
Annual Donor Report

2009

Stichting Medical Action
Myanmar



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1. Report from the Management Team

1.1 Introduction

Stichting Medical Action – Myanmar (MAM) started medical activities on the 1st of June 2009. It was officially registered on the 27th of June 2009 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 Board & Management

The board of the organization consists of:

- Dr. Alex Winkler, chairman of the board
(General Director Stichting Artsen voor Kinderen, Amsterdam)
- Dr. Debbie Lappenschaar, member of the board
(Medical Doctor and Project Coordinator FitKids project)
- Ms. Jikke Wigmans, member of the board
- Prof. Nick White, member of the board, (not yet officially registered)
(Chairman of the Oxford University based Wellcome Trust Southeast Asian Tropical Medicine Research Programmes)

The operational management of MAM is based in Yangon, Myanmar and consists of a General Director (Dr Frank Smithuis), a Medical Coordinator (Dr Ni Ni Tun) and a Resource Coordinator (Mr Rene Mous).

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 Services of MAM

1.5.1 HIV/AIDS and STI

Patients with HIV/AIDS will receive comprehensive care, including treatment of opportunistic infections and anti-retroviral therapy (ART), adherence counseling and food support. HIV prevention activities will focus on improved access to harm reduction (condoms, needle exchange) and management of sexually transmitted infections (STI) including active and regular screening of sex workers and MSM. Voluntary counseling and testing (VCT) for HIV will be available for all patients, with an active focus on people at high risk and pregnant women. Pregnant women with HIV will receive ART to prevent transmission of HIV to their baby.

1.5.2 Malaria

Both private and public clinics will be supported with microscopy and anti-malaria medicines. The treatment used is highly curative and also very effective in preventing the spread of malaria. The clinic staff will be able to charge a small fee to patients who can afford it, as an incentive to work on a large scale and with high quality. MAM will intensively monitor services at the level of the patient to make sure that the population benefits, and the poorest get treatment for free.

1.5.3 Tuberculosis

Diagnosis and treatment for tuberculosis will be provided as part of HIV/AIDS care and also for patients with TB who are especially vulnerable (i.e. very poor and/or very sick needing extra care, which is not offered in the public system).

1.5.4 Children under 5 years, severe malnutrition and childhood diseases

Medical treatment will be provided to all children under 5 years of age, with a focus on infectious diseases. All children will be screened for acute malnutrition. Children with severe malnutrition who present to MAM's clinics will be provided with therapeutic food. Supplementary feeding will be provided to moderately malnourished children to prevent severe malnutrition.

1.5.5 Family planning

Family planning will be offered to all women who visit MAM's activities.

1.5.6 Other

In addition MAM will try to treat all patients with severe acute diseases who enter its clinics and who can realistically be treated by MAM.

1.6 Strategy

The aim of Medical Action Myanmar is to come to a network of clinics that take on a large number of patients for the services 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.

1.7 Finance

MAM has just been established and does not have a large network of donors yet. And due to delayed registration with the Burmese authorities, it is not possible to approach certain donors, who require in-country registration, directly. These donors can only be approached under the umbrella of another registered INGO. 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 want to build up a minimal reserve that covers 6 months of operational costs plus 2 years of medical supply for chronic disease patients.

1.8 Future plans

1.8.1 Future plans for current activities

- Increase the clinic staff to be able to deal with the increasing workload.
- Try to improve preventive action among female sex workers. A female sex worker is hired to improve communication with female sex workers.
- Set up income generation activities in the clinic for PHA who do not have a job.
- Increase the number of HIV patients on anti-retroviral treatment (ARV).
- Build half-way house for HIV/AIDS patients in Hlaingtharyar township

1.8.2 Future plans for new activities

- Set up a new health clinic in Shwepyithar township in cooperation with AFXB.
- Set up additional clinics in other poor townships of Yangon and other towns.
- Start a Malaria program in Rakhine State (West Myanmar) or Tanintharyi Division (South Myanmar) (pending government approval)
- Take over part of HIV/AIDS project from MSF Holland (pending negotiations with MSF-Holland and Global Fund)
- Set up a national NGO, to facilitate activities under difficult bureaucratic circumstances.

1.9 Budget forecast 2010

The budget forecast¹ for 2010 is as follows:

	Yangon Clinics EUR	2010 Rakhine Malaria EUR	Total EUR
INCOME			
Donor Grants	367,000	389,322	756,322
Donation received	100,000		100,000
Donated materials received	10,000		10,000
TOTAL INCOME	477,000	389,322	866,322
EXPENSES			
Personnel cost	131,221	158,085	289,306
Operating running cost	15,128	23,276	38,404
Medical / running cost	243,805	85,985	329,790
Logistic & watsan expenses	19,191	28,676	47,867
Training & support	6,029	22,038	28,067
Transport / freight / storage	38,133	45,588	83,721
Consultants / external support	736	3,637	4,373
TOTAL EXPENSES	454,243	367,285	821,528
RESULT 2010	22,757	22,037	44,794

¹ This budget forecast only includes the Yangon project and the Rakhine malaria project. MAM is also seeking for funds for additional projects when the opportunity arises.

