

# Who we helped in 2005

## Annual Review



2

Merlin Annual Review 2005

1,537,065  
people helped  
in Kenya



120,000 mosquito nets distributed in Sri Lanka

37,100 people treated at Boma hospital in South Sudan

5,800 consultations made at Jabalya health centre in Gaza

4,062 people treated for malaria in Myanmar

60 nurses trained in TB treatment methods in Georgia

34 health centres and clinics rebuilt or repaired in Indonesia

28 rural clinics supported in Liberia

22 midwives trained in Afghanistan



1 life saved on day  
one of Merlin's first  
field clinic in Pakistan



## From the Chief Executive

One important indicator of Merlin's effectiveness is the total number of people we help each year. This figure could include patients treated at Merlin-supported clinics, nurses taking part in a training programme, families receiving mosquito nets or people attending health education classes.



**In 2005, Merlin provided direct assistance to more than six million people in total.**

Central to our mission is the need to build up health care services in crisis-hit regions in a way that will benefit people long after the emergency is over. The health centres we are constructing in countries affected by the Asian tsunami, for example, will serve communities for years to come.

**In this way, the impact of Merlin's projects is much greater than the number of people who receive direct help in any particular year. Our approach to strengthening health systems means that many more people in the future will benefit from the lasting improvements we have made.**

Much of our work in the tsunami-devastated regions of Indonesia and Sri Lanka was made possible because of a dramatic increase in donations from members of the public in the UK. This marks a notable shift from our traditional reliance on grants from government donor agencies, which is a vital part of Merlin's strategy for future growth. Having a strong foundation of loyal individual supporters provides us with the resources to respond more quickly in emergencies and to implement projects that have an even longer term impact.

Ultimately, all our achievements result from the efforts of Merlin's staff across the world, to whom I would like to pay tribute. Our teams work in extremely dangerous or remote environments, and it is thanks to their tremendous dedication that we are able to help so many people in need.

On behalf of all those who benefited from Merlin's work in 2005, I would like to thank every one of our supporters for their generosity.

A handwritten signature in cursive script that reads "Carolyn Miller". The ink is dark and the signature is fluid and legible.

**Carolyn Miller**, Chief Executive

# Medical relief

Every year, millions of people's lives are torn apart by natural disasters and other humanitarian crises. Survivors often find themselves with little or no access to health care because hospitals and clinics have been destroyed or do not have the capacity to deal with soaring patient numbers. With insufficient clean water and sanitation facilities, people also face a higher risk of disease outbreaks. Merlin responds to emergencies by providing immediate and effective medical relief, to save lives and reduce suffering. We act according to need, with activities such as distributing medical supplies, operating mobile clinics and providing safe drinking water.

## '4 million people needed medical care following the Pakistan earthquake'

On October 8, 2005, a devastating earthquake measuring 7.6 on the Richter scale killed more than 70,000 people in Pakistan and Kashmir, and left millions homeless. Within 48 hours, an emergency response team from Merlin was heading for the badly affected region of Panjkot. With all health centres in the area completely destroyed, Merlin's doctors found thousands of survivors in urgent need of medical aid. Within weeks, Merlin was operating four field clinics in the Panjkot and Neelum valleys, treating around 2,500 patients each week. The medical teams also travelled to remote settlements by helicopter or on foot to tend to patients who were unable to reach the clinics. Our priorities were to ensure that survivors had access to medical care, and to prevent the disease outbreaks many feared would result in more deaths during the winter.

Meanwhile in northern Kenya, a humanitarian crisis was unfolding as millions of people faced starvation due to a severe drought. Thousands of cattle died, and child malnutrition rates rose to 30 per cent in some areas due to the acute shortages of food and water. In Wajir and Turkana

districts, Merlin expanded its emergency nutrition programme for malnourished children, and had screened nearly 50,000 children by the end of 2005.

Everywhere it works, Merlin is always ready to respond to disease outbreaks as and when they arise. In the Democratic Republic of Congo, our team was alerted to a suspected plague epidemic that stemmed from a remote diamond mining area in Punia district. Although tests were inconclusive, the disease was highly contagious and caused 52 deaths. Merlin responded swiftly by supplying outreach medical teams, essential medicines and equipment. Working closely with local health authorities, Merlin helped to save many lives, treating 2,421 cases between August and November.

Elsewhere, Merlin continued to respond to more complex emergencies, like the conflict in Darfur, Sudan, that has left more than two million people displaced. Throughout the year, Merlin operated six mobile clinics and one permanent health centre in the Shearia region, directly helping more than 69,000 people.



