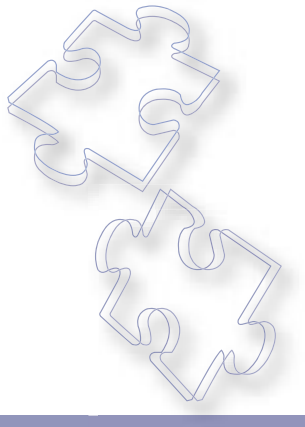
ANNUAL REPORT 2006

MERCY™ MALAYSIA *Healing Across Borders*



MERCY Malaysia is a non-profit organisation focusing on providing medical relief and sustainable health-related development for vulnerable communities in both crisis and non-crisis situations.

Our core values

We focus on rapid medical response for the assistance of communities affected by disasters

We hold ourselves accountable to our donors and beneficiaries

We recognise the value of working with partners and volunteers

We provide an opportunity for individuals to serve with professionalism, upholding the international code of conduct for humanitarian workers

The cover photograph shows children from flood-affected Long Bemang in Sarawak, Malaysia, making their way to MERCY Malaysia's Community Health Clinic.
MERCY Malaysia works through building partnerships with donors,volunteers, staff and beneficiaries - and like a jigsaw, pieces together all stakeholders to heal across borders.

CONTENTS

ISTANA ISKANDARIAH
KUALA KANGSAR

MESSAGE FROM HIS ROYAL HIGHNESS THE SULTAN OF PERAK DARUL RIDZUAN

As Patron of MERCY Malaysia, I am proud of the organisation's remarkable growth in the last seven years. As the world continues to face the threat of disasters – both natural and manmade – this young organisation has established itself as an internationally-recognised medical and humanitarian relief organisation with professional standards and strong compassion for humanity, regardless of colour, creed and religion.

As our country becomes a developed nation, MERCY Malaysia will continue to grow and aspire to be an organisation where Malaysians can unite while working towards a common goal to serve humanity, and in doing so, alleviate the suffering of fellow human beings.

With respect to ensuring and maintaining the good faith of MERCY Malaysia's partners, supporters and beneficiaries, I am encouraged by the organisation's commitment towards greater transparency and accountability. MERCY Malaysia has endeavoured to make its financial reports available to our donors and the public through annual publications like this Annual Report and through the media. This is in keeping with its firm belief of upholding the principles of accountability and transparency as vital to maintaining its integrity.

There is no doubt in my mind that MERCY Malaysia will continue to thrive and persevere as we optimise our efforts to assuage the trauma and suffering of communities in need of aid throughout the disaster cycle. As the Patron, I am delighted to see the organisation mature and focus not only on immediate relief, but also in ensuring that activities aim to reduce vulnerabilities and increase disaster resilience in disaster-affected communities.

I congratulate MERCY Malaysia for its accomplishments in the past year and pray for the safety and success of all its staff and volunteers in the face of the challenges in the upcoming year.

H.R.H. SULTAN AZLAN SHAH
SULTAN OF PERAK DARUL RIDZUAN

MESSAGE FROM THE PRESIDENT
DATUK DR JEMILAH MAHMOOD

In the name of God, the Most Merciful, the Omnipotent

Salam and greetings dear friends

As I reflect upon the year that has passed, I am filled with mixed emotions. On one hand, I breathed a sigh of relief as it was a year that had thankfully, less major disasters compared to previous years. On the other, it saddened me that a major disaster hit our own shores at the closure of 2006. It had been a long time since Malaysia had experienced catastrophic and widespread flooding as we did in Johor last December. As I recall the faces and conversations with the thousands of men, women and children who filled the community halls, schools and other emergency shelters, a clear message comes through – we now join the ranks of the vulnerable, especially with the undeniable fact that global warming has become a reality, calling closer to home than we would have liked.

This also makes it more prudent to fulfill our role as a humanitarian organisation that must continue to look towards providing total disaster risk management – encompassing preparedness, mitigation, response and recovery – and ensuring that communities we work with are more resilient and have the capacity to cope better when we leave. To this effect, we commenced on several important projects enhancing community based disaster risk management during 2006, particularly in Indonesia and Pakistan with future plans to extend this to several parts of Malaysia.

The Secretariat has worked very hard to ensure that our commitment to transparency and accountability both to our donors and beneficiaries has been carried out throughout the year. We created history by being the first NGO in Malaysia to publish our financial report in mainstream media as a commitment to the thousands of public donors, big and small, thus ensuring that all our donors have access to our reports. As I write this, I sit facing a recently conferred award from ACCA Malaysia for MERCY Malaysia's Annual Report 2005. I was proud to receive the award on behalf of the organisation, and humbled to be the only NGO to stand among the giant corporations who received similar awards recently.

MERCY Malaysia has since crossed its seventh year in operations and, no longer a toddler, is regarded positively in the international humanitarian arena as an organisation from the "south" that is credible with a track record of delivering its promises. We have to keep on rising to the challenges that will undoubtedly face us as we grow from strength to strength. I am confident that with the continued support from our Royal Patron, donors, volunteers, the Malaysian government as well as governments in countries we work in, international organisations, the media and the sterling work of the Secretariat, we will ride each wave steadily and be that beacon of hope in this part of the world.

If we aim for the stars, we may fall on the moon and that is higher than earth– a driving philosophy in my life along with the firm belief that nothing good comes easy. We need to push ahead with steadfastness, upholding the principles of humanitarianism that forge our action – impartiality, neutrality and independence.

Thank you very much for all your support which we hope will persist through the years as we persevere to heal across borders.

Yours truly,

Datuk Dr. Jemilah Mahmood
President

TREASURER'S REPORT

The year 2006 was a year for consolidation following the major disasters in recent times – the Indian Ocean Tsunami as well as the Pakistan and Yogjakarta earthquakes. MERCY Malaysia persevered through its programmes completing most of its reconstruction projects, particularly in Yogjakarta, Sudan, and tsunami affected areas.

The Indian Ocean Tsunami in late 2004 made a huge impact on MERCY Malaysia's activities as a whole. Increase in public contribution for the tsunami disaster led to an increase in our relief projects in tsunami stricken areas that included Aceh, Nias, Sri Lanka and Maldives. With full commitment to our beneficiaries, MERCY Malaysia expects to complete all planned development by the end of 2007.

In line with MERCY Malaysia's mission to focus on providing medical relief and sustainable health-related development, our activities in health-related programmes accounted for the majority of our work (75.51%) followed by education (22.67%), while the rest was utilised for aid distribution, water & sanitation, community & social services plus shelter projects.

Domestically, 2006 will be remembered for the worst flood ever to occur in Malaysia in recent years. Working hand-in-hand with our Southern Chapters during the emergency phase, MERCY Malaysia was able to provide rapid response in Johor and Melaka.

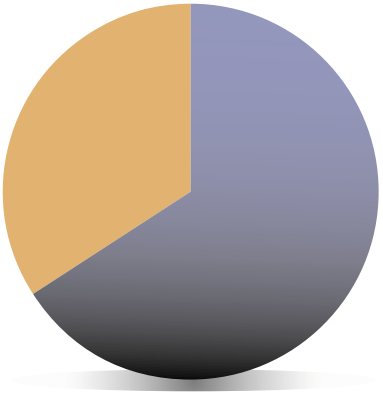
In line with our future plans that include intentions to expand, MERCY Malaysia established a new fundraising centre in Europe. With the establishment of a liaison office in London, we are now able to tap into more resources in terms of international partnership development and sustainable funding support.

Our operating and fundraising expenditure for 2006 was 13%. This was higher compared to 2005 when the abnormally large amount of funding for the Tsunami diluted the final operating expenditure. Furthermore, 2006 saw the implementation of many projects requiring the setting up of site offices, staff recruitment and operational activities.

I am grateful for the trust placed in me as well as the opportunity to serve the organisation as Treasurer, carrying out our mandate of serving vulnerable communities and ensuring that our organisation functions with the highest level of professionalism, transparency and accountability.

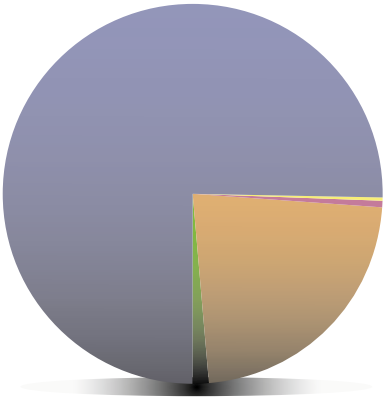
Ir. Amran Mahzan
Honorary Treasurer

INCOMING RESOURCES



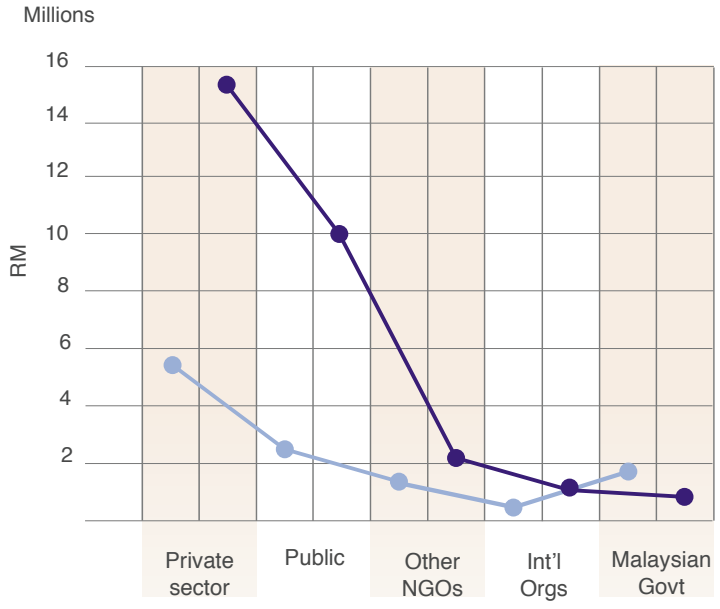
	RM' 000	%
Specific Projects Funds	9,171	66
General Fund	4,653	34
TOTAL INCOME	**13,825**	

HOW WE SPENT



	RM' 000	%
Healthcare & health-related	9,754	75.52
Education	2,928	22.67
Aid distribution	15	0.12
Water & sanitation	4	0.03
Community & social services	62	0.48
Shelter	153	1.18
TOTAL	**12,917**	

SOURCE OF DONATION BY SECTOR



	2006 RM' 000	2005 RM' 000
Private Sector	5,811	15,507
Public	2,946	10,467
Other NGOs	1,724	2,715
International Organisations	486	750
Malaysian Government	2,300	590
TOTAL	**13,267**	**30,029**

A 3-YEAR COMPARISON

	2006 RM '000	2005 RM '000	2004 RM '000
A. Total Income			
Donation	13,267	30,029	6,288
Other income	558	326	188
Total	13,825	30,355	6,476
B. Total Charitable Expenditure			
Healthcare & health-related	9,754	6,079	2,015
Education	2,928	1,715	193
Aid distribution	15	647	155
Water & sanitation	4	43	14
Community & social services	62	474	101
Shelter	153	6,200	170
Total	12,916	15,158	2,648
C. Operating Expenditure	1,602	1,223	787

MERCY MALAYSIA EXECUTIVE COUNCIL
2006 - 2008

President	:	Y. Bhg. Datuk Dr. Jemilah Mahmood
Vice President I (Medical)	:	Assoc. Prof. Dr. Mohamed Ikram Mohamed Salleh
Vice President II (Non-Medical)	:	Encik Mohamad Azman Sulaiman
Honorary Secretary	:	YM Raja Riza Shazmin Bt Raja Badrul Shah
Asst. Honorary Secretary	:	Assoc. Prof. Dr. P. Shanmuhasuntharam
Honorary Treasurer	:	Ir. Amran Mahzan
Executive Committee Members	:	Dr. Heng Aik Cheng
		Dr. Ahmad Faizal Perdaus
		Encik Azman Zainon Abidin
Ex-Officio	:	Puan Farah Hamzah
		Dr. Shalimar Abdullah

Left-right: (sitting) YM Raja Riza Shazmin Bt. Raja Badrul Shah; Y. Bhg. Datuk Dr. Jemilah Mahmood; H.R.H. Sultan Azlan Shah; Assoc. Prof. Dr. Mohamed Ikram Mohamed Salleh; Ir. Amran Mahzan; (standing) Puan Shareen Shariza Dato' Abdul Ghani; Dr. Heng Aik Cheng; Assoc. Prof. Dr. P. Shanmuhasuntharam; Encik Azman Zainon Abidin; Puan Farah Hamzah; Dr. Shalimar Abdullah; (not present) Encik Mohamad Azman Sulaiman; Dr. Ahmad Faizal Perdaus

Humanitarian Accountability

The year 2006 was a year for development, consolidation and change in management for MERCY Malaysia. While we continued to respond to emergencies and implement our on going relief programmes abroad, the move towards strengthening our organisation, structurally, financially and in our human capital development, remained high on our agenda.