Funding Status 2010 (updated per 15th March 2010)
(funds received or committed by donors for 2010 financial year)

	Yangon Clinics	2010 Rakhine Malaria	Total
	EUR	EUR	EUR
3 Diseases Fund (3DF)		389,322	389,322
Planet Wheeler Foundation	96,777		96,777
D&K Rickards	76,900		76,900
Wettstein Family/CW Asia Fund	32,611		32,611
Aids Ark	12,000		12,000
New Zealand Aid	11,955		11,955
Various donations	75,228		75,228
Donations in-kind	3,047		3,047
	<u>308,518</u>	<u>389,322</u>	<u>697,840</u>
Funding gap	168,482	0	168,482

In 2009 Medical Action, as implementing partner for AFXB (Association Francois Xavier Bagnoud), has applied for 3DF funding for the implementation of a 2 year Malaria program in Rakhine State. In December 2009 3DF approved the project proposal and budget for approx EUR 849,128 (USD 1,154,817); EURO 389,222 for 2010, EURO 459,806 for 2011.

Due to pending government approval for this project, at the time of writing this Annual Report the Project Contract with 3DF has not been signed and it is still not 100% sure whether approval by the government will be granted or not.

The Management Team
Yangon, 30th April 2010

2. Activity Report 2009

2.1 Introduction

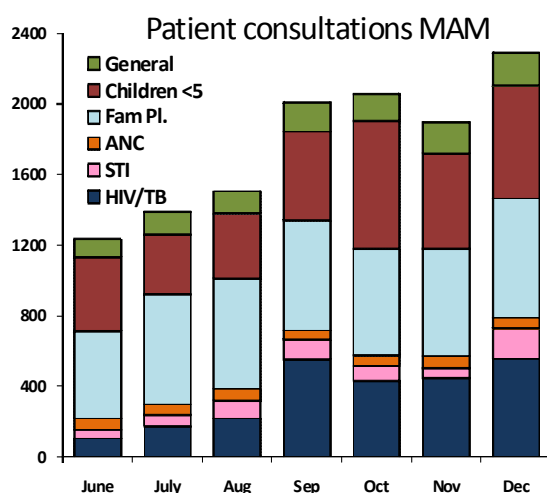
Medical Action Myanmar started its operations on the 1st of June 2009 with the opening of a clinic in Hlaingthayar. From that moment we aimed to expand activities in this clinic, add more clinics with similar activities in other poor townships of Yangon and start additional projects in other areas. The speed of the growth mainly depended on the acquirement of funds from donors and authorization of government to implement the activities.

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

The MAM clinic in Hlaingthayar Township (the Thazin clinic) provides a mix of activities including mother and child care, therapeutic treatment for malnourished children, family planning, reproductive health including treatment of sexually transmitted infections, testing and counselling for HIV and treatment and care for people with HIV/AIDS. The clinic started with 2 doctors, 3 nurse/counsellors, 1 laboratory technician, 1 logistic staff, 2 guards and a cleaner.

2.2.1 Total consultations

A total of 12,387 patient consultations were performed in the clinic during the first 7 months after the



opening. The number of consultations gradually increased from 1200 consultations in the first month to over 2000 patient consultations per month in the last quarter. Most consultations are for family planning, sick children under 5 years of age and for People with HIV/AIDS (PHA). Consultations for pregnant women and women with sexually transmitted infections (STI) remain rather low. These women are usually without disease symptoms and sometimes reluctant to sit in a clinic with patients who have severe infectious diseases.

2.2.2 Malnutrition

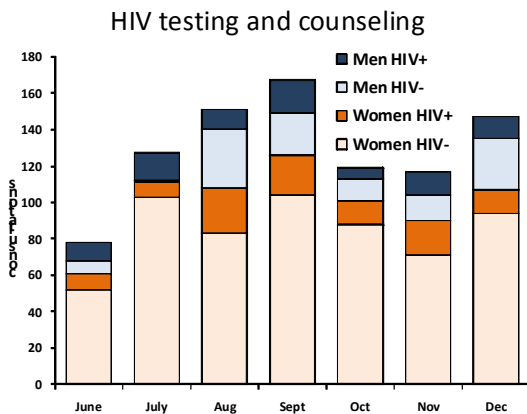
3534 children under 5 years of age visited the clinic and received treatment, mostly for respiratory tract infections, diarrhoea and skin infections. All children were screened for malnutrition and 64 children were admitted for acute malnutrition. They received specific therapeutic food and treatment of underlying diseases (mostly Tuberculosis). Therapeutic food is given a) in the feeding centre, for children with specific problems (disease related or social problems), or b) at home, in the form of ready to eat "plumpy nut", a nutritious paste which includes all required nutrients. Next to the therapeutic food and treatment of underlying diseases, MAM is also looking into the socio-economic situation of the family, in particular for orphans and children who have a single parent. Temporary assistance is given for families in serious need. For families who take on an orphan, a cash donation is considered to compensate for the extra costs the family has to make. For the longer term, a solution is sought with the help of AFXB, an organization which is involved in vocational training and income generation activities.