Photo: Sally Braithwaite

Merlin Feeding Officer Asha Ahmed checks on children being treated for malnutrition at Wajir District Hospital in northern Kenya. A red reading on the MUAC (mid-upper arm circumference) band indicates that this boy is severely malnourished. He is one of 278 acute cases with medical complications who were treated at specialist hospital units supported by Merlin. A further 3,600 malnourished children benefited from Merlin's supplementary feeding programme. In June, Merlin launched a new scheme to train hundreds of "volunteer mothers" from remote villages to identify, treat and raise awareness of malnutrition in their communities.

## Pakistan: Earthquake emergency

The village of Panjkot was the centre of Merlin's first response to the October 8 earthquake. Situated 4,000 feet up in the foothills of the Himalayas, the region is difficult to reach even in normal circumstances.

Sean Keogh and Fayaz Ahmad were the first Merlin doctors to reach the area. "We walked for three days from village to village where virtually every house had collapsed," explained Dr Keogh.

"The road to the nearest city was obliterated by hundreds of landslides. Military helicopters had evacuated many seriously injured people, but there were still thousands of wounded people on the mountain ridges awaiting help. Their condition was becoming more critical as each day passed. It was clear the area would be cut off for weeks to come, so we made plans to bring in a fully equipped medical team to deal with the immediate problems of infected trauma cases and to stop the spread of diseases."

In London, Merlin recruited medical staff from British hospitals and sourced tents,

medical equipment and medicines from all over the world. At the same time, staff in Pakistan began to set up the infrastructure and lines of communication that would enable a field-based medical unit to function.

**"...in the first four days we treated 350 casualties. Many people were carried to us in their beds."**

"It was an uneasy feeling when we flew back into Panjkot with a full medical team not knowing exactly when the next line of supplies would arrive," Dr Ahmad recalled. "But we got down to work immediately and, in the first four days, treated 350 casualties. Many people were carried to us in their beds."

Over the next few weeks, Merlin set up three further tented clinics across the mountainous region, sending in staff and supplies by helicopter. Collectively, the clinics treated around 10,000 people each month.

A team of 50 staff members, from Pakistan and many other countries, kept the sites running throughout the winter. Like many survivors of the earthquake, they lived in tents and had to endure snow and freezing temperatures. Their daily routine included setting broken limbs, delivering babies and preventing illnesses such as pneumonia and diphtheria – work that was crucial in helping to avert the second disaster that many feared the cold weather might bring.



Dr Fayaz Ahmad attends to 12-year-old Muktiar Hussein, who was carried to Merlin's clinic with a spinal injury. The boy was airlifted to the Pakistan capital of Islamabad for surgery.

The Khan family, who lost one daughter in the earthquake, take shelter in the wreckage of their home near Panjkot in Pakistan-administered Kashmir.



# Lasting health care

In response to any humanitarian crisis, Merlin believes in a two-pronged approach, providing medical relief while at the same time planning beyond the emergency phase, to ensure lasting improvements to health care. Strengthening health infrastructure by rebuilding or refurbishing clinics and hospitals, and ensuring they are well-equipped and adequately stocked with medical supplies, is a major focus of many of our programmes.

## ‘122 health facilities in Indonesia were destroyed by the tsunami’



These 15,000-litre tanks are part of a new water system installed in the village of Benben in the Arsi region of Ethiopia. The network of six tanks collects rainwater from the roofs of the school and a nearby clinic, and will provide clean water for 7,000 people. The new water system is intended to reduce water-borne illnesses, such as diarrhoeal disease which is responsible for one in five child deaths in Ethiopia. New washstands and toilets are also being built, and hygiene education classes have been conducted at the school.

In the aftermath of the Asian tsunami disaster, Merlin's teams distributed relief items to thousands of displaced people, while at the same time assessing how best to help rebuild the clinics and hospitals that had been destroyed by the waves. In Sri Lanka and Indonesia, determining the appropriate size and location of permanent facilities was clearly going to take time due to the sheer scale of the disaster and the complexities of land allocation. In some cases, setting up temporary facilities was a practical and effective short term solution to meet immediate health needs. By the end of 2005, Merlin had rebuilt or repaired 38 health facilities in total, while construction work was under way on permanent clinics and hospitals.

In Myanmar (Burma), Merlin started a new project in Laputta Township, where approximately 47 people were killed and 2,000 displaced by the tsunami. Although the region was not as badly affected as other parts of Asia, the disaster added extra pressure on what was already a fragile health system in a region burdened

by poverty and disease. Merlin is helping to strengthen health services by refurbishing and equipping two hospitals and 58 rural health centres across the region.