MERCY Malaysia made significant inroads with its humanitarian accountability commitment when we became a full member of the Geneva-based Humanitarian Accountability Partnership (HAP) in 2006. We developed our accountability work plan and have proceeded to work towards an integrated quality assurance and management system and a humanitarian accountability framework. As a young organisation, MERCY Malaysia has had the advantage of leveraging on its unique position to adapt to international standards, growing the organisation through learning from best practices of other more established international organisations. This unique position has allowed us to develop our own standards while implementing proven methods, giving MERCY Malaysia the edge to further enhance its organisational growth.

We were actively engaged in various consultations in the development of the HAP 2007 Standards in Humanitarian Accountability and Quality Management through the Editorial Working Group and other working groups spearheaded by HAP. We felt that this was an important process to ensure that views from a relatively young "southern" based organisation were adequately represented.

We then began to align our organisation towards the Standards that were being developed, recognising the critical importance of improving our quality management system and improving our accountability to our beneficiaries. In the eight years MERCY Malaysia has been in existence, we have been profoundly conscious of our fundamental principle of impartiality, ensuring beneficiary consultation, respecting local culture, knowledge and customs, and delivering aid based on needs alone - irrespective of creed, religion or boundaries. This has enabled us to implement our programmes in some of the more challenging regions including Afghanistan, West Darfur in Sudan, Iraq, Sri Lanka and Indonesia.

We took that commitment one step further by opening our organisation to a pre-audit exercise in late 2006. The pre-audit clarified further where our strengths lay and gave us the opportunity to examine key areas of improvement and enhancement. MERCY Malaysia plans to embark on obtaining certification from HAP in 2007. We have included a write-up on HAP following this section.

On the home front, we made a strong commitment towards transparency with the publication of an abridged version of our 2005 audited financial report in two prominent newspapers in Malaysia. The full audited financial report is a permanent section in our Annual Reports and is also made available on our website. MERCY Malaysia also won the prestigious ACCA award under the Special Mention category for its 2005 Annual Report.

Additionally, as part of our capacity-building efforts, we have also established partnerships to develop implementation strategies and joint programmes in humanitarian assistance and disaster preparedness with our Asian partners through the Asian Disaster Response and Reduction Network (ADRRN) and other organisations in Malaysia and internationally.

Strategic Direction

MERCY Malaysia, through strategic partnerships with notable Malaysian organisations, was able to invest in our human resource and organisational growth. In 2006, with the support of our corporate donors, a separate fund for our Operations and Administration was created and we also made an investment in our organisation's disaster preparedness programme with the setting up of MERCY Malaysia's Emergency Response Unit. In addition, we established a Central Emergency Fund that will enable us to deploy teams and supplies faster and with greater efficiency.

We further refined our Strategic Direction and developed a comprehensive plan for 2007 which is the beginning of the development of our five-year Strategic Plan.

Organisational Development

Our Emergency Response Unit, which is one of the key achievements for 2006, is built complete with its own protocol, surgical mobile tented unit and medical equipment, instruments, drugs and medical supplies. With the strong commitment and participation of our core volunteers, the unit will be fully commissioned mid 2007.

We also expanded our service range to include reproductive health programmes that address the acute needs of population affected by crises. In response to the war in Lebanon, we provided and developed a mobile reproductive unit which will serve the displaced population during the rebuilding phase, which in most situations takes many months.

We continued to build our organisational capacity and human resource capacity in the important aspect of Total Disaster Risk Management (TDRM). We continue to learn and put principles into practice using the TDRM approach in most of our projects. To MERCY Malaysia, responding to disasters without considering building resilience for the effected communities - whether in terms of infrastructure or the rebuilding of lives - will not help reduce the vulnerability of the communities. As an organisation that strives to be fully accountable to its beneficiaries, our duty is to ensure that we do not rebuild vulnerabilities but instead make investments into building capacities and resilience.

Human Capital Development and Capacity Building

We continued to increase the competencies of our staff and volunteers in the field of humanitarian relief with specific training programmes such as the SPHERE in Practice, and Essentials in Humanitarian Relief.

We continued to develop and enhance our in-house training programmes especially in regards to our Advanced Mission Training and relevant thematic programmes.

Relief Operations

In 2006, MERCY Malaysia ventured into the Middle East to assist Lebanon in the reconstruction of its health infrastructure that was destroyed in the Lebanon-Israel War and to provide medical supplies to war refugees in Syria. MERCY Malaysia also deployed a team to Philippines in response to the havoc in the Bicol Region wrecked by Typhoon Durian.

The organisation's commitment to providing humanitarian assistance was not limited to times of disaster only. We continued to provide our services in Cambodia, Sudan, Afghanistan, Indonesia – Aceh, Nias and Yogjakarta, and Maldives. Our work encompassed the provision of professional healthcare services, health-related infrastructure development and capacity building.

In Malaysia, we continuously carried on with our primary healthcare services through mobile clinic programmes for remote communities in Sabah and Sarawak as we had done in previous years. Additionally, through a collaboration with Agensi Anti-Dadah Kebangsaan (the National Anti-Drug Agency of Malaysia), MERCY Malaysia conducted monthly mobile clinics for drug reformers.

A detailed narrative of our country operations is documented in the following pages of this report.

Shareen Shariza Dato' Abdul Ghani
Chief Operating Officer

EXECUTIVE BRIEFING **26 April 2007, Geneva**

THE HAP STANDARD AND CERTIFICATION: ASSURING HUMANITARIAN ACCOUNTABILITY AND QUALITY

1. Humanitarians 'not accountable'

Many aid agencies recognize weaknesses in the accountability and quality of their humanitarian program
Humanitarians have continued to offer inadequate accountability to disaster survivors, resulting in poor quality services, while NGOs accounted to donors at the expense of beneficiaries, according to a recent analysis by HAP. The sector has remained fraught with concerns about poor performance and abandoned principles, demands that regulation should be done by the sector, and concerns that self-regulation by individual agencies had been ineffective. The United Nations, meanwhile, made little specific effort to develop accountability to people affected by disasters, and donors remained in few obvious ways accountable to survivors, who lacked the means to demand accountability from aid agencies. One agency revealed that aid workers were still trading food aid for sex with children in Liberia – four years after this was first reported. Since the early 1990s, humanitarians have recognized weaknesses in the accountability and quality of relief program designed to save lives and reduce suffering in the world's disasters. A majority of international agencies have signed up to accountability and quality initiatives.[1]

The confidence of stakeholders in relief agencies may be declining
Concerned senior managers, program managers and policy advisers perceived accountability to disaster survivors to be largely inadequate, HAP found in a recent survey that correlated with similar findings in 2006. Some governments also looked set to impose stricter rules for NGOs.[2]

Some media have become more skeptical in their reporting on humanitarian agencies, reporting evaluations selectively and taking criticisms out of context. Such scrutiny may naturally accompany increasing relief budgets; 2006 figures suggest bilateral humanitarian assistance from OECD's DAC donor countries increased from US$7.3 billion in 2004 to US$8.4 billion in 2005 – a 15% increase in real terms, while international pledges to countries affected by the tsunami totaled US$14 billion, and more than 50 donors committed US$272 million to the newly expanded Central Emergency Response Fund (CERF).

Agencies still provide quality and accountability in their programs
At the same time, most respondents to the HAP survey perceived improvements to be underway in humanitarian accountability, and HAP's advisers have observed and documented numerous good practices in accountability and quality management in response to disasters in Pakistan, Sudan, Aceh and elsewhere. Independent studies in 2006 suggested that many NGOs in the tsunami recovery effort, despite their failings, prioritized transparency, participation, evaluation, and complaints and response mechanisms. Studies in 2005 also described how some agencies provided accountability through information exchange, beneficiary feedback and complaints handling in the North Caucasus, Darfur, Sri Lanka, Aceh, Pakistan and Zimbabwe. Millions of people continue to need international humanitarian aid in the global hotspots such as Iraq, Afghanistan and Darfur, underreported crises such as Haiti, Somalia, Colombia, Chechnya and central India, and in frequent natural disasters that may increase along with climate change.

1 Such as the Active Learning Network for Accountability and Performance in Humanitarian Action (ALNAP), Australian Council for International Development's Code of Conduct, the Emergency Capacity Building project, InterAction PVO Standards, Management Accounting for NGOs (MANGO), NGO Impact Initiative, People in Aid, Groupe URD's Quality Compas, Red Cross/Crescent Code of Conduct, and the Sphere Project.

2 In 2005, the chairman of the U.S. Senate Finance Committee announced plans to regulate not-for-profit organizations, and the Internal Revenue Service also outlined requirements to force disclosure of compensation, governance and other policies. NGO leaders themselves recommended tightening financial operations and maintaining a database of information on charities (Oxford Analytica 2005).

2. A Standard to measure accountability

The HAP Standard, to be launched in 2007, defines humanitarian accountability for agencies and the wider sector

The HAP Standard, to be launched in Geneva on 26 April 2007, provides a definition of accountability and quality in humanitarian aid programs. It includes a Humanitarian Covenant and six Benchmarks, and introduces the concepts of a Humanitarian Accountability Framework and a Humanitarian Quality Management System. The Standard offers humanitarian agencies a means by which to measure, and improve, their accountability. Its main users will be the senior managers and program managers of humanitarian organizations, including HAP members who are committed to demonstrating accountability and effectiveness. It also offers the humanitarian sector a common framework and 'language' of accountability, the opportunity to adopt a modest set of core operating benchmarks, and a voluntary but rigorous compliance verification mechanism. These have been lacking.

The HAP Standard is designed for humanitarian agencies, to support their management systems, and to provide a mechanism for verification and quality assurance

In contrast to other international standards for quality management, the HAP Standard is designed by humanitarians and disaster survivors for use in disaster settings; it makes an agency accountable for its decisions, but allows for exonerations in certain difficult circumstances. It complements sectoral standards developed to improve quality and accountability in specific areas of aid (e.g. by ALNAP, SPHERE, People in Aid). But unlike the many principles, codes and guidelines that do not define performance benchmarks or allow for compliance monitoring, the HAP Standard includes a mechanism for verification and quality assurance. Given the perceived ineffectiveness of principle-based commitments that do not prescribe concrete institutional actions for implementation, NGOs have become increasingly interested in quality assurance, and mechanisms to promote and verify optimal standards of NGO performance.

HAP developed the Standard in consultation with humanitarians, disaster survivors and accountability advisers, in a process that spanned five continents

The Standard development process, and extensive global consultations, were managed by the HAP Secretariat, guided by the HAP Board (it includes members and independent advisers), and founded in research and consultation conducted by HAP and its predecessors over six years. Work on the Standard itself began in 2005, when HAP convened a 'reference group,' bringing together 216 humanitarian accountability stakeholders (managers and advisers) from 133 organisations across the global relief sector; they formed 'working groups' and developed different aspects of the Standard. HAP then consulted with hundreds of operational managers from hundreds of agencies and beneficiaries in five continents, who generously gave feedback, tested, and assessed its universal applicability as a "simple, affordable and effective" mechanism. The process of consultation involved questionnaires, regional workshops, feedback forms, agency-led self assessment exercises and on-site field testing.