2.2.3 Sexually transmitted infections

904 patients were tested for Sexually Transmitted Infections (STI). Female sex workers, who are the main target population for STI, are reluctant to come to the clinic because most women with sexually transmitted infections have no signs or symptoms and therefore see no reason to visit a clinic in the first place. A peer sex worker has been recruited to try to convince FSW to visit the clinic for screening for STI and therefore reduce the chance to get - or spread HIV. Men who have sex with men (MSM) are the other important target group for STIs. But as they usually have symptomatic infections, they seek treatment easily, mostly in their own neighbourhood. All HIV+ patients and pregnant women are also regularly screened for STI.

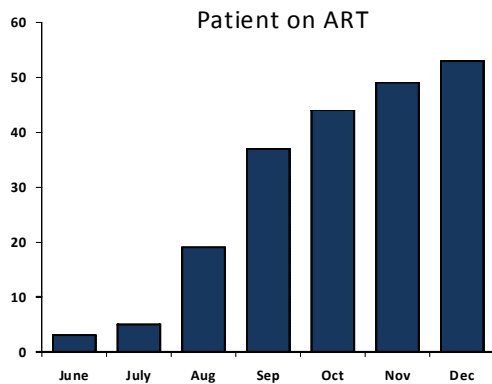
2.2.4 HIV/AIDS

From June to December 2009 the number of consultations for People with HIV/AIDS was 2490. 906



persons (202 men and 704 women) were tested for HIV. 85 men tested positive (HIV+ rate 42%) and 109 women tested positive (HIV+ rate 15%). Of the 334 pregnant women who were tested for HIV, 6 tested positive and 4 had a discordant result. (HIV+ rate 1.8 – 3.0%). They were offered antiretroviral treatment to prevent transmission of HIV from mother to child (PMTCT). Of 130 female sex workers who were tested for HIV, 44 (34%) tested HIV+ and 2 test results were indeterminate. All patients who got an HIV test get pre-test and post-test counselling.

Anti-Retroviral Treatment (ART) enrolment: Sixty-three patients with HIV/AIDS, 59 adults and 4 children,



were enrolled in the ART programme in 2009. Many patients were severely sick because there are no other treatment providers in the area (MSF Holland, the main provider of ART in Myanmar, stopped new recruitment in Yangon) and many patients were in need of ART already for a long time. Patients with severe disease were admitted in the day care ward for re-hydration with IV fluid, therapeutic feeding and treatment of opportunistic infections ('day-care' only because patients are not allowed to stay in the clinic over night

from the authorities). Several patients in the day care had to be treated for 14 days consecutively with IV amphotericin for cryptococcal meningitis. Six patients died during follow up. They presented in a very advanced stage of AIDS and treatment did not prevent a further deterioration. Two patients, 1 adult and 1 child were lost to follow up. Two patients were transferred to another project. Therefore 53 patients were still on treatment at the end of the year. Another 234 HIV+ patients are regularly attending the clinic and are eagerly waiting for the opportunity to start ART. This will depend on additional donor money.

3. Income & Expense Statement 2009

3.1 Income & Expense Account

	Actual 2009 EUR	Budget 2009 EUR	Actual 2008 EUR
INCOME			
Grants received	124,055		-
Donations Received	54,723	200,000	-
Donated materials received	38,260	25,000	-
TOTAL INCOME	<u>217,039</u>	<u>225,000</u>	<u>-</u>
EXPENSES			
Staff expenses	68,880	59,313	-
Operating running costs	6,768	8,623	-
Medical / nutrition costs	45,895	39,706	-
Logistic & watsan expenses	4,182	5,875	-
Training & support	76	-	-
Transport / freight / storage	6,607	27,750	-
Miscellaneous expenses	-124	0	-
TOTAL EXPENSES	<u>132,285</u>	<u>141,267</u>	<u>-</u>
Result 2009	<u>84,754</u>	<u>83,733</u>	<u>-</u>
Addition / withdrawn:			
Reserves	7,503	33,733	-
Allocated project funds	77,251	50,000	-
Result 2009	<u>84,754</u>	<u>83,733</u>	<u>-</u>

3.2 Explanation

3.2.1 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.²

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.