Merlin also works in countries where the health infrastructure has been neglected or destroyed by years of conflict. In Sudan, the inadequate health system deteriorated even further during a civil war that lasted over two decades. The few clinics and hospitals that existed struggled to cope with the shortages of staff and medical supplies. Lack of health services, combined with periodic famine and high incidence of diseases like tuberculosis and malaria, have resulted in some of the world's worst health statistics. In South Sudan, Merlin rebuilt and equipped a number of health facilities, including Boma Hospital in Pibor. When Merlin arrived, the hospital had not been functioning for two years and only had two buildings left standing. Now there are four new wards, two consultation rooms, an operating theatre and a pharmacy, offering health care and surgery for over 97,000 people.



## Liberia: Rebuilding war-ravaged infrastructure

Ajuah Eshun could barely walk when she was admitted to J.J. Dossen Hospital in Harper, Liberia. She had been suffering from a large, painful ulcer on her leg. Routine tests also revealed that she was diabetic, so Merlin's doctor Alex Bolo ensured she was given the appropriate treatment immediately. Within days, Ajuah was able to walk around the ward with relative ease and beamed with joy when she was told she would soon be discharged.

**'By the end of the year, the hospital was fully up and running, offering free health care for nearly a quarter of a million people'**

Patients like Ajuah are now fortunate to be able to get medical treatment, including emergency surgery, at any time of day, seven days a week, at J.J. Dossen. The hospital has been completely transformed over the past year. When Merlin first arrived in Harper in response to a cholera epidemic in 2004, the

hospital was barely functioning, with chronic shortages of staff, medical supplies and equipment. Like most health facilities in Liberia, J.J. Dossen was stripped bare by looters during the country's 14-year civil war. The hospital was forced to close for three years and only had the capacity to run an outpatients department after the war ended in 2003.

Midwife Elizabeth Toe described how she and her colleagues struggled to cope, with no instruments for deliveries and no mattresses for the beds. "We just had to put patients on rusty iron bedsteads. If we had a complicated pregnancy, we would have to transfer the patient to Monrovia [the capital] by helicopter, but many patients died on the way," she added.

Merlin's team successfully contained the cholera outbreak by setting up a specialist treatment ward, and chlorinating wells to ensure that the community had clean water. But there was clearly an urgent need to refurbish the entire hospital and to restore all

services. With funding from the UK government, Merlin began the enormous task of renovating all the buildings, bringing in new equipment and medical supplies, and recruiting more staff.

By the end of the year, the hospital was fully up and running, offering free health care for nearly a quarter of a million people. Merlin also supported a further 29 health facilities in Liberia in 2005, providing medical supplies, equipment and training.



Ajuah Eshun recovering after treatment for a leg ulcer and diabetes.

The newly rehabilitated J.J. Dossen Hospital in Harper, Liberia.



# Lasting health care

Equally important to strengthening health infrastructure is making sure there are enough medical staff and that their skills and knowledge are up to date. Training is therefore a crucial element of Merlin's strategy for lasting health care. Our aim is to leave behind a health system that not only provides quality care, but is also better prepared to deal with any natural disasters, epidemics or other crises in future.

## 'There is an estimated global shortage of 4 million health workers'

Merlin's projects around the world involve training at different levels, ranging from an intensive 18-month course for midwives in Afghanistan, to training volunteers in Sri Lanka to promote health education in camps for displaced people.

In the tsunami-devastated province of Aceh in Indonesia, training was identified as a key priority because most health professionals had never had the opportunity to develop their skills since they qualified. By the end of 2005, Merlin had trained 120 nurses, 59 midwives and 22 doctors. Years of under-investment in health had also resulted in similar needs in Ampara and Batticaloa on the east coast of Sri Lanka. Throughout the year, Merlin provided training for approximately 300 doctors, nurses and other health workers to update their skills.

Meanwhile in Tajikistan, Merlin continued to enhance the capacity of the health system to control infectious diseases. In the context of ongoing economic transition, Tajikistan remains unable to adequately fund essential health services. In 2005, Merlin provided training for

more than 700 health workers at various levels, including 135 laboratory technicians whose skills in diagnosing malaria were updated.

In South Sudan, years of conflict and low levels of literacy have resulted in a severe shortage of skilled health professionals. Merlin continued to provide refresher training for medical staff at all the clinics and hospitals it supports in Magwi and Pibor. Other training initiatives included sponsoring 12 students to attend a nine-month course on maternal, child and community health care.

Health care at the community level is extremely important in rural villages in Afghanistan, where one in four children dies before the age of five, and each woman faces a one in six chance of dying in pregnancy during her lifetime. In Badakhshan, Merlin worked with a local organisation to train 208 community health workers, half of them women. These volunteers now conduct health education in their villages and ensure that patients in serious conditions are referred to hospital.