3. HAP Certification to assure compliance

The HAP Certification scheme, available to agencies from April 2007, provides an assurance of quality and accountability for stakeholders. It also facilitates attainment of the HAP Standard

From 26 April 2007, HAP offers a Certification scheme to HAP Members and humanitarian organizations – of any size, nationality, affiliation or specialization – that meet the qualifying norms[3] as defined in the HAP Standard. Certification is the formal audit of an agency by an accredited HAP auditor using a sampling methodology, to assess compliance with the HAP Standard. It provides an assurance of quality and accountability to an agency's donors, disaster survivors and humanitarians; a successful agency is awarded Certified Status[4] and a certificate by the Certification Board. In addition, Vertification offers a voluntary and effective means, including a positive incentive, for an agency to implement the Standard across their organization. The audit process itself is designed to validate good accountability practives and efforts to meet the Standard. Finally, HAP Certification meets growing demand in the sector for an accreditation and certification system to distinguish agencies that work to a professional standard.

3 The Standard states that certification is available to agencies that meet qualifying norms. These include commitments to providing humanitarian assistance on an impartial basis; not-for-profit status; compliance with financial regulations; and availability of humanitarian accountability framework.

4 Certified status is subject to terms and conditions, remains valid for three years, and requires mid-term monitoring of progress.

Humanitarian Accountability Partnership - International
"making humanitarian action accountable to beneficiaries"

Principles of Accountability

1) Commitment to humanitarian standards and rights

Members state their commitment to respect and foster humanitarian standards and the rights of beneficiaries

2) Setting standards and building capacity

Members set a framework of accountability[1] to their stakeholders

Members set and periodically review their standards and performance indicators, and revise them if necessary

Members provide appropriate training in the use and implementation of standards

3) Communication

Members inform, and consult with, stakeholders, particularly beneficiaries and staff,
about the standards adopted, programmes to be undertaken and mechanisms available for addressing concerns

4) Participation in programmes

Members involve beneficiaries in the planning, implementation, monitoring and evaluation of programmes and report to them on progress, subject only to serious operational constraints

5) Monitoring and reporting on compliance

Members involve beneficiaries and staff when they monitor and revise standards

Members regularly monitor and evaluate compliance with standards, using robust processes

Members report at least annually to stakeholders, including beneficiaries, on compliance with standards. Reporting may take a variety of forms

6) Addressing complaints

Members enable beneficiaries and staff to report complaints and seek redress safely

7) Implementing partners

Members are committed to the implementation of these principles if and when working through implementation partners

1 Framework of accountability includes standards, quality standards, principles, policies, guidelines, training and other capacity-building work, etc. The framework must include measurable performance indicators. Standards may be internal to the organisation or they may be collective, e.g. Sphere or People in Aid.

PARTNERSHIPS

MERCY Malaysia's strategic partnerships have contributed immensely to the growth and development of the organisation, helping us get we where are today. Their commitment and involvement has empowered us as an organisation while improving the lives of our beneficiaries – both directly, and indirectly.

The PVOP was initiated in 2005 to provide a platform for PETRONAS employees keen to contribute their time, skills and experience in meaningful ways through specialised humanitarian relief programmes. As a result, a collaboration was forged between MERCY Malaysia and PETRONAS.

For the second year running, the PVOP proved fruitful as it allowed PETRONAS staff members to participate in MERCY Malaysia's relief missions throughout 2006.

Providing a myriad of roles that ran from immediate deployment of skilled volunteers in emergency response to assisting in rehabilitation and reconstruction efforts both locally and abroad, PVOP team members exhibited the truly altruistic spirit of helping and giving.

Over 30 PVOP members volunteered in 10 MERCY Malaysia missions during the year under review. In addition, over 40 PVOP members took part in MERCY Malaysia-organised training programmes held nationwide. PETRONAS also hosted the SPHERE In Practice – The Humanitarian Charter, a train-the-trainer programme aimed at promoting a multiplier effect on risk awareness and disaster mitigation among volunteers.

HOPE FOR HUMANITY: A PARTNERSHIP WITH MALAYSIA AIRLINES

On 9th February 2006, MERCY Malaysia signed a Memorandum of Understanding (MoU) with Malaysia Airlines (MAS). Datuk Dr. Jemilah Mahmood, President of MERCY Malaysia, signed the MoU on behalf of our organisation, while MAS was represented by its Chairman, Dato' Dr. Munir Majid. The signing ceremony was witnessed by MERCY Malaysia's EXCO members and staff members from both organisations and the media.

The signing of the MoU officially marked the beginning of the one year 'Hope for Humanity Campaign' initiated by both organisations. It allowed MERCY Malaysia and MAS to establish a framework for strategic collaboration via a humanitarian assistance programme. The areas of collaboration included complimentary air passage for emergency humanitarian missions, fundraising and promotional activities as well as the training of MAS staff members for relief and humanitarian work.

PHARMANIAGA BERHAD: PLEDGE OF SUPPORT

Pharmaniaga Berhad continued to honour its pledge to support MERCY Malaysia with an annual grant of RM200,000. Throughout 2006, this contribution funded the purchasing of essential drugs and medical supplies by MERCY Malaysia during missions both abroad and all over Malaysia.

Through this partnership with Pharmaniaga, MERCY Malaysia was able to provide medical and humanitarian relief for many more beneficiaries in conflict zones, natural disaster areas as well as to reach further inland to inaccessible regions within our country while increasing MERCY Malaysia's programmes.

BURGER KING'S 'CHANGE FOR BETTER' CAMPAIGN

MERCY Malaysia's partnership with Cosmo Restaurants Sdn Bhd, the franchisee of Burger King Corporation in Malaysia, commenced on the 1st of June 2006 with the launch of their 'Change for Better' In-Restaurant Collection Campaign.

MERCY Malaysia is the recipient for the coin box collection at all BURGER KING® restaurants and plans for another campaign have been scheduled for 2007 to help MERCY Malaysia continue providing medical and humanitarian assistance in both crisis and non-crisis situations. These channels offer a platform to all BURGER KING® customers, providing them the chance to be part of MERCY Malaysia's cause to assist those in need.

Disasters can undo years of hard work and progress in the blink of an eye. Countries that are affected by disasters are constantly challenged by these social, environmental and economic impacts. Lives are lost, infrastructure destroyed, water resources polluted, food security endangered, and the natural environment damaged.

Asia Pacific is the most disaster-prone region in the world. In the last couple of years, the region has suffered earthquakes in Indonesia, Iran and Japan, floods in Malaysia, Indonesia, the Philippines, Bangladesh, India and China, cyclones in Vietnam and Japan, and the 2004 Indian Ocean Tsunami that exerted a heavy toll on countries around the Indian Ocean. Climate change, high urban population density, and communities mired in poverty increase their vulnerability to disasters and impede sustainable development.

There is an urgent need for nations, communities, donors and the aid community to understand the significance of adopting a holistic approach to managing potential disasters and disaster situations. This approach should involve contingency planning through the implementation of policies and practices that take into consideration all the phases of the disaster cycle: prevention/ mitigation; preparedness; response; and rehabilitation and reconstruction. It must also involve the integrated participation of all stakeholders.

Total Disaster Risk Management (TDRM) is an approach that was introduced by the Asian Disaster Reduction Centre (ADRC) and the United Nations Office for the Coordination of Humanitarian Affairs in Kobe, Japan (UNOCHA). The approach calls for a paradigm shift in the way we deal with disasters.

Given the magnitude of a disaster's impact and its wide-reaching effects on a nation's population, the TDRM approach maintains that disaster risk management should be a priority on the national agenda and should be incorporated into the sustainable development policies and practices of a country through a participatory approach that includes all sectors of society.

To ensure the successful implementation of TDRM, five essential strategies for effective disaster reduction and response have been highlighted:

1. Promotion of cooperation and partnership among stakeholders in all sectors and at all levels involving the local community

The formation of strategic partnerships and linkages is imperative for the sharing of expertise and information, improvement of standards of emergency response and delivery of aid, increasing accessibility to communities in need of aid, and increasing the capacity of local communities to become actively involved in their own disaster reduction and response initiatives.

The significance of multi-stakeholder partnerships has also been underscored in the Hyogo Framework of Action (HFA), an international plan for disaster risk reduction efforts, which was adopted by 168 governments in 2005. While the Framework maintains that the state is mainly responsible for ensuring implementation, it also emphasises the importance of collaboration with civil-society organisations, the scientific community and the private sector, in order to achieve its goals and act according to the priorities identified in the Framework.

The HFA has encouraged states to develop strategic national action plans and there has been positive development in the past year. The "last mile" in any successful disaster management plan is that crucial link between policies and community based action – and the role of civil society is critical.

2. Establishment of national coordination mechanisms, legal framework and policies

Good governance and political will are instrumental to the realization of a national framework on disaster risk management. This would involve the formation of coordinating committees and appointment of implementing agencies at the state and national levels to carry out capacity-building, strategic planning, concept development as well as monitoring and evaluation activities.

3. Integration of disaster reduction and response into development policy and planning

This will bring disaster reduction response issues into the mainstream, which would increase awareness of its importance and motivate the will to take action among all levels of society including government, NGOs and civil-society groups, local communities and the general public.

4. Enhancement of disaster risk information management for improved communication, coordination and decision-making

There is a need to learn from mistakes of the past in order to improve and to practice effective disaster reduction and response for the future. This information should be translated into communication tools and channels that are accessible so that they may be integrated into the planning for disaster risk management policies and practices.

5. Promotion of education and public awareness on disaster risks through the effective use of mass media and local information systems

It is important to engage with the media to encourage them to actively report on the threats of disaster, as well as action that can be taken for prevention and mitigation so that the public, especially vulnerable communities, are more aware of the issue. Additionally, general awareness campaigns as well as targeted educational campaigns that are designed based on an understanding of the level of comprehension and experience of the target group, are also an effective means to alert more people on disasters and the importance of risk management.

As our understanding of disasters evolves over the years, we cannot be contented with merely being able to provide efficient response to a disaster situation. We should make use of the knowledge and information we have accumulated through the many experiences of dealing with disasters to come up with more proactive solutions for preventing them, mitigating their impacts and improving the capacity of vulnerable communities to withstand them. MERCY Malaysia has consciously adopted TDRM in its strategy and provision of assistance to communities affected and at risk of future disasters.

COUNTRY REPORTS

MALAYSIA

Overview

MERCY Malaysia continues to remain active on the home front running various health services, humanitarian aid, capacity-building and awareness raising programmes.

Primary Healthcare for Underprivileged in Sabah

In collaboration with the United Nations Children's Fund (UNICEF), MERCY Malaysia embarked on a project to provide primary healthcare to women and children from socially and economically marginalized communities in Sabah. A team was deployed in January to conduct preliminary assessments and we collaborated with the State Health Department and the Federal Task Force (Sabah/Labuan).

Nine mobile primary healthcare clinics were conducted from March until September 2006 at:
1. Kampung Lok Urai, Pulau Gaya
2. Pulau Jampiras, Sandakan
3. Kampung Hidayat, Tawau
4. Kampung Selamat, Semporna
5. Pulau Mabul, Semporna
6. Tanjung Labian, Lahad Datu
7. Kampung Istimewa, Sandakan
8. Kampung Pengaraban, Kudat
9. Pulau Daat, Labuan

These mobile clinics drew large crowds as they provided access to much needed healthcare for these communities. A total of 3,514 women and children were treated at these mobile clinics where 6,500 hygiene kits were also distributed. A total of nine mobile clinics were conducted by volunteers throughout 2006.

Pulau Balambangan and Pulau Mantanani Besar

MERCY Malaysia's Sabah chapter deployed a team to Pulau Balambangan and Pulau Mantanani Besar from 13th to 15th June, 2006. The team provided medical services to the communities living in the villages on the islands. 440 people were treated at the mobile clinics during this mission that was carried out in collaboration with the Royal Malaysian Navy.

