340,845	18.6%
Total Net Assets	1,175,478,320	1,023,910,832	151,567,488	14.8%
Total Liabilities and Net Assets	4,036,897,222	2,533,733,465	1,503,163,757	59.3%

Statement of Financial Activities

For the year ended December 31, 2020

(Unit : JPY)

	2020		2019		Changes	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
I. Non-earmarked Net Assets Changes						
1. Changes in Operating Item						
(1) Operating Revenues						
① Donations	13,050,103,455	100.0%	10,852,784,410	100.0%	2,197,319,045	20.2%
Donations from private individuals	11,539,600,859	88.4%	10,244,785,008	94.4%	1,294,815,851	12.6%
Donations from private companies	1,424,682,326	6.2%	539,999,588	6.2%	884,682,738	163.8%
Donations from other organizations	85,820,270	0.7%	67,999,814	0.6%	17,820,456	26.2%
② Public institutional funds etc.	806,586,772		401,397,652		405,189,120	100.9%
Contributions to multilateral institutions	279,527,952		49,366,008		230,161,944	-
Grants from MSF Korea	527,058,820		352,031,644		175,027,176	49.7%
③ Other Revenues	13,234,340		3,135,492		10,098,848	322.1%
Association membership fee	758,400		550,470		207,930	37.8%
Interest income and revaluation gains etc.	12,475,940		2,585,022		9,890,918	382.6%
Total Operating Revenues	13,869,924,567		11,257,317,554		2,612,607,013	23.2%
(2) Operating Expenditures						
Social Mission Expenditures (①+②+③+④+⑤)	11,078,389,799	83.5%	9,120,893,412	84.0%	1,957,496,387	21.5%
① Program & Program Support	10,521,763,892	79.3%	8,542,661,646	78.7%	1,979,102,246	23.2%
Financial contribution to operational centers (Grants)	10,515,859,451		8,528,685,292		1,987,174,159	23.3%
Other Program Support etc.	5,904,441		13,976,354		-8,071,913	-57.8%
② Operational Support Project	70,016,073	0.5%	97,092,593	0.9%	-27,076,520	-27.9%
Personnel expenses	49,283,467		56,954,023		-7,670,556	-13.5%
Others (Office rent, travel & depreciation etc.)	20,732,606		40,138,570		-19,405,964	-48.3%
③ Field HR management	136,664,757	1.0%	119,350,457	1.1%	17,314,300	14.5%
Personnel expenses	80,533,955		78,743,172		1,790,783	2.3%
SEEAP Project	11,704,544				11,704,544	
Others (Office rent, travel & depreciation etc.)	44,426,258		40,607,285		3,818,973	9.4%
④ Advocacy activity	19,335,706	0.1%	18,379,734	0.2%	955,972	5.2%
Personnel expenses etc.	19,335,706		18,379,734		955,972	5.2%
⑤ Awareness-raising	330,609,371	2.5%	343,408,982	3.2%	-12,799,611	-3.7%
Personnel expenses	85,059,772		92,089,013		(7,029,241)	-7.6%
Newsletters and event	156,455,946		143,940,635		12,515,311	8.7%
Website related expenses	8,982,928		24,907,594		-15,924,666	-63.9%
Agent service fee	47,302,397		33,385,338		13,917,059	41.7%
Printing fee	627,318		111,933		515,385	460.4%
Others (Office rent, travel & depreciation etc.)	32,181,010		48,974,469		-16,793,459	-34.3%
Fundraising	1,966,949,938	14.8%	1,514,433,411	13.9%	452,516,527	29.9%
Personnel expenses	171,224,327		143,691,984		27,532,343	19.2%
Fundraising campaign expenses	1,346,362,480		932,143,157		414,219,323	44.4%
Agency service fees and system-related costs	226,111,155		273,502,506		-47,391,351	-17.3%
Agent service fee	79,691,377		51,814,881		27,876,496	53.8%
Printing fee	25,086,417		18,036,756		7,049,661	39.1%
SEEAP Project	9,036,979				9,036,979	
Others (Office rent, travel & depreciation etc.)	109,437,203		95,244,127		14,193,076	14.9%
Management & General Administration	225,477,099	1.7%	224,970,353	2.1%	506,746	0.2%
Personnel expenses	151,029,582		150,882,194		147,388	0.1%
Association related expenses (except personnel)	7,984,290		21,609,806		-13,625,516	-63.1%
Others (Office rent, travel & depreciation etc.)	66,463,227		52,478,353		13,984,874	26.6%
Other International Contributions etc.	414,766,886	-	301,700,551	-	113,066,335	37.5%
Contribution to DNDi	28,094,859		21,310,160		6,784,699	31.8%
Contribution to Campaign for Access to Essential Medicines	32,780,212		30,920,363		1,859,849	6.0%
Contributions to MSF International Office	157,565,381		108,704,497		48,860,884	44.9%
Financial support to MSF Korea	196,326,434		140,765,531		55,560,903	39.5%
Total Operating Expenditures	13,685,583,722	100.0%	11,161,997,727	100.0%	2,523,585,995	22.6%
Increase in Non-earmarked Net Assets	184,340,845		95,319,827		89,021,018	-
Non-earmarked Net Assets at Beginning of Year	991,137,475		895,817,648		95,319,827	-
Non-earmarked Net Assets at End of Year	1,175,478,320		991,137,475		184,340,845	-
II. Earmarked Net Assets Changes						
1. Accepted Earmarked Donations	3,087,992,427		738,743,447		2,349,248,980	-
2. Transfer to Non-earmarked Net Assets	3,120,765,784		723,491,090		2,397,274,694	-
Changes in Earmarked Net Assets	(32,773,357)		15,252,357		(48,025,714)	-
Earmarked Net Assets at Beginning of Year	32,773,357		17,521,000		15,252,357	-
Earmarked Net Assets at End of Year	-		32,773,357		-32,773,357	-
III. Net Assets at End of Year to be carried forward	1,175,478,320		1,023,910,832		151,567,488	14.8%