Photo: Aubrey Wade

Kindu Hospital in the war-torn province of Maniema in the Democratic Republic of Congo has evolved into the main referral hospital for the region's population of 1.8 million people. When Merlin first began supporting the hospital three years ago, it was a dilapidated facility that saw just 50 patients a week. Since then, Kindu has been completely refurbished, while training has been provided for medical staff and hospital managers. Patient numbers have increased significantly; in 2005, nearly 19,000 people were treated. The hospital has become a teaching centre for Kindu Nurses College, and helped 20 doctors gain clinical and practical experience last year.



## Indonesia: Restoring health services after the tsunami

At 8am on a Wednesday morning on the outskirts of Banda Aceh, Indonesia, the Darussalam health centre stirs to life. Mothers cradling their infants trickle in with vaccination booklets in hand and line up inside the midwives' office. Nur Hidayati, 25, and her colleague, Nur Fitriani, 34, weigh the infants, check the vaccination booklets and prepare the injections.

The scene today is very different to the first days following the Boxing Day 2004 tsunami. The facility used to serve 42,000 people in nine surrounding villages. Six of the villages bore the brunt of the waves and were either completely levelled or left in ruins. Many residents were injured and unable to reach a doctor, let alone a functioning hospital. Cruelly, the tragedy claimed 70 per cent of the medical staff in Banda Aceh.

Merlin arrived in the early days of the emergency and found the Darussalam clinic flooded with filthy water and inundated with debris. Staff were nowhere to be seen and most of the medical supplies and equipment were damaged or destroyed.

The team helped to clear the debris and began the task of getting the clinic up and running again. In addition to re-establishing the water supply, repairing the roof, painting the building and installing new sinks and toilets, Merlin re-equipped the facility and donated an ambulance.

**'Cruelly, the tragedy claimed 70 per cent of the medical staff in Banda Aceh.'**

As well as rebuilding medical facilities in Aceh province, Merlin has helped to make long-term improvements to health care by training medical staff, conducting public health campaigns and supporting a polio immunisation drive.

Fitriani and Hidayati were among 59 midwives who completed a "Basic Safe Delivery" course organised by Merlin. "This is the first training we've had since we became midwives. Before the tsunami, there was never any training for us," says Fitriani.



A father brings his young daughter to Darussalam health centre for vaccinations.

Hidayati explains that they have now changed the way they handle newborns. Before, the standard practice was to bathe the infant immediately. "But we found out there could be a risk of asphyxiation," she says, "so now we wait six hours, and then we bathe them."

Fitriani is enthusiastic to share what she has learned, adding, "We can pass along our new skills to other midwives too."

A baby girl being weighed during a check-up at the newly refurbished Darussalam health centre.



# Improving health care in fragile states

2005 was a year in which the world took stock of the course of international development. The G8 Summit, held in July, put aid funding and debt relief at the top of its agenda. In September, the United Nations General Assembly conducted an assessment of the progress made in improving living standards in developing countries. In between these events, a major humanitarian crisis unravelled in Niger, in which malnutrition levels soared and images of starving children flooded the media once more.

## '1 in 3 people living in fragile states are undernourished'

While the UN concluded that many of the world's poorest countries were unlikely to achieve the targets of the Millennium Development Goals (MDGs) set for 2015, much of the debate over how to improve this forecast centred on the position of so-called 'fragile states'. These have been defined as countries in which governments are either unwilling or unable to provide core services to the majority of their people. Their fragility stems from a combination of factors which may include political instability, poor governance, systemic corruption, derelict or non-existent infrastructures, bankrupt economies, lawlessness or outright conflict.

In June, Merlin contributed to this debate by hosting a conference entitled "Meeting the Health Millennium Development Goals in Fragile States". The event, organised jointly with the London School of Hygiene and Tropical Medicine, brought together experts from health charities, academics, governmental donor agencies and national health ministries.

Many of the countries where Merlin works, such as Sudan, Afghanistan, the

Democratic Republic of Congo and Liberia, fall into the category of fragile states. In these countries, health indicators are bad even in comparison with the rest of the developing world. Child mortality in fragile states is twice as high as it is in other low income countries, and the malaria death rate is nearly 13 times higher. One in three people living in fragile states are undernourished, and a third of all people with HIV live in fragile states.

One of the main thrusts of the conference was to confront the problem that many donor agencies are unwilling to provide adequate funding to fragile states because they lack confidence in their capacity or their policies. A report from the British government drew attention to the fact that fragile states have received 43 per cent less aid than they would have had if money was allocated purely on humanitarian needs.

Karin Christiansen, from the UK-based Overseas Development Institute, described the problems that can be created when aid funds are not tied in closely with existing state systems, and instead encourage the

establishment of parallel or fragmented health systems. While this may have the advantage of meeting immediate health needs, it can undermine the long-term objective of supporting the state to improve health care services.