Medical Camp on Maiga Island in Semporna

The Sabah Chapter conducted mobile clinics providing primary healthcare to 40 patients on Maiga Island in Semporna. During this mission, MERCY Malaysia was also assisted by volunteers from PETRONAS under the PETRONAS Volunteer Opportunity Programme (PVOP).

Medical Camp in Numbak Vision Centre, Kuala Menggatal

On 23rd September 2006, MERCY Malaysia's medical team was deployed to Kampung Numbak in Kuala Menggatal to provide primary healthcare and dental care to the local community and to promote health awareness. This included basic health screening, medical consultation, dental services, and health talks. The project was carried out at the Numbak Vision Centre in Kampung Numbak.

The local residents responded well to the project and many came with their children. Most of the medical problems plaguing the community were related to poor sanitation and personal hygiene. These included upper respiratory tract infections, as well as diarrhoeal and skin diseases. Dental caries were also found to be widespread among the children. MERCY Malaysia was able to treat most of the patients with the primary healthcare our team administered and referred those who needed further medical attention to the nearest health facilities.

Primary Healthcare in Long San, Miri, Sarawak

From 22nd until 24th February 2006, MERCY Malaysia, through its mobile clinic programme, provided healthcare services including dental care and eye examinations to the Long San community in Miri, Sarawak. MERCY Malaysia's team attended to 870 patients. We collaborated with Jit Kwang Optical who sent two volunteer optometrists to conduct eye examinations and provided eye-screening equipment. Prescription spectacles to villagers and children were distributed at no cost.

MERCY Malaysia also ran a health education session at Sekolah Menengah Kebangsaan Temenggung Lawai Jau where knowledge was shared on communicable diseases including malaria and HIV/AIDS, as well as the importance of good reproductive health practices and dental care to the communities. Our team de-wormed and de-liced over one hundred children at Sekolah Kebangsaan St. Pius.

Additionally, the Sarawak Chapter donated 26 sets of basic farming tools and equipment to 26 families affected by a fire in Long San. The Columbia Asia Medical Care Centre donated 10 sets under their Columbia Care Project, while the rest was donated by individuals and the general public.

Mental Health Support Training

With funding from ExxonMobil, MERCY Malaysia ran a six-day training session on Basic and Advanced Psychosocial and Mental Health Intervention from 6th to 11th November 2006, attended by 38 participants comprising staff members and volunteers from MERCY Malaysia as well as five participants from the Islamic Health Society (IHS) in Lebanon.

The objective of the programme was to provide volunteers with knowledge on psychosocial and mental health intervention and support in order to develop a pool of skilled volunteers to be on-hand for MERCY Malaysia's emergency response unit when necessary.

Johor Flood Relief

When Johor was hit by floods at the end of the year, MERCY Malaysia deployed a team to provide medical and humanitarian relief. From 19th to 20th December 2006, the Johor Chapter ran mobile clinics and distributed hygiene kits to affected communities in Skudai and evacuation centers at the Pu Sze School. More than 300 people received medical treatment while mats and blankets were distributed to 60 families as well as toiletries to approximately 100 families.

On 21st December, MERCY Malaysia operated mobile clinics in Kampung Skudai Kiri and Kampung Pasir Putih where more than 1,000 people were treated. MERCY Malaysia also ran mobile clinics at Sekolah Menengah Kebangsaan Sungai Telur, Kota Tinggi on 22nd December while distributing hygiene kits as well. Subsequently, the following week, MERCY Malaysia continued to conduct mobile clinics while distributing hygiene kits in schools, mosques and halls throughout Kota Tinggi, Muar, Gerisik, Batu Pahat, Mersing and Pagoh.

In total, MERCY Malaysia sent in approximately 100 volunteers and staff members from both its Johor chapter as well as its headquarters in Kuala Lumpur and an estimated 2,000 hygiene kits were disbursed to those affected by the flood.

Collaboration with AADK (Agensi Anti-Dadah Kebangsaan or the National Anti-Drug Agency of Malaysia)

MERCY Malaysia, in collaboration with the Federal Territory's AADK, organised a series of primary healthcare clinics for AADK's clients from June to December 2006. Our medical teams provided the much needed primary healthcare to approximately 40 to 50 clients at our clinics held every second Wednesday of the month at Pusat Khidmat AADK, Daerah Dang Wangi, Kuala Lumpur. By providing primary healthcare, MERCY Malaysia played a role in increasing assistance for the healthcare needs of AADK's clients while helping improve their path to recovery.

AFGHANISTAN

Overview

When MERCY Malaysia first entered Afghanistan in 2001, the country was in the throes of a war that forced thousands of Afghan civilians to abandon their homes and seek shelter in relief camps. MERCY Malaysia initially delivered emergency healthcare to the Afghan population and now has moved into recovery, rehabilitation and capacity building with programmes addressing health issues, child and adult education as well as vocational training.

Comprehensive Health Clinic (CHC)

The CHC is the core service for MERCY Malaysia in Afghanistan and marks a milestone in our six years of providing medical relief to the people of Kandahar City. Formerly known as the Mother and Child Healthcare Centre (MCH), the facility was converted to a comprehensive health centre to respond to the pressing needs for healthcare services to be extended to male patients. It administers free medical services to an average of 80 to 90 patients every day.

The upgraded CHC houses a new laboratory which performs tests to detect diseases considered critical in Afghanistan, in particular, tuberculosis and hepatitis B. With this service, patients can benefit from early intervention and treatment. In its first month of operation, the laboratory carried out 70 tests on various diseases. Other tests available at the laboratory include those for malaria, leishmaniasis, HIV, typhoid and brucellosis. The facilities at the CHC include a labour room, vaccination room, pharmacy, consultation room, female ward, paediatric ward and male ward. It employs a staff of nineteen national staff.

Patients at the CHC are also given basic health and hygiene education prior to their consultation sessions. These talks run for about ten minutes and are conducted three times a day. Some of the topics covered during these sessions include vaccination, breast feeding, tetanus and tuberculosis.

MERCY Little Caliph (MLC)

MLC began as a service to draw patients and women to our clinic and the vocational training centers when it was established in 2003. Now the center has matured into a pre-school which addresses the importance of making education accessible to children from 5 years and above. There are presently 30 pre-school students studying at MERCY Little Caliph. The children are taught Basic English, Basic Pashtoon, Basic Farsi, Introductory Mathematics and Islamic Studies. Under the programme, the children are also provided food and drinks, books and stationery. MLC plays a critical role in building a strong foundation for lifelong learning for the young ones while providing equal access to education for both boys and girls. This programme is run within the premise of the CHC.

Water Sanitation Project

In support of the local government's drive to ensure that Afghans have access to safe drinking water, MERCY Malaysia funded several well-digging and hand-pump installation projects, especially for schools. Two more hand-pump wells were installed in schools in 2006. The first one was in the Ahmad Shahi High School which has a student population of 678. The installation of the hand-pump well for the Zainab Middle School began on December 26 and is expected to be completed by January 2007.

CAMBODIA & MALDIVES

Overview

Cambodia has a high infant mortality rate due to severe cases of diarrhoea. This is preventable through the management of diarrhoea, which involves mainly the prevention and treatment of dehydration. Oral Rehydration Therapy (ORT) is a simple and cost-effective process for treating diarrhoea-related dehydration. It involves the administration of fluids orally to prevent or treat dehydration that occurs as a result of diarrhoea.

In 2005, MERCY Malaysia funded the establishment of an Oral Rehydration Therapy Corner at the Outpatient Department of Angkor Hospital in Siem Reap. This allows children suffering from mild to moderate dehydration to receive treatment while their parents/caretakers receive education on the prevention and treatment of dehydration.

Oral Rehydration Therapy Corner

MERCY Malaysia continued to support the ORT in 2006. In its second year of operation, more than 1,600 children were treated at the ORT Corner. Under the supervision of nurses with advanced training, mothers and caregivers were instructed on the proper administration of fluids to rehydrate their children. Each family that visited the ORT Corner for treatment was also given two to three bags of oral rehydration salts and a bottle of pure water to continue treatment at home.

The ORT Corner was utilised extensively to provide training to visiting Cambodian health workers and nursing students from all over the country. The activities of the ORT Corner were included in the Medical Director of Angkor Hospital's presentation for a Child Survival Workshop in Phnom Penh. Use of the ORT Corner was also incorporated into the Integrated Management of Childhood Illnesses (IMCI) training courses, a programme organised by the hospital in cooperation with WHO and the Ministry of Health in Cambodia.

Overview

Maldives lost many of its health assets as a result of the Indian Ocean Tsunami in 2004. The capital of Maldives, Male, has two major hospitals; one a government hospital, the other a private hospital. Both are the only two hospitals that provide full service healthcare to the whole country and are the referral tertiary hospitals for the entire country.

Donation of Medical Equipment

In order to strengthen the services of these health centres and quality of medical care in the country, MERCY Malaysia donated approximately RM320,000 worth of medical equipment to the Ministry of Health in Maldives. The items donated included a portable x-ray machine, lab equipment, portable ultrasound machines, wheelchairs and crutches.

Training on Ultrasound Machine

Medical personnel from Maldives were identified by the Ministry of Health in Maldives to be trained in the use of medical equipment, especially in ultrasonography, during the next phase of the recovery programme for Maldives. The training will take place in 2007.

INDONESIA



Overview

MERCY Malaysia continued its reconstruction and rehabilitation projects in Aceh and Nias following the Indian Ocean Tsunami and earthquake in 2004. When an earthquake struck Central Java in May 2006, we responded and provided emergency and humanitarian aid to the communities affected in Yogjakarta.

Aceh

In 2006, MERCY Malaysia successfully completed several construction projects in Aceh that we had started the previous year. This included two community health centres or Pusat Kesihatan Masyarakat (PUSKESMAS): PUSKESMAS Meuraxa and PUSKESMAS PANGA; as well as two orphanages - Sukamakmur and Kayee Kunyit – that each comprised a hostel and academic block. Additionally, with the increase in number of orphans as a result of the Tsunami, MERCY Malaysia assisted two orphanages through the rebuilding of new academic blocks at the Daruzzahidin and Babun Najah Orphanage Centres.

Rehabilitation of a nursing college, Akademi Perawatan (AKPER) Depkes and construction of a nursing academy block at the Universitas Syiah Kuala Banda Acheh (UNSYIAH) was also completed in 2006. The construction of the nursing academy was made possible through a contribution from Petroliam Nasional Berhad (PETRONAS).

Nias

MERCY Malaysia was appointed by Badan Rekontruksi and Rehabilitasi (BRR) in Indonesia to manage the masterplan for the reconstruction of the Rumah Sakit Umum (RSU) Gunung Sitoli in Nias (Gunung Sitoli Hospital – the main referral hospital in Nias). This project is currently in progress. We became the first organisation to receive a grant from the multi-donor Recovery of Aceh and Nias Trust Fund (RNTF) for the rebuilding of Phase 1 & 2.

2006 saw the completion of the reconstruction of two community health centres that we had commenced the previous year. The PUSKESMAS Plus Awa'i was completed in July 2006 and launched on 28th August 2006, while PUSKESMAS Gido was completed in December 2006 and handed over to Dinas Kesihatan Nias in the same month. Both centres also received a donation of one dental set unit each.

MERCY Malaysia also ran primary healthcare services at the PUSKESMAS Plus Awa'i during the launch and provided dental and circumcision services.

Yogjakarta

Emergency Medical Relief

MERCY Malaysia deployed emergency medical relief teams to Yogjakarta in the wake of the earthquake. The teams performed medical procedures and provided immediate medical aid at Rumah Sakit Umum Pendidikan (RSUP) Dr. Sardjito (Dr. Sardjito General Hospital), Rumah Sakit (RS) Karisma (Karisma Hospital) and Rumah Sakit (RS) Batestha (Batestha Hospital) from the day after the earthquake until 14th June 2006. We also deployed trained nurses and volunteers to work at the Nur Hidayah Clinic in Bantul.