Summary of Assets

As of December 31, 2020

(Unit: JPY)

	2020	2019	Changes
I. Assets			
1. Current Assets			
Cash and cash equivalents	3,551,329,306	1,354,727,063	2,196,602,243
Petty cash	132,369	1,821,583	-1,689,214
Ordinary account (MUFG Bank,Ltd.)	1,264,395,695	642,479,613	621,916,082
Ordinary account (Sumitomo Mitsui Banking Corp.)	529,912,295	125,631,375	404,280,920
Ordinary account (Mizuho Bank Ltd.)	22,347,858	16,795,623	5,552,235
Transfer Saving Account (Japan Post Bank Co., Ltd.)	1,588,334,757	463,709,078	1,124,625,679
Ordinary account (Rakuten Bank Ltd.)	18,102,791	3,287,927	14,814,864
Ordinary account (SBI Sumishin Net Bank,Ltd.)	2,645,763	1,001,864	1,643,899
Ordinary account (Sumitomo Trust and Banking Co Ltd..)	18,687,129	-	18,687,129
Ordinary account (MUFG Trust and Banking Ltd.)	6,679,523	-	6,679,523
Fixed deposit (Sumitomo Mitsui Banking Corp.)	100,000,000	100,000,000	-
PayPal	91,126	-	91,126
Accounts receivable	344,035,419	200,492,585	143,542,834
Donation receivable from outsourced vendor	107,164,245	101,556,354	5,607,891
Receivable from MSF Korea	76,907,849	7,678,650	69,229,199
MSF France	93,122,810	35,262,017	57,860,793
MSF International Office etc.	36,453,937	13,754,211	22,699,726
Other MSF offices (Expatriates related expenses etc.)	29,948,486	41,115,220	-11,166,734
Others	438,092	1,126,133	-688,041
Prepaid expenses	10,477,275	12,553,957	(2,076,682)
Advances	1,125,398	168,000	957,398
Other current assets	31,533,949	15,003,429	16,530,520
Gold ingot	31,256,089	14,814,343	16,441,746
Supplies	-	37,802	(37,802)
Suspense payment	277,860	151,284	126,576
Total Current Assets	3,938,501,347	1,582,945,034	2,355,556,313
2. Non Current Assets			
1) Specific purpose funds			
Reserve funds for grant to emergency program	-	17,521,000	-17,521,000
2) Other Non Current Assets			
Building structures	8,952,589	27,897,075	(18,944,486)
Leasehold Improvements	8,952,589	27,897,075	(18,944,486)
Office equipment and fixtures	33,645,255	22,651,992	10,993,263
Furniture	1,989,597	7,251,443	(5,261,846)
Equipment and fixtures	31,655,658	14,178,147	17,477,511
Video equipment	-	1,222,402	(1,222,402)
Software	14,208,491	26,072,191	(11,863,700)
Long-term deposit	41,589,540	41,573,000	16,540
Office rent and others	41,589,540	41,573,000	16,540
Total Non Current Assets	98,395,875	135,715,258	-37,319,383
Total Assets	4,036,897,222	1,718,660,292	2,318,236,930
II. Liabilities			
1. Current Liabilities			
Accounts payable (Grants etc.)	2,414,845,507	492,259,091	1,922,586,416
Grants for MSF France	1,555,795,507	348,259,091	1,207,536,416
Grants for MSF Spain	364,100,000	96,000,000	268,100,000
Grants for MSF Switzerland	91,250,000	48,000,000	43,250,000
Grants for MSF Holland	97,250,000	-	97,250,000
Grants for MSF Belgium	91,250,000	-	91,250,000
Grants for WaCA	215,200,000	-	215,200,000
Accounts payable (Other national expenses)	387,409,817	271,053,468	116,356,349
Deposits received etc.	9,554,778	2,074,185	7,480,593
Others	9,554,778	2,074,185	7,480,593
	-	-	0
Total Current Liabilities	2,811,810,102	765,386,744	2,046,423,358
2. Non Current Liabilities			
Provisions for retirement benefits	49,608,800	39,766,900	9,841,900
Total Non Current Liabilities	49,608,800	39,766,900	9,841,900
Total Liabilities	2,861,418,902	805,153,644	2,056,265,258
III. Net Assets			
Earmarked Net Assets	-	17,521,000	-17,521,000
Non-Earmarked Net Assets	1,175,478,320	895,817,648	279,660,672
Total Net Assets	1,175,478,320	913,338,648	262,139,672
Total Liabilities and Net Assets	4,036,897,222	1,718,492,292	2,318,404,930