Photo: Matt Wreford

In Afghanistan, where Merlin supported a network of 49 clinics or hospitals in 2005, most international funding is now co-ordinated through the Ministry of Health which, in turn, contracts out services to NGOs and other agencies with the most appropriate expertise. Instead of distributing grants directly to NGOs, this relatively new funding mechanism is considered more appropriate for fragile states, but more evidence of its effectiveness is needed.

The policy of cost recovery – charging patients for treatment – and how it reduces access to health care in fragile states was also discussed. Dr Soeters, from HealthNet International, explained that trends in outpatient attendances in Congo showed that patient numbers went up fourfold when charges were halved. A project run by Merlin in Congo to support the development of Kindu Hospital initially incorporated cost recovery. However, a study by Merlin demonstrated that charging patients reduced the number of people on low incomes using the facility. This resulted in the donor agreeing to decrease and eventually withdraw patient fees.

David Wightwick, Merlin's Director of Operations, spoke about the goal of developing self-sustainable health systems. He suggested that this was unattainable in the short term in many fragile states, primarily because their economies were so weak. He described the difficulties in establishing lasting health care programmes in situations where funding is highly unpredictable and commonly provided for periods of six months to one year. Many of Merlin's projects, such as its primary health care programme in Liberia, have been funded in this way and suffer from a hiatus between

### Three of the eight Millennium Development Goals relate directly to health:

**GOAL 4:** To reduce the mortality rate among children under five by two-thirds

**GOAL 5:** To reduce the maternal mortality ratio by 75 per cent.

**GOAL 6:** To have halted and reversed the spread of HIV by 2015.  
To have halted and begun to reverse the incidence of malaria by 2015.

emergency humanitarian funding and longer term development funding. Donor agencies, he concluded, needed to adopt policies which would favour longer term engagement in fragile states, providing inputs at a high level until local economies could fill the gap.

Although differing opinions were aired at the conference, there was clear agreement on the most important steps needed to improve the progress of reaching the MDGs in fragile states. These can be summarised as follows:

- wealthy nations should increase aid funding to at least 0.7 per cent of national income
- policies of donor agencies need to be more closely aligned with those of governments in fragile states
- donor agencies and health ministries should work more closely in planning and implementing long term

programmes

- new methods of service delivery, such as contracting out services to NGOs and private health providers, should be more widely considered
- the policy of cost recovery should be reviewed, based on the principle that health care for people on the lowest incomes should be free

In her closing comments, Carolyn Miller, Merlin's Chief Executive, reflected on a gradual shift that was occurring in aid policy. "Some of the major providers of aid have recognised the need to provide more sustained help for fragile states," she said. "Merlin would like to see this commitment put into practice more widely so that piecemeal funding is replaced by more strategic, long-term support. This will give the world's poorest and most vulnerable countries a better chance of achieving the Millennium Development Goals."

A trainee midwife at Taloqan hospital, northern Afghanistan. The 18-month training scheme set up by Merlin is aimed at combating some of the worst maternal mortality levels in the world. The average woman in Afghanistan gives birth to more than six children and stands a one in six chance of dying during pregnancy or childbirth.