Additionally, MERCY Malaysia ran primary healthcare services in the Klaten District and the Prambanan District in Central Java and Bantul, Yogjakarta. Due to the rise of tetanus cases in affected communities, we included a vaccination and health education programme as part of our healthcare services.

Mental Health Support

Aside from attending to immediate cases of post-earthquake trauma among the affected communities in the surrounding areas of the earthquake, MERCY Malaysia also ran several programmes in Bantul as part of our mental health support programme.

From June to August 2006, we conducted psychosocial support training for students and teachers at nine schools in Bantul. The participants of the training were equipped with knowledge on psychological responses of disaster survivors, intervention during acute emergency and reconsolidation phases, and psychosocial care for children affected by disasters.

Under our mental health support programme, we also ran a Training-of-Trainers programme from June to September for the following groups:
1. Universiti Gadja Mada Fakulti of Psikologi undergraduates
2. 60 school counselors in Bantul
3. Lembaga Studi dan Pembudayaan Perempuan dan Anak-Anak (LSPPA)
4. Muhammadiyah – a local youth group
5. Satuan Muslimah Indonesia (SALIMA)

Distribution of Non Food Items

On 30th May 2006, MERCY Malaysia distributed 300 camp beds to hospitals in Yogjakarta. RSUP Dr. Sardjito received 170 camp beds, while Rumah Sakit Daerah Klaten and Posko Kesihatan Bantul received 70 camp beds each. This distribution was made possible by the Human Relief Foundation (HRF), United Kingdom.

We also distributed shelter boxes consisting of tents, blankets and other essential items to Internally Displaced Persons in Yogjakarta.

LEBANON

Overview

The Lebanon-Israel conflict in 2006 resulted in casualties, extensive damage to civilian infrastructure and massive population displacement from 12th July until a ceasefire took effect on 14th August 2006. With the assistance of local partners in Lebanon, MERCY Malaysia was able to provide medical and humanitarian aid from the start of the conflict and to continue supporting the country after the ceasefire through its recovery and rebuilding efforts.

Distribution of medical supplies and hygiene kits

In response to the conflict, MERCY Malaysia deployed a team to the Middle East in July 2006. However, as our team was unable to enter Lebanon before the ceasefire, we provided relief and assisted the Lebanese population displaced in Homs and Damascus in Syria while distributing humanitarian aid including medicine, infant formula, baby diapers and hygiene pads at the evacuation centres. MERCY Malaysia worked closely with the Syrian Red Crescent Society as well as the Ministry of Social Welfare.

After the ceasefire on 14th August, we provided personal hygiene kits supplied by the United Nations Fund for Population Activities (UNFPA) to returning refugees at the borders of Syria and Lebanon. We continued distributing medical supplies and hygiene items until 21st August.

MERCY Malaysia also gave a contribution of US$20,000 for the procurement of emergency drugs and medical supplies to be distributed to functioning hospitals in and around Beirut, in partnership with the Islamic Medical Association of Lebanon (IMA). Additionally, another US$20,000 was allocated to the Palestinian Women's Humanitarian Organisation in Lebanon for the procurement of humanitarian relief items.

Reconstruction of Medical Infrastructure and Equipping Medical Facilities

Following the ceasefire, MERCY Malaysia provided assistance for the repair of three health centres managed by the Islamic Health Society (IHS) in Lebanon, namely Bodai Health Centre, South Health Centre and South Head Office. These centres required minor reconstruction work and repairs.

MERCY Malaysia also funded the purchase of a mobile clinic to provide reproductive health services for women in rural areas. The total cost of procuring a modified bus and medical items for the mobile clinic came up to approximately USD88,000.

Additionally, MERCY Malaysia sponsored the rebuilding of the Operating Theatre at Salah Ghandour Hospital in Bin Jabeil, South Lebanon. The rebuilding of this facility included repairing and equipping an operating theatre as well as providing anaesthetic drugs and medication. The total cost of the project is estimated at USD175,000.

Mental Health Support

MERCY Malaysia sponsored five English-speaking Lebanese health professionals from IHS to participate in a six-day training session on Basic and Advanced Psychosocial and Mental Health Intervention in Kuala Lumpur. These trainers are expected to train between 30 to 40 trainers in Arabic when they return to their societies so that a mental health support programme for the communities can be implemented.

PAKISTAN

Overview

MERCY Malaysia continued to provide medical and humanitarian aid to Pakistan since the country was struck by an earthquake in October 2005. In early 2006, we continued to deploy emergency medical relief, specialist care, primarily in orthopaedics, obstetrics and gynaecology, primary healthcare services, as well as psychosocial and mental health services to the people in the district of Bagh. We also commenced our project to reconstruct the District Health Office (DHO) in Bagh, which was completely destroyed by the earthquake. Additionally, we were involved in 'Project Winter Race' aimed at providing emergency shelter and livelihood items in Balakot and the Kaghan Valley.

Medical Services

From January to March 2006, MERCY Malaysia ran its mobile clinics in collaboration with the District Health Office (DHO) in Bagh and the World Health Organization (WHO) working in the Bagh Tehsil District. Over 9,500 patients were treated at the mobile clinics.

MERCY Malaysia also continued providing obstetric and gynaecological services at the District Headquarters Hospital (DHQ) in Bagh until April 2006. A total of 3,230 patients were managed by the MERCY Malaysia team since the earthquake in October 2005.

In addition, the medical team extended its surgical services from 2005 in collaboration with the Pakistan Islamic Medical Association (PIMA) at the PIMA Field Hospital in Bagh until June 2006. More than 9,000 patients were treated at the field hospital during that period. The main services we provided were orthopaedics and general surgery.

We partnered the Mental Health Relief Unit of the DHQ and the Ministry of Health Pindi at Psychosocial Centre Bagh and provided mental heath services and psychological support programmes to over 7,700 patients from January until June 2006.

Rehabilitation and Reconstruction

MERCY Malaysia plans to reconstruct the DHO in Bagh, Pakistan Adminitered Kashmir, which was completely destroyed during the earthquake. The new infrastructure will be built on the existing site, which is located in a strategic area in the town of Bagh. Despite the poor road conditions, the site, which is approximately 7.5 acres in size, is easily accessible by public transportation and private vehicles.

The new DHO will consist of five main components:
1. Administrative Office
2. Training Centre
3. Mother and Child Centre
4. Warehouse
5. Staff Quarters

The total population of Bagh currently stands at 456,000 people and the DHO will serve this community, offering a range of services.

The proposal will be reviewed by the National Service Engineering of Pakistan (NESPA) and is scheduled to commence in 2007. The project is estimated to cost RM2.9 million.

Shelter and Livelihood Project

In February 2006, MERCY Malaysia collaborated with a local NGO partner, the Pattan Development Organisation (PDO), to deliver emergency semi-permanent shelter and livelihood items to displaced people in Balakot and the Kaghan Valley. This provided beneficiaries with protection against the harsh elements of winter. Additionally, we disbursed non food items such as gas stoves, winter clothes and shoes.

ADRRN Resource Centre

As members of the ADRRN, MERCY Malaysia and India-based NGO, Sustainable Environment and Ecological Development Society (SEEDS), embarked on a project to train and enhance the capacity of local governments in the earthquake-affected areas of Pakistan through the establishment of Resource Centres (RC) and Knowledge Centres (KC).

Under the project which commenced September 2006, an RC would be established in Islamabad and five KCs set up in Balakot. Additionally, three Village-based KCs (VKCs) and one District KC (DKC) would be established in Bagh Tehsir in Bagh.

The KCs will survey the local population to understand and document their challenges and needs, as well as to serve as a centre for distribution of information amongst the local communities. Based on information collected by the KCs, the RCs will develop training modules, brochures and publications on disaster management and livelihood options for the local communities.

PHILIPPINES



Overview

Typhoon Durian hit the region of Bicol in Philippines in December 2006, carrying with it heavy winds and strong rain that destabilized the slopes of a volcano in the northern province of Albay, causing mud and debris to come gushing down the mountain. Thousands of people living in villages at the foot of the volcano perished as a result of the disaster and entire villages were buried in thick, black volcanic sludge. Tens of thousands of people were displaced by the mudslides and were forced to evacuate to schools, churches and other temporary shelters in the region. The storm also left over hundreds of thousands people stranded in their homes without electricity, food and water.

Empowering the Local Health Department

The emergency and response team from MERCY Malaysia arrived in Legaspi, a city in the Albay province, on December 5th to conduct an assessment of the situation. MERCY Malaysia acted as field coordinator to support the local health department in coordinating all relief to the area.

This involved linking all the humanitarian players that were on hand to assist the health department channel aid more efficiently. The MERCY Malaysia team assisted the health department to set up meetings with all the humanitarian organisations present in the health sector to discuss their plans, determine the resources available and collectively decide how to best meet the needs of the affected population.

Distribution of Hygiene Kits

MERCY Malaysia's emergency and response team was assigned to distribute hygiene kits to families in several villages in Albay. The kits consisted of a pail, bath soap, washing soap, toothbrushes, toothpaste, underwear for

women and children, sanitary pads, rubber slippers, face towels and bath towels. The items for the hygiene kits were purchased locally with funding from UNFPA. The total cost of the project was USD 28,400 and the kits were distributed to 4,630 families.

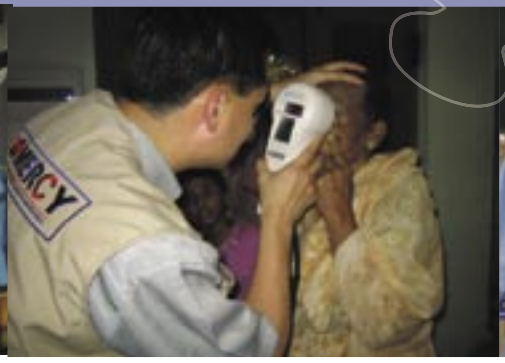
Mobile Clinics

The medical team arrived in Manila on December 17th after being stranded in Labuan for five days due to strong winds. The four-person team consisted of a doctor, medical assistant, nurse, and logistician who were flown in by the Malaysian Armed Forces. Upon arrival, the team met with the National Disaster Coordinating Council and were advised to report to the Regional Health Office of Bicol in order to carry out their mission in Legaspi.

The MERCY Malaysia team was assigned to run mobile clinics providing primary healthcare services at the following locations:
1. St. Roque Evacuation Centre
2. Buraguis Elementary School
3. Estanza Evacuation Centre
4. Bombon Elementary School
5. Rural Health Centre of Mallilipt
6. Rural Health Centre of Malinao

The team was able to rent a van inclusive of a driver to run the mobile clinic. They also relied on local transportation such as the trishaw to move around to short distances. MERCY Malaysia worked closely with the local health department who provided a lot of support. A total of 536 patients were treated through these mobile clinics.

SRI LANKA



Overview

An estimated 10,500 families were displaced from their homes in Mutur, Thoppur, and Palathoppur in the Trincomalee district in the eastern province of Sri Lanka due to the longstanding internal conflict between the Sri Lankan government and the Liberation Tigers of Tamil Eelam (LTTE). Having returned home after living in welfare centres, these Internally Displaced Persons (IDPs) were in dire need of humanitarian aid and assistance.

Distribution of Hygiene Kits

On the 10th of October 2006, MERCY Malaysia worked in partnership with The Muslim Foundation for Culture and Development to distribute hygiene kits to 1,020 IDPs in Thoppur. The selection of families was made based on the urgency of their needs and the vulnerability of the family. For example, families with more than five members as well as families with orphans and widows, were given priority.

MERCY Malaysia remained in Sri Lanka until the 22nd of October 2006, to assist with the distribution of the hygiene kits.

Gramodaya Health Centre

MERCY Malaysia also commenced reconstruction of health centres in Vinayakapuram and Addalachenai in the Ampara district. These projects are scheduled to be completed in 2007.