² Richtlijn 650 (Verslaggeving Fondsenwervende Instellingen) van de Raad voor de Jaarverslaggeving.

3.2.2 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.

3.2.3 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.

3.2.4 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.

3.2.5 Reserves & Project Funds

3.2.5.1 Reserves

Specified as follows:

	2009 EUR	2008 EUR
As per 31st December previous year	-	-
Added / withdraw this year	<u>7,503</u>	<u>-</u>
As per 31st December this year	<u><u>7,503</u></u>	<u><u>-</u></u>

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. Due to the long term commitment of certain activities (ARV treatment) and difficulties securing the necessary funds, the board is of the opinion that such as reserve is minimally required to ensure the continuity the project activities in the future.

3.2.5.2 Allocated project funds

Specified as follows:

	2009 EUR	2008 EUR
As per 31st December previous year	-	-
Added / withdraw this year	<u>77,251</u>	<u>-</u>
As per 31st December this year	<u><u>77,251</u></u>	<u><u>-</u></u>

This overview includes funds from third parties which are directly allocated to project activities that have not been spent yet.

3.2.6 Specification Donor Income

3.2.6.1 Donation & grants received

Specified as follows:

	2009	2008
	EUR	EUR
Aids Ark (allocated funds)	14,133	-
D & K Rickards (allocated funds)	35,673	-
New Zealand Aid (allocated funds)	11,955	-
Planet Wheeler Foundation (allocated funds)	62,294	-
Prof. N. White	17,919	-
Various donors	36,805	-
	<hr/>	<hr/>
Total	<u>178,779</u>	<u>-</u>

3.2.6.2 Donations in-kind received

Specified as follows:

(Donations in kind of pharmaceuticals and medical material are valued based on the MSF-H 2009 pricelist)

	2009	2008
	EUR	EUR
MSF-Holland	19,474	-
MSF-Switzerland	13,442	-
CW Asia Fund	2,159	-
MDM	1,616	-
AMI	1,240	-
Various	329	-
	<hr/>	<hr/>
Total	<u>38,260</u>	<u>-</u>

3.2.7 Other contributions

Save The Children has offered MAM the use of their office space and utilities including internet. No in-kind value has been calculated for this very generous contribution to our organization.

3.2.8 Specification Expenditure

Expenses per destination

The expenses per destination can be specified as follows:

	Project Activities	Fundraising activities	Operational activities	Total 2009	Budget 2009	Total 2008
	EUR	EUR	EUR	EUR	EUR	EUR
Staff expenses	39,434	12,272	17,175	68,880	59,313	-
Operating running costs	2,141	1,235	3,391	6,768	8,623	-
Medical / nutrition costs	45,895	-	-	45,895	39,706	-
Logistic & watsan expenses	4,182	-	-	4,182	5,875	-
Training & support	76	-	-	76	-	-
Transport / freight / storage	2,791	938	2,879	6,607	27,750	-
Miscellaneous expenses	-	-	- 124	- 124	-	-
TOTAL EXPENSES	94,519	14,445	23,321	132,285	141,267	-

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.

Expenses per project activity

The expenses per project activity can be specified as follows:

	Project A PHC/Aids Yangon	Project B Malaria Rakhine	Total 2009	Budget 2009	Total 2008
	EUR	EUR	EUR	EUR	EUR
Staff expenses	39,434	-	39,434	39,186	-
Operating running costs	2,141	-	2,141	2,729	-
Medical / nutrition costs	45,895	-	45,895	39,706	-
Logistic & watsan expenses	4,182	-	4,182	5,875	-
Training & support	76	-	76	-	-
Transport / freight / storage	2,791	-	2,791	11,720	-
TOTAL EXPENSES	94,519	-	94,519	99,216	-

3.2.9 Key Indicators

Percentage Project Expenses / Total Expenses

	2009	2008
	EUR	EUR
Project expenses	94,519	-
Total expenses	132,285	-
Percentage	71,5%	-

Percentage Fundraising expenses / Total donations and grants received

	2009	2008
	EUR	EUR
Fundraising expenses	14,445	-
Total donations and grants received	217,039	-
Percentage	6,6%	-

3.2.10 Other Explanation

Employees

The number of employees at per 31st December is as follows:

	2009	2008
Expatriate Staff	2	-
National Staff	18	-
Total	<u>20</u>	<u>-</u>

3.3 Other Information

3.3.1 Allocation of Result

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

3.3.2 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.

JF Group - Certified Public Accountants & Auditors

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Audit Report
On
"Medical Action Myanmar (MAM)"
For the operational period from 1 June to 31 December 2009

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 June to 31 December 2009.

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 annual 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)

WAN TIN

B.com, Q, C.P.A, ACCA (Affiliate)
Certified Public Accountant and Auditor