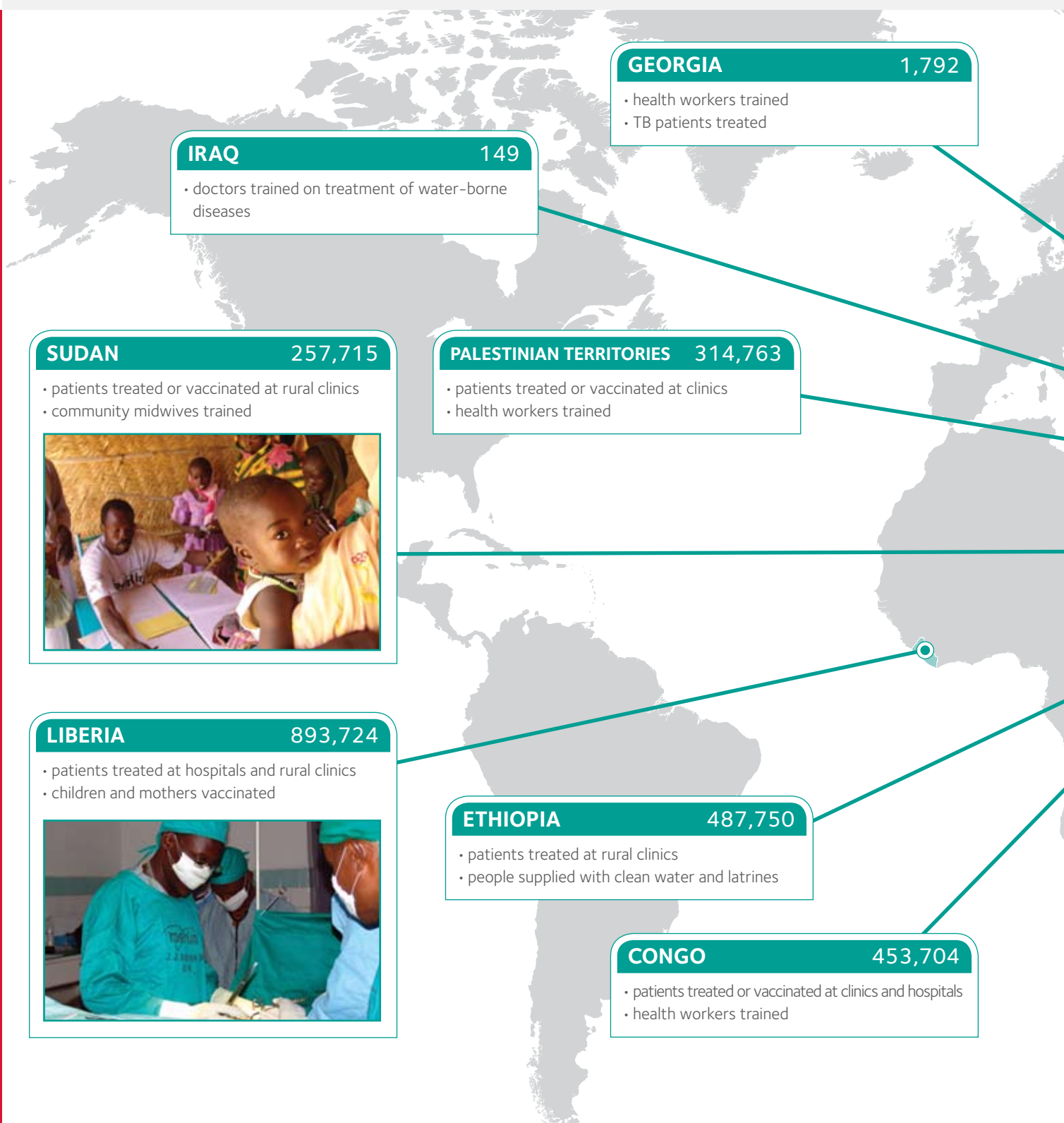




All of Merlin's field teams collect records to show as accurately as possible the number of people benefiting from our programmes. This includes many different kinds of support: for example, people visiting health centres, families receiving emergency aid, or medical staff taking part in training programmes.

In 2005, Merlin provided direct help to **6,483,175** people.

Many more people than this, living within the catchment area of Merlin's programmes, have been given the opportunity to access better health services when they need them, or have benefited from improved health care through someone trained by Merlin.



**AFGHANISTAN**

831,900

- patients treated or vaccinated at clinics and hospitals
- midwives and other health workers trained

**RUSSIA**

3,500

- TB patients treated
- people educated about TB

**IRAN**

24,308

- patients treated at clinics
- health workers trained

**TAJIKISTAN**

662,102

- patients treated at health facilities
- health workers trained on disease prevention

**PAKISTAN**

37,486

- quake survivors treated or vaccinated at field clinics
- people given hygiene kits, cooking sets and blankets

**MYANMAR**

41,996

- patients tested or treated for malaria
- people given health education

**SRI LANKA**

321,238

- patients treated at renovated health facilities
- people given hygiene kits and mosquito nets

**INDONESIA**

605,012

- patients treated at renovated health facilities
- health workers trained

**SOMALIA**

8,971

- national malaria control
- children vaccinated for measles

**KENYA**

1,537,065

- malnourished children treated
- people tested and counselled for HIV

# Summarised statement of financial activity

INCOME	2005 (£,000)	2004 (£,000)
Incoming resources from generated funds	10,059	967
Incoming resources from charitable activities	16,289	13,078
	<b>26,348</b>	<b>14,045</b>

EXPENDITURE	2005 (£,000)	2004 (£,000)
Cost of generating funds	689	328
Charitable activities	18,790	13,556
Governance costs	211	89
	<b>19,690</b>	<b>13,973</b>

	2005 (£,000)	2004 (£,000)
Unrealised gain on investments	5	1
Net movement in charity funds for the year	6,663	73
<b>TOTAL FUNDS 31 Dec '05</b>	<b>7,153</b>	<b>490</b>

Merlin's total income was £26.3 million in 2005, an 87 per cent increase over the previous year and the highest ever in our history. In comparison with other years, a much greater proportion of our income was received as donations from members of the public.