SUDAN

Overview

MERCY Malaysia conducted a special mission of an eye camp addressing the needs for cataract surgery as well as a training-of-trainers programme for paediatric nurses in West Darfur.

Cataract Surgery

In August 2006, MERCY Malaysia deployed a team of two volunteer ophthalmologists to Khartoum, Sudan, to assist the Sudanese Islamic Medical Association (SIMA) conduct cataract surgery.

The team braved an almost eight-hour journey in a four-wheel drive to the Dongla district hospital where they spent two days, from 24th to 25th August. The team traveled back to Khartoum on 26th August and was based at the Cataract Camp Khartoum in the Khartoum Eye Teaching Hospital from 27th to 30th August performing surgery and treating patients. One hundred and twenty-seven patients were operated on while another 1,800 received outpatient treatment at Camp Khartoum.

Training-of-trainers for Paediatric Care

MERCY Malaysia also conducted a four-month training-of-trainers programme for two paediatric nurses from El Genina General Hospital in West Darfur. The nurses were trained at the Khartoum Police Hospital to care for babies in incubators that were donated by MERCY Malaysia. Once their training was completed, the nurses returned to El Genina General Hospital to work in the hospital's Special Care Nursery.

MISSION MEMBERS

MERCY Malaysia would not be what it is today if not for its most precious asset – its completely altruistic volunteers. Sacrificing time, energy, sweat, blood and tears, they toil all hours of the day, more often than not in challenging conditions, saving lives, bringing hope and cheer to the beneficiaries of each mission.

AGENSI ANTI-DADAH KEBANGSAAN (THE NATIONAL ANTI-DRUG AGENCY OF MALAYSIA), DANG WANGI: Che Tah Hanafi, Dr. Monisha Earnest, Nor Kamisah Abd Majid, Nur Shazana Ahmad Mazni, Azrin Muslim, Mohd Shahrin Dollah, Hazznul Dim, Dr. Shalimar Abdullah, Nor Azizah Malek, Mohd. Zakirin Mohd. Yunus, Wajeeha Zagham, Noor Hayati Abd Latif, Dr. Siti Hajar Ayob, Rapiah Ibrahim, Shareena Bibi Mohd Arif, Zarina Bibi Mohd. Ariff, Nazliah Fahmi, Mohd Shahrin Dollah. **POS TUEL, CAMERON HIGHLANDS, PAHANG:** Dr Suraya Baharudin, Rozainee Abdullah, Hafizza Ismail, Nik Muhd Baihaqi Nik Ibrahim, Mahzir Muhamad. **JOHOR:** Hafidzi Ahmad Bunian, Datuk Dr. Jemilah Mahmood, Mohd Azman Sulaiman, Ashrafiqin Ahmad, Ar. Azman Zainonabidin, Raja Riza Shazmin, Tajul Edrus Nordin, Hafizah Mohd. Latif, Dzulkarnaen Ismail, Khairul Azhar Zainuddin, Razali Kamisan, Salehan Ismail, Elliane Arriany Mustapha, Dr. Abdul Malik Abdul Gaffor, Dr. Siti Hajar Ayob, Ir. Hasman Ibrahim, Noor Hayati Abd Latif, Dr. Norherah Syed Omar, Chee Fook Wah, Syed Zahid Syed Mohamad, Hasnydzam Bin Hassan, Shareen Shariza Dato' Abdul Ghani, Rohayu Megat Mohamed Yusof, Aziz Radin, Dr. Quah Boon Leong, Dr. Tan Keng Lu, Quah Boon Kheng. **SABAH:** Dr. Shimatul Aida Yusof, Dr. Zatul Akmar, Dr. Zurena Ibrahim, Roslia Jumatil, Dr. Adlan Suhaimi Ahmad, Dr. Hj Mohd Ruslan Mohamad Amin, Dr. Dg Sayalam Ag Daut, Paese Nawir, Beche Hj Mama, Amlin Suin, Mariam Timpa, Soilen Bonar, Masnah Sekol, Rani Ralan, Dr. Suresh A/L Subramaniam, Dr. Thirugana Kumeren, Mohd Shafry Mohd Khalida, Rahman Baco, Adrian J. Lok Shui Fen, Rohayati Abu Nawar, Azah Fauziah Ariff, Ernie Rizah Zainal Abidin, Dr. Mohd. Azuan Ayub, Dr. Angeline Madatang, Dr. Loo Kwong Sheng, Dr. Lee Ting Sin, Dr. Arunadevi A/P Ramasamy, Dr. Lynnora Majawit, Norazimi Timpai, Chanice Chin, Chow Kai Wai @ Karen, Noor Hafizan Binti Saudin, Sainy Kapala @ Tony, Lucy Chin Nyuk Len, Che Tah Hanafi, Zurina Ismail, Norzi Ahmad, Dr. Normawaty Amir Osman, Anita Malik, Zulkifli Marof, Maria Semana, Dr. Hasleezah Saelih, Dr. Alex Khoo Cheen Hoe.

ACEH, INDONESIA: Alamdin Abdullah, Datin Hasnah Hanapi, Sharifah Sakinah Syed Hassan, Datin Susan Abdullah, Tajul Edrus Nordin, Dzulkarnaen Ismail, Hadri Yahaya. **NIAS, INDONESIA:** Abdul Rahman Richard Abdullah, Ariffin Abdul Manaf, Azman Zainon Abidin, Dr. Firdaus Hariri, Dr. Md Arad Jelon, Dzulkarnaen Ismail, Hasman Ibrahim, Hj Mohd Idris, Ir Hanafi Ramli, Ir. Wan Badrul Shah Wan Husain, Kalamani A/P Mariappan, Khalid Dato' Haji Akil, Maroz Hj Azizul Khuzaini, Mohd Hafiz Mohd Amirrol, Mohd Irwan Adiyanto, Mohd Syahir Amran, Mohd Wari Mat Zaki, Mohd. Suhaimi Md. Noor, Norma Mohd Yusof, Nur Intan Merrawaty Mohd Tamrin, Razali Idris, Syed Abdul Haris Syed Mustapa, Tarmizi Mahiyiddin, Yacob Ali, Yusof Hassim, Zullaili Zainal Abidin. **GUNUNG MERAPI, YOGJAKARTA:** Major (R) Abdul Rashid Mahmud, Rohayati Abu Nawar. **YOGJAKARTA:** Anita @ Ani Abdul Malek, Anita Ahmad, Ariffin Abdul Manaf, Azman Zainonabidin, Che Mahmud Mohd Nordin, Chin Kit Sen, Dr Nawaz Hussain Mohamed Amir, Dr Tan Teik Wooi, Dr. Abdul Malik Abdul Gaffor, Dr. Affizal Ahmad, Dr. Didi Indra Tjahya, Dr. Hariyati Sharima Abdul Majid, Dr. Heng Aik Cheng, Dr. Imran Ali Hyder Ali, Dr. Kamisah Mohd Taib, Dr. Lai Fui Boon, Dr. Shalimar Abdullah, Dr. Teo Shu Ching, Dr.Sharidan Mohd Fathil, Fatmawati Latada, Ishak Abdul Kadir, Lee Boon Hock, Loh Sit Fong, Lye Kim Soon, Major (R) Abdul Rashid Mahmud, Mimi Iznita Mohamed Iqbal, Mohamad Ayof Bajuri, Mohd Hanif Adam, Mohd Wari Mat Zaki, Muhammad Hapis Jamil, Noor Hisham Abdul, Nor Azizah Malik, Norazam Abu Samah, Rohani Mat Saman, Rohayati Abu Nawar, Ropea'ah Md. Shah, Rozita Mujit, Sharima Ruwaida Abbas, Che Tah Hanafi, Nor Kamisah Abd Majid, Noraini Rahim, Siti Zakiah Pokari, Tarmizi Mahyuddin, Yasmin Abdul Majid, Zan Azlee Zainal Abidin, Zullaili Zainal Abidin.

PAKISTAN: Datuk Dr. Jemilah Mahmood, Datin Susan Abdullah, Yang Wai Wai, Dr. Nor Anita Abdullah, Maria Virginia Semana, Tengku Nazim Tengku Din, Dr. Mohd Amzan Mansor, Dr. Mohammad Salman Khan, Dr. Affizal Ahmad, Zapri Jaya, Ir. Khairil Anwar Ahmad, Dr. Azarisman Shah Mohd Shah, Amran Mahzan, Syed Zahid Syed Mohamad, Dr. Jitendra Kumar A/L Shantilal N.Tejani, Azizah Agil, Noor Janah Abdullah, Lye Kim Soon, Dr. Xavier Sim Yoon Han, Sabariah Majid, Dr. Arun Kumar Bag, Zarina Bibi Mohd. Ariff, Rossimah Mohamed, Mohd Shaharuddin Asmani, Khairul Anwar Abdul Razak, Syed Abdul Haris Syed Mustapa, Dzulkarnaen Ismail, Hafizah Mohd. Latif, Mansor Bagong, Zul Fadzly Mohd. Salleh, Saiful Nazri Nordin. **SRI LANKA:** Aishah Mohd Amin. **SUDAN:** Dr. Mohtar Ibrahim, Dr. Kursiah Mohd Razali, Dr. Rusnah Hussain, Anita Ahmad. **MALDIVES:** Datuk Dr. Jemilah Mahmood, Edward George Pearn, Sharida Suhaila Abdul Shukor, Hew Cheong Yew, Aziz Radin, Shareen Shariza Dato' Abd. Ghani, Zuraidah Mian, Che Tah Hanafi, Dr. Kursiah Mohd. Razali, Dr. Rusnah Hussain, Anita Ahmad, Aishah Mohd Amin. **SYRIA:** Prof. Dr. P. Shanmuhasuntharam, Hew Cheong Yew, Anita Ahmad, Che Tah Binti Hanafi, Zuraidah Mian, Major (R) Anuar Abdul Hamid, Rossimah Mohamed, Che Mahmud Mohd Nordin. **LEBANON:** Zuraidah Mian, Major (R) Anuar Abdul Hamid, Rossimah Mohamed, Che Mahmud Mohd Nordin, Hew Cheong Yew. **PHILIPPINES:** Rossimah Mohamed, Hew Cheong Yew, Dr. Lai Hou Yee, Raja Anuar Raja Majid, Lee Pei Lee, Mohd Nazri Nong Zali,

Note: We have taken all reasonable steps to ensure that all the names of the volunteers who have participated in our missions to Malaysia, Afghanistan, Cambodia, Maldives, Indonesia, Lebanon, Pakistan, Philippines, Sri Lanka and Sudan for the year 2006 are listed, and therefore, apologise if we have inadvertently excluded any names within these pages.

FINANCIAL STATEMENTS
31 DECEMBER 2006

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

PRESIDENT	Datuk Dr. Jemilah Mahmood
VICE PRESIDENT I	Dr. Mohamed Ikram Mohamed Salleh
VICE PRESIDENT II	Mohd Azman Sulaiman
SECRETARY	Raja Riza Shazmin Raja Badrul Shah
ASSISTANT SECRETARY	Dr. Palasuntharam Shanmuhasuntharam (Elected w.e.f. 10.6.2006) Muhammad Faisal Abdul Wahab (Resigned w.e.f. 10.6.2006)
TREASURER	Ir. Amran Mahzan
COMMITTEE MEMBERS	Dr. Ahmad Faizal Perdaus Dr. Heng Aik Cheng Ar Azman Zainonabidin
REGISTERED OFFICE	Suite 3-4, Ampang Puteri Specialist Hospital 1, Jalan Mamanda 9 68000 Ampang Selangor
AUDITORS	Azuddin & Co. (AF 1452) Chartered Accountants 2766-C Jalan Changkat Permata Taman Permata 53300 Kuala Lumpur
BANKERS	RHB Bank Berhad Malayan Banking Berhad CIMB Bank Berhad

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

We have audited the financial statements of PERSATUAN BANTUAN PERUBATAN MALAYSIA (MALAYSIAN MEDICAL RELIEF SOCIETY) set out on pages 43 to 56. The preparation of the financial statements is the responsibility of the Executive Council of the Society.

It is our responsibility to form an independent opinion, based on our audit on the financial statements and to report to you as a body and for no other purpose. We do not assume responsibility to any other person for the content of this report.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. These standards require that we plan and perform the audit to obtain all the information and explanations, which we consider necessary to provide us with evidence to give reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used as well as evaluating the overall adequacy of the presentation of information in the financial statements. We believe our audit provides a reasonable basis for our opinion.

In our opinion,:

i) the financial statements give a true and fair view of the state of affairs of the Society at 31 December 2006 and of its results of operations and cash flows for the year ended on that date based on the approved accounting standards; and

ii) the accounting and other records have been properly kept in accordance with the provision of the Society Act, 1966.

AZUDDIN & CO.
AF 1452
Chartered Accountants

AZUDDIN BIN DAUD
Partner
2290/08/06/ (J)

Kuala Lumpur,
Date: 04 JUNE 2007

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

Executive Councils' report for the year ended 31 December 2006

The Executive Council has pleasure in submitting their report and the audited financial statements of the Society for the financial year ended 31 December 2006.

Executive Council of the Society

Executive Council who served since the date of last report are: -

PRESIDENT	Datuk Dr. Jemilah Mahmood
VICE PRESIDENT I	Dr. Mohamed Ikram Mohamed Salleh
VICE PRESIDENT II	Mohd Azman Sulaiman (Elected w.e.f. 10.6.2006)
SECRETARY	Raja Riza Shazmin Raja Badrul Shah (Elected w.e.f. 10.6.2006) Assoc. Prof. Dr. Zaleha Abdullah Mahdy (Resigned w.e.f. 10.6.2006)
ASSISTANT SECRETARY	Dr. Palasuntharam Shanmuhasuntharam (Elected w.e.f. 10.6.2006) Muhammad Faisal Abdul Wahab (Resigned w.e.f. 10.6.2006)
HONORARY TREASURER	Ir. Amran Mahzan (Elected w.e.f. 10.6.2006) Dr. Fauziah Mohd Hasan (Resigned w.e.f. 10.6.2006)
ORDINARY COMMITTEE MEMBERS	Dr. Ahmad Faizal Perdaus Dr. Heng Aik Cheng Ar. Azman Zainonabidin (Elected w.e.f. 10.6.2006) Dr. Dilshaad Ali Abas Ali (Resigned w.e.f. 10.6.2006)

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

Statutory information on the financial statements

Before the financial statements of the Society were made out, the Executive Council took reasonable steps:-

i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and have satisfied themselves that all known bad debts have been written off and no provision for doubtful debts is required; and

ii) to ensure that any current assets which were likely to be realised in the ordinary course of business including their value as shown in the accounting records of the Society have been written down to an amount which they might be expected so to realise.

At the date of this report, the Executive Council is not aware of any circumstances: -

i) that would render the amount of bad debts written off inadequate to any substantial extent or that would render it necessary to make any provision for doubtful debts, in the financial statements of the Society; or

ii) that would render the value attributed to the current assets of the Society misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Society misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Society misleading.

At the date of this report there does not exist:-

i) any charge on the assets of the Society that has arisen since the end of the financial year which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Society that has arisen since the end of the financial year.

No contingent liability or other liability of the Society has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Executive Council, will or may substantially affect the ability of the Society to meet its obligations as and when they fall due.

In the opinion of the Executive Council, the results of the operations of the Society for the financial year ended 31 December 2006 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

STATEMENT BY EXECUTIVE COUNCIL

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

We, DATUK DR. JEMILAH BINTI HJ MAHMOOD and DR. MOHAMED IKRAM MOHAMED SALLEH being President and Vice President I of PERSATUAN BANTUAN PERUBATAN MALAYSIA (MALAYSIAN MEDICAL RELIEF SOCIETY) state that, in the opinion of the Executive Council, the financial statements set out on pages 43 to 56, are drawn up in accordance with applicable approved accounting standards in Malaysia so as to give a true and fair view of the state of affairs of the Society at 31 December 2006 and of its results of operations and cash flows for the year ended on that date.

On behalf of the Executive Council:

DATUK DR. JEMILAH BINTI HJ MAHMOOD
President

DR. MOHAMED IKRAM MOHAMED SALLEH
Vice President I

Kuala Lumpur,
Date: 04 JUNE 2007

STATURORY DECLARATION BY TREASURER

I, IR AMRAN BIN MAHZAN, being the Treasurer primarily responsible for the accounting records and the financial management of PERSATUAN BANTUAN PERUBATAN MALAYSIA (MALAYSIAN MEDICAL RELIEF SOCIETY), do solemnly and sincerely declare that the financial statements set out on pages 43 to 56 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed)
IR AMRAN BIN MAHZAN at Kuala Lumpur)
in the state of Federal Territory on 04 JUNE 2007)

IR AMRAN BIN MAHZAN

BEFORE ME:

JASNI BIN YUSOFF
W465
PESURUHJAYA SUMPAH MALAYSIA

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

Balance Sheet at 31 December 2006

	Note	2006 RM	2005 RM
Non-current assets			
Property, plant and equipment	4	725,058	716,857
Current assets			
Inventories	5	229,167	308,265
Other receivables	6	228,907	267,994
Cash and cash equivalents	7	13,786,848	18,797,052
		14,244,922	19,373,311
Current liabilities			
Other payables	8	93,348	1,094,264
		93,348	1,094,264
Net current assets		14,151,574	18,279,047
		14,876,632	18,995,904
Financed by:			
Charitable funds		14,876,632	18,995,904

The accompanying notes form an integral part of these financial statements

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
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(Society No.: 1155)

Statement of income and expenditure for the year ended 31 December 2006

	Note	2006 RM	2005 RM
INCOME			
Donation received	9 (a)	12,853,733	30,028,876
Annual fund raising dinner 2006	9 (b)	413,043	3,440
Membership fee	9 (c)	4,110	-
Other income	9 (d)	553,646	332,554
		13,824,532	30,354,870
CHARITABLE EXPENDITURE			
Afghanistan		525,908	556,103
Cambodia		29,729	75,238
Iran		26,230	1,025,231
Iraq		501,096	1,222,942
Lebanon		1,334,057	-
Maldives		354,183	-
North Korea		11,795	162,348
Pakistan		707,153	998,198
Philippines		151,985	77,911
Palestine		73,085	
Sudan		452,123	1,406,317
Tsunami		10,588,257	11,922,372
Yokjakarta		394,442	-
Malaysia		361,025	315,863
Special Project		628,463	287,630
Sri Lanka		36,264	-
		16,175,795	18,050,153
OPERATING EXPENSES		1,768,009	1,232,256
(Deficit) / Surplus before taxation		**(4,119,272)**	**11,072,461**
Income tax expense	10	-	-
(Deficit) / surplus for the year		**(4,119,272)**	**11,072,461**

The accompanying notes form an integral part of these financial statement

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

Statement of changes in charitable funds for the year ended 31 December 2006

	2006 RM	2005 RM
Balance as at 1 January	18,995,904	7,923,443
(Deficit) / surplus for the year	(4,119,272)	11,072,461
Balance as at 31 December	**14,876,632**	**18,995,904**
Charitable funds consist of :-		
General fund:		
General fund	4,861,801	2,262,569
Specific Projects funds :		
Afghanistan	750,491	364,800
Cambodia	30,400	60,800
Iran	-	217,450
Iraq	-	292,887
Korea	16,777	28,572
Lebanon	157,950	-
Maldives	645,794	-
Pakistan	2,850,722	3,053,570
Palestine	114,000	-
Philippines	53,401	-
Special Project	260,271	396,100
Sri Lanka	140,000	140,000
Sudan	-	366,034
Tsunami	4,278,032	11,813,122
Yogjakarta	716,993	-
	10,014,831	16,733,335
	14,876,632	**18,995,904**

The accompanying notes form an integral part of these financial statements

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
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(Society No.: 1155)

Cash flow statement for the year ended 31 December 2006

	2006 RM	2005 RM
Cash flows from operating activities		
(Deficit) / Surplus before tax	(4,119,272)	11,072,461
Adjustment for:		
Depreciation	159,870	151,210
Interest income	(372,375)	(302,760)
Property, plant and equipment written off	118,902	-
Surplus before working capital changes	(4,212,875)	10,920,911
Changes in working capital:		
Changes in inventories	79,098	(277,299)
Other receivables	39,087	38,859
Other payables	(1,000,916)	863,194
Cash generated (used in) / generated from operating activities	(5,095,606)	11,545,665
Interest received	372,375	302,760
Net cash (used in) / generated from operating activities	(4,723,231)	11,848,425
Cash flows from investing activities		
Purchases of property, plant and equipment	(286,973)	(591,680)
Net cash used in from investing activities	(286,937)	(591,680)
Net (decrease) / increase in cash and cash equivalents	(5,010,204)	11,256,745
Cash and cash equivalents at beginning of year	18,797,052	7,540,807
Cash and cash equivalents at end of year	13,786,848	18,797,552
Cash and cash equivalents comprise:		
Cash in hand and in bank	2,002,763	3,704,929
Fixed deposit with licensed banks	11,784,085	15,092,123
	13,786,848	18,797,052

The accompanying notes form an integral part of these financial statements

Persatuan Bantuan Perubatan Malaysia
(Malaysian Medical Relief Society)
(Registered under the Society Act, 1966)
(Society No.: 1155)

1. Principal objectives / activities

The Society is a non-profit, humanitarian and charitable national body registered under the Society Act, 1966. The principal objectives of the Society are:

(a) to promote the spirit of goodwill, volunteerism, and humanitarianism among members of the medical profession in particular as well as any other interested member of any profession;

(b) to provide humanitarian aid in particular medical relief to the underprivileged either within Malaysia or anywhere throughout the world as and when the need arises;

(c) to educate the public and medical as well as paramedical fraternity on aspects of emergency medicine and medical relief work; and

(d) to liaise with various international relief organisations or other interested societies to assist in these objectives.

2. Basis of preparation of the financial statements

The financial statements of the Society have been prepared in accordance with the provisions of the Society Act, 1966 and the applicable Approved Accounting Standards for Entities Other Than Private Entities issued by the Malaysian Accounting Standards Board.

At the beginning of the current financial year, the Society had adopted new and revised Financial Reporting Standards ("FRS") which are mandatory for financial periods beginning on or after 1 January 2006.

The adoption of new and revised FRSs does not result in significant changes in accounting policies of the Society.

The financial statements are presented in Ringgit Malaysia ("RM").

3. Summary of significant accounting policies

(a) Basis of accounting

The financial statements of the Society are prepared under the historical cost convention. The financial statements comply with the applicable Approved Accounting Standards in Malaysia.

(b) Membership subscription and admission fee

Ordinary membership subscription is payable annually before the accounting financial year. Only those subscriptions which are attributable to the current financial year are recognised as income. Subscription relating to periods beyond the current financial year is taken up in the Balance Sheet as subscription in advance under the heading of current liabilities. Subscription is payable in full irrespective of the date of resignation of members during the financial year. Life membership fee is recognised upon admission.

Membership admission is recognised upon approval by the Executive Council of the respective applications.

Subscription in arrears of 2 years and more and where in the opinion of the Executive Council these debts are no longer recoverable from its members are written off to the statements of income and expenditure.

3. Summary of significant accounting policies (continued)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the assets over the term of their estimated useful lives.

The principal annual rates of depreciation used are as follows: -

Computer and EDP	20%
Office equipment	12%
Motor vehicles	20%
Medical equipment	15%
Security equipment	12%
Renovations	20%
Furniture and fittings	20%
Air conditioning	20%

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, in bank and fixed deposits with licensed banks. Cash equivalents comprise highly liquid investments which are readily convertible to known amounts of cash which are subject to an insignificant risk of change in value. The Society has adopted the indirect method of Cash Flow Statement presentation.