"Incoming resources from generated funds" includes donations, events income and investment income. This year it includes £6.8 million received from the Daily Telegraph Tsunami Appeal, which is being spent over three years, explaining the large increase in funds from 2004. "Incoming resources from charitable activities" is the grant funding received from governments and other bodies for specific projects.

"Cost of generating funds" is expenditure on fundraising and is linked to income from generated funds. "Charitable activities" are the direct and indirect costs of delivering projects. "Governance costs" are incurred in meeting regulatory requirements.

These summarised accounts are a summary of information extracted from the audited annual accounts. The full report and accounts were approved by the Trustee on 18 July, 2006, and have been submitted to the Charity Commission and the Registrar of Companies. These summarised accounts may not contain sufficient information to allow for a full understanding of the accounts. The auditors' unqualified report on those accounts and the Trustee's Annual Report should be consulted. Copies of these may be obtained from Merlin, 12th Floor, 207 Old Street, London, EC1V 9NR.

On behalf of the Trustee:  
**Sir George Cox, Chair of the Board**  
18 July, 2006

## Independent Auditors' statement to the Trustee of Merlin

We have examined the summarised financial statements of Merlin.

**Respective responsibilities of Trustee and Auditors:**  
The Trustee is responsible for preparing the summarised financial statements in accordance with the recommendations of the Charities' SORP. Our responsibility is to report to you our opinion on the

consistency of the summarised financial statements with the full financial statements and Trustee's Annual Report. We also read the other information contained in the summarised annual report and consider the implications for our report if we are aware of any apparent mis-statements or material inconsistencies with the summarised financial statements.

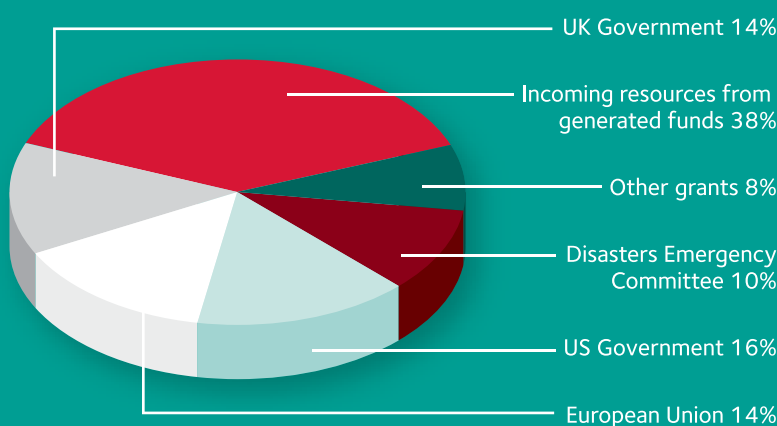
**Basis of Opinion:** We conducted our work in accordance with Bulletin 1999/6 'The auditors' statement on the summary financial statement issued

by the Auditing Practices Board for use in the United Kingdom'.

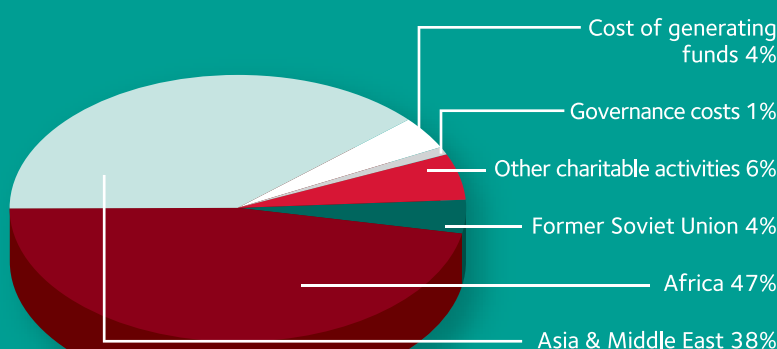
**Opinion:** In our opinion the summarised financial statements are consistent with the full financial statements and the Trustee's Annual Report of Merlin for the year ended 31 December 2005.

**Kingston Smith LLP**  
Chartered Accountants and Registered Auditors  
25 July, 2006

## Total Income by Source



## Total Expenditure by Region





# Who helped us in 2005

2005 was an exceptional year for Merlin, mainly due to the overwhelming public response to the Asian tsunami disaster. Merlin was grateful to have been chosen as a beneficiary of the Daily Telegraph Christmas appeal, which helped to raise awareness of its work with special reports on Merlin's projects in Iran, Congo, Ivory Coast and the Palestinian Territories. When the tsunami struck, the Telegraph reported on Merlin's emergency response almost every day, generating a massive influx of donations. In total, the appeal raised £6.8 million from Telegraph readers, while at the same time giving a major boost to Merlin's profile.