(e) Income recognition

Income from donation is recognised in the period in which the Society is entitled to receipt and where the amount can be measured with reasonable certainty.

Interest income and other trading income are recognised on accrual basis.

(f) Inventories

Inventories consist of merchandise, Emergency Response Unit (ERU) and mobile clinics valued at the lower of cost and net realisable value. Cost is determined by first-in first-out basis.

(g) Impairment of assets

The carrying values of assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's net selling price and its value in use, which is measured by reference to the discounted future cash flows. Recoverable amount is estimated for individuals assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is charged to the Income Statement immediately. Any subsequent increase in recoverable amount of an asset is treated as reversal of previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of depreciation or amortisation, if applicable) had no impairment loss been recognised. The reversal is recognised in the statement immediately.

3. Summary of significant accounting policies (continued)

(h) Charitable funds

Charitable funds consist of the General Fund and Special Projects Funds.

General Fund is an unrestricted fund that is available for use at the Executive Council's discretion in furtherance to the objectives of the Society.

Restricted Funds are subject to particular purposes imposed by the donor or by nature of appeal. They are not available for use in other Society's activities or purposes.

(i) Foreign currency translations

Transaction in foreign currencies are translated into Ringgit Malaysia at the exchange rates prevailing at the transaction dates or, where settlement has not yet taken place at end of the financial year, at the approximate exchange rates prevailing at that date. All exchange gains and losses are taken up in the Income Statement.

The principal closing rates used in the translation of foreign currency amounts are as follows:

Foreign currency:-	RM 31.12.2006	RM 31.12.2005
1 US Dollar	3.80000	3.80000
1 Pakistan Rupee	0.06400	0.06400
1 Sri Lanka Rupee	0.04000	0.04000
1 Jordanian Dinar	5.00480	5.00480
1 Syrian Pound	0.08600	0.08600
1 Cambodian Riel	NA	0.00020
1 Australian Dollar	2.82000	NA
1 Euro	4.60000	4.60000
1 Chinese Yuan Renminbi	0.46730	0.46730
1 Japanese Yen	0.03270	0.03270
1 Sudanese Dinar	0.01460	0.01460
1 Indonesian Rupiah	0.00042	0.00042
1 Iraqi Dinar	0.00259	0.00259
1 Iranian Rial	0.00050	0.00050
1 Philippine Peso	0.07910	0.07330
1 CFA Niger	0.00700	0.00700
1 Saudi Dirham	1.00000	1.00000
1 Singapore Dollar	2.83000	2.30000

(j) Development cost

The development costs incurred during the year are expensed off to profit and loss accounts as charitable expenditure based on projects carried out during the year.

4. Property, plant and equipment

	Furniture and fittings	Computer and EDP	Office equipment	Renovations	Motor vehicles	Air Conditioning	Security equipment	Medical equipment	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
Cost									
Opening balance	33,866	194,317	149,292	87,516	425,628	21,640	20,780	175,800	1,108,839
Additions	18,345	39,586	14,983	4,910	206,731	2,418	-	-	286,973
Disposal	(6,441)	(103,521)	(20,158)	(28,800)	-	-	(11,780)	(102,947)	(273,647)
Closing balance	45,770	130,382	144,117	63,626	632,359	24,058	9,000	72,853	1,122,165
Depreciation									
Opening balance	12,576	101,185	37,146	30,726	143,711	8,651	5,836	52,151	391,982
Charge for the year	8,587	22,531	16,623	12,486	82,825	4,812	-	10,928	158,792
Disposal	(4,908)	(75,891)	(7,247)	(18,724)	-	-	(2,596)	(44,301)	(153,667)
Closing balance	16,255	47,825	46,522	24,488	226,536	13,463	3,240	18,778	397,107
Net book value									
At 31 December 2006	29,515	82,557	97,595	39,138	405,823	10,595	5,760	54,075	725,058
At 31 December 2005	21,290	93,132	112,146	56,790	281,917	12,989	14,944	123,649	716,857
Depreciation charge for the year ended 2005	4,896	33,405	14,140	12,011	60,970	2,927	2,494	20,367	151,210

5. Inventories

	2006 RM	2005 RM
Merchandise	175,192	308,265
Emergency Response Unit	17,900	-
Mobile Clinics	36,075	-
	229,167	308,265

6. Other receivables

	2006 RM	2005 RM
Sundry debtors, deposit and prepayment	228,907	267,994
	228,907	267,994

7. Cash and cash equivalents

	2006 RM	2005 RM
Cash in bank	1,846,314	3,675,365
Cash in hand	156,449	29,564
Fixed deposit with licensed banks	11,784,085	15,092,123
	13,786,848	18,797,052

8. Other payables

	2006 RM	2005 RM
Other creditors and accruals	93,348	1,094,264
	93,348	1,094,264

9. Income

a) Donation	General Donation RM	2006 RM	2005 RM
General Fund	3,682,439	3,682,439	1,300,815
Donation in Kind	92,962	92,962	-
Afghanistan Relief Fund	969,888	969,888	185,003
Cambodia Relief Fund	100	100	10
Iran Relief Fund	-	-	4,435
Iraq Relief Fund	-	-	767
Korea Relief Fund	-	-	190,920
Lebanon Relief Fund	729,095	729,095	-
Pakistan Relief Fund	1,269,696	1,269,696	4,051,768
Palestine Relief Fund	100	100	-
Philippines Relief Fund	108,600	108,600	7,500
Sudan Relief Fund	10,037	10,037	69,108
Tsunami Relief Fund	3,078,375	3,078,375	23,514,969
Malaysia Relief Fund	92,240	92,240	19,851
Maldives Relief Fund	1,000,000	1,000,000	-
Yogjakarta Relief Fund	1,121,735	1,121,735	-
Special Project Fund	698,466	698,466	683,730
	12,853,733	12,853,733	30,028,876

b) Annual Fund Raising Dinner 2006	2006 RM	2005 RM
Donation received	581,860	-
Less : Expenses	168,817	-
	413,043	-
c) Membership fee		
Entrance fee	40	90
Life membership	3,500	2,720
Ordinary membership	570	630
	4,110	3,440
d) Other Income		
Fixed deposit interest	372,375	302,759
Dividend Income	5,574	-
Sale of merchandise	175,697	19,795
	553,646	322,554

Membership fee and other income received are clasified as General Fund

10. Income tax expense

No taxation provided in the financial statements, as the Society is tax exempted under Section 44(6) of the Income Tax Act, 1967.

11. Staff costs

	2006 RM	2005 RM
EPF and SOCSO	99,559	79,477
Medical	4,391	2,186
Salaries and allowances	773,156	672,072
	877,106	753,735
Number of employees (excluding Executive Council) at the end of financial year	30	26

12. Development cost

Development costs incurred during the year are expensed off as charitable expenditure based on projects carried out during the year and are analysed as follows:

	2006 RM	2005 RM
a) Tsunami Aceh		
I. Healthcare		
Akademi Farmasi Dinas	295,823	368,158
Akademi Perawatan Depkes	18,476	165,464
Orthoprosthetic unit at RSUZA	38,895	306,184
Pusat Kesihatan Masyarakat at Meuraxa	193,341	128,049
PSIK Unsyiah	2,526,643	-
Pusat Kesihatan Masyarakat at Panga	142,158	175,308
	3,215,336	1,143,163
II. Education		
Orphanage Center Babun Najah	40,315	370,736
Orphanage Center Kayee Kunyit	945,276	166,635
Orphanage Center Sukamakmur	818,929	537,157
Orphanege Center Daruzzahidin	54,499	245,642
SMU Lhoknga	960,698	-
	2,819,717	1,320,170

12. Development cost (continued)

	2006 RM	2005 RM
III. Shelter		
Building and launch of Core Housing	-	4,978,493
	2,568,493	7,441,826
b) Iraq		
I. Healthcare		
Rebuilding of hospital	265,654	730,170
	265,654	730,170
c) Iran		
I. Healthcare		
Rebuilding of Healthcare Center	-	1,000,000
	-	1,000,000
d) Tsunami Nias		
I. Healthcare		
Pusat Kesihatan Masyarakat at Awa'ai	476,799	-
Pusat Kesihatan Masyarakat at Gido	508,250	-
RSU Gunung Sitoli	2,284,772	-
	3,269,821	-
TOTAL	6,103,968	9,171,996

13. Capital commitment

As at year end, the Society has the following capital expenditures in respect of approved and contracted for :-

	2006 RM	2005 RM
a) Tsunami Aceh		
I. Healthcare		
Akademi Farmasi Dinas	5,377	301,200
Akademi Perawatan Depkes	10,161	28,637
Orthoprosthetic unit at RSUZA	-	38,895
Pusat Kesihatan Masyarakat at Meuraxa	1,287	139,694
PSIK Unsyiah	1,048,793	-
Pusat Kesihatan Masyarakat at Panga	1,276	143,434
	1,066,894	651,860
II. Education		
Orphanage Center Babun Najah	-	30,964
Orphanage Center Kayee Kunyit	58,522	100,798
Orphanage Center Sukamakmur	-	249,073
Orphanege Center Daruzzahidin	-	141,813
SMU Lhoknga	277,382	-
	335,904	522,648
d) Tsunami Nias		
I. Healthcare		
Pusat Kesihatan Masyarakat at Gido	26,750	-
RSU Gunung Sitoli	1,138,517	-
	1,165,267	-
TOTAL	2,568,065	1,174,508

14. Financial Instruments

Financial risk management objectives and policies

The Society's financial risk management objectives are to ensure that the Society creates value and maximises return to the Society and its members at large. The Society's financial risk management policies seek to ensure that adequate financial and non-financial resources are available for the smooth implementation of its operations. The Society has been financing its operations from donations received and, therefore, is not exposed to interest rate risk arising from bank borrowings. The Society does not invest in quoted shares and is, therefore, not exposed to market risk arising from the risk of the financial instruments fluctuating due to changes in market prices.

The main areas of financial risk faced by the Society and the policy in respect to the major areas of treasury activities are set out as follows:-

(a) Credit risk

The Society's exposure to credit risk, or the risk of counter parties defaulting, is controlled by the application of credit limits and ongoing monitoring procedures.

(b) Liquidity risk

The Society practices prudent liquidity management to minimize the mismatch of financial assets and liabilities and to maintain sufficient levels of cash or cash equivalents to meets its working capital requirements.

(c) Fair values

The carrying amounts of cash and cash equivalents, subscription in arrears, sundry and other receivables, sundry payables and other payables approximate their fair values due to the relatively short term nature of these financial instruments.

(d) Foreign exchange risk

The Society is exposed to various currencies, mainly United States Dollar, Indonesian Rupiah, Sudanese Dinar and etc. Foreign currency denominated assets and liabilities together with expected cash flows from highly probable purchases and sales give rise to foreign exchange exposures.

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

This publication would not have been made possible without the tireless effort and committment of our members, volunteers and staff

Editorial

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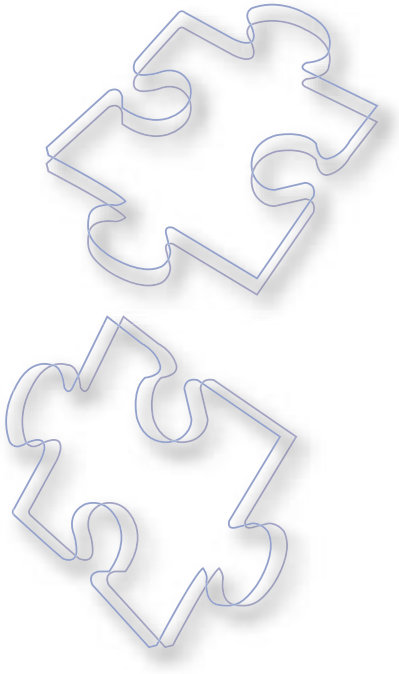

Where there is MERCY there is hope

SPECIAL ACKNOWLEDGEMENT

Printing of this Annual Report is co-sponsored by

Dawama Sdn Bhd
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