Individual supporters also responded generously to Merlin appeals throughout the year, and there was a significant increase in the number of people making regular gifts. Merlin's London Marathon team worked very hard and raised over £74,000 in sponsorship. By the end of the year, Merlin had received a record £8.8 million from individuals.

Over the years, Merlin has created excellent long-term partnerships with a variety of leading companies. In addition to donations, gifts in kind or sponsorship, corporate supporters have offered advice and expertise, encouraged employees to sign up for payroll giving and organised staff secondments. Last year, companies

donated more than £386,000 to Merlin. Among them was Lloyds Pharmacy, the UK's largest community pharmacy chain, which raised more than £54,000. Staff and customers got involved in fundraising – collection boxes in stores were changed to a "tsunami appeal" following the disaster, and staff organised fundraising events, including a five-a-side football tournament. Capital Group companies and employees gave generously – employee gifts, matching gift scheme donations and grants totalled nearly £50,000. Man Group plc made substantial donations in response to the tsunami and the Pakistan earthquake. DHL Express UK's gift of £20,000 of free shipping was invaluable, enabling Merlin to distribute vital medical supplies



Staff at Lloyds Pharmacy raised more than £54,000 for Merlin.

and equipment worldwide. Another major contribution came from TFS-ICAP, a financial joint venture company formed by TFS Group and ICAP plc, which donated £135,000 for tsunami relief. This partnership began in 2003 when Merlin was a beneficiary of a Charity Day organised by ICAP, the world's largest interdealer broker.

Charitable trusts and foundations continued to provide Merlin with invaluable support. Merlin is especially grateful to new trusts which offered help after the tsunami disaster and the Pakistan earthquake, and to longstanding donors who renewed their support during 2005, including The Clothworkers' Foundation, The Bernard Sunley Charitable Foundation, the Garfield Weston Foundation, The Beatrice Laing Trust and The Schroder Charity Trust.

Finally, Merlin's projects in all 17 countries would not have been possible without the continued support of institutional donors, including the UK government, the European Union, the US government and the UK's Disasters Emergency Committee, which accounted for more than £16 million of Merlin's income in 2005.



Merlin was proud to be involved with Tsunami Soccer Aid, a charity football match held at Liverpool's Anfield stadium on March 27. The unique event brought together some of Liverpool's finest ex-players, including Kevin Keegan, Kenny Dalglish and John Barnes, who took on a team of celebrities, including singer Brian McFadden and TV stars Shane Richie and Ralf Little. Around 39,000 people attended the match, which raised more than £100,000 for Merlin to provide medical relief and lasting health care in tsunami-affected countries.

# Thank you

Merlin would like to thank all its donors for their generous and invaluable support over the past year, with special acknowledgements to the following organisations:

The AquaLung Trust  
The Band Aid Trust  
The Beatrice Laing Trust  
The Bernard Sunley Charitable Foundation  
Boots plc  
The Bristol Port Company  
The Capital Group Companies Charitable Foundation  
Capital International Limited  
The City Tsunami Foundation  
The Clothworkers' Foundation  
The Daily Telegraph  
The De Vere Hunt Charitable Trust

Disasters Emergency Committee  
The E M MacAndrew Trust  
Edmundson Electrical Ltd  
European Union  
The Garfield Weston Foundation  
The Harley Charitable Trust  
KeyMed Group  
The Lady Juliet Tadgell Charitable Trust  
The Leach No. 14 Trust  
Lloyds Pharmacy Ltd  
The Lord Barnby Trust  
Man Group plc Charitable Trust  
The Mrs P M Mulholland Charitable Trust

The Random House Group  
The Roby Trust  
The Schroder Foundation  
ShareGift  
The South Square Trust  
The Stevenson Family's Charitable Trust  
TFS-ICAP  
The Trefoil Trust  
Tsunami Soccer Aid  
The Warwick Trust  
The Worshipful Company of Grocers  
UK government  
US government

#### Cover image:

Shakil Ahmed was carried by his father to Merlin's field clinic in Sarli Sacha, in the Neelum Valley of Pakistan-administered Kashmir, following the October 2005 earthquake. Photo: Belinda Lawley.



*Merlin is the only specialist UK charity which responds worldwide with vital health care and medical relief for vulnerable people caught up in natural disasters, conflict, disease and health system collapse.*

12th Floor 207 Old Street London EC1V 9NR UK **TEL:** + 44 (0)20 7014 1600

**FAX:** +44 (0)20 7014 1601 **EMAIL:** [hq@merlin.org.uk](mailto:hq@merlin.org.uk) **WEB:** [www.merlin.org.uk](http://www.merlin.org.uk)

Registered charity number: 1016607