

Marie Stopes International Group

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Auditors

Chantrey Vellacott DFK
Russell Square House
10-12 Russell Square
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Principal Bankers

Clydesdale Bank PLC
10 Fleet Place
London EC4M 7RB

Solicitor

Andrew Lutley
Springfield
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Board of Trustees

Edgar W Stanford, Chairman
Philip D Harvey
Sir Charles Pereira
David W Logan
Baroness Flather
Mr Timothy Rutter

Secretary

Dr TRL Black

Registered Office

153-157 Cleveland Street
London
W1P 5PG

Company Number

1102208 (registered in England and Wales)

Charity Number

265543 (registered in England)



Trustees' Annual Report

The Board of Trustees presents its report and the audited financial statements for the year ended 31 December 1999.

Objects and Organisation of the Charity

The principal activity of the charity has continued to be the worldwide provision of reproductive healthcare services. There have been no material changes in policy in the past 12 months.

Marie Stopes International's mission remains to enable people to have **children by choice not chance**. The charity's goal remains the prevention of unwanted births. These are achieved through:

- A **clear focus on family planning** while undertaking a broad spectrum of reproductive health activities within the remit of the International Conference on Population and Development.
- A **customer led, rather than provider driven, approach** which ensures a choice of high quality family planning and reproductive health services, through comprehensive information, advice and delivery mechanisms that are tailored to local needs.
- A **unique commitment to sustainable programmes** through the transfer of enduring management skills and technology to partners and the development of a diverse funding base, including cost recovery mechanisms.

Marie Stopes International operates by way of two divisions. The UK clinic division is responsible for establishing and managing family planning clinics, nursing homes and referral centres in the UK. The overseas programmes division is responsible for establishing, monitoring and providing technical assistance to overseas programmes.

Family planning and reproductive health projects overseas are implemented by an independent non-governmental organisation in each of the countries in which Marie Stopes International works. These organisations work together with Marie Stopes International and each other to create an informal global partnership. A full list of the organisations that receive funding from Marie Stopes International is available from the charity's registered office.

Marie Stopes International's success depends in a large measure on the optimum involvement of people at all levels and specific policies are followed to this end. All aspects of the employment of people or the engagement of professional services are undertaken regardless of any individual's colour, ethnic or national origins, religion, sex, marital status, sexual orientation, age or disability.

Constitution of the Charity

Marie Stopes International is a registered charity and is constituted as a company, limited by guarantee. Its objects and powers and other constitutional matters are set out in its Memorandum and Articles of Association. The Memorandum and Articles of Association do not contain any onerous restrictions concerning the way in which the company can operate. As a company Marie Stopes International has a general investment power.

Trustees are subject to retirement by rotation. New appointments and re-appointments are made by members of the Board at Annual General Meetings.

Trustees and their Statutory Responsibilities

The Trustees serving at 31 December 1999 are noted on page 1. None of the Trustees received any reimbursement of expenses during the year (1998: None).

Company and charity law requires the Board, as Trustees and Directors, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the results for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will be able to continue to meet its objectives.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and Review of Activities

The net increase in funds for the financial year was £4,592,000 (1998: £1,955,000). The Trustees are pleased with the results for the year under review and they anticipate further growth in service delivery and improvements in cost recovery in the future. Marie Stopes International measures the impact of its activities through a statistical measure, couple years of protection, the international yardstick for assessing the impact of any method of family planning. One couple year of protection will provide one couple with contraceptive cover for one year.

Couple years of protection (CYPs) provided by Marie Stopes International's UK clinics division fell by 7% to 176,000 in 1999, compared with 190,000 in 1998. Couple years of protection provided by Marie Stopes International's overseas partners rose by 19% to 3,173,000 in 1999, compared with 2,676,000 in 1998.

UK Developments & Results

Growth of both activity and income has continued throughout 1999 with income increasing from £12,840,000 to £14,984,000, an increase of 17%.

Development of purpose built day centres has continued with the successful opening of a new centre in Bristol and research for potential sites in two further locations, at least one of which will open in 2000. While overall demand for termination of pregnancy services decreased nationally by 2.5% (OPCS data, quarters One to Three), the numbers of customers served by Marie Stopes International UK Clinics increased by 6.5%, reflecting the increased availability of services nationally.

A small decrease in customers for vasectomy reflects changes to primary care contracting arrangements with the introduction of Primary Care Groups. Increased computerisation of systems, including the development of 'on-line' booking will continue into 2000 leading to increased efficiency and customer service.

Delays in the development of software for the establishment of a centralised call centre impacted severely on our cost structure and contributed in part to a significant increase in overhead costs. A gradual implementation programme for the call centre – Marie Stopes One Call – was undertaken in the latter part of the year to become fully operational in early 2000.

Changes to the UK regulations governing abortion provision came into effect in October 1999, relaxing some of the more onerous requirements relating to service provision. As a result, centres can now become more efficient leading to an improved service to customers and financial savings. The full effects of these changes will be seen in the course of 2000.

Overseas Developments & Results

1999 saw continued growth in activity and substantial growth in programme funding from a number of sources. Total grants received grew from £9,798,000 in 1998 to £17,341,000, an increase of 77%.

This growth reflects increased income from the majority of funding sources including the Department for International Development, European Union and United Nations. A small decrease in restricted grants from UK trusts and foundations was partially offset by a small increase in unrestricted funds from similar sources.

Development and diversification of the donor base has continued, showing a reduction in the proportion of funding received from our two major funders – the Department for International Development and European Union – from 43% to 41% of total restricted funds.

Major growth in funding was realised from North American trusts and foundations, primarily the David and Lucille Packard Foundation, who have this year become our second largest donor of restricted funds. Specifically they have funded programmes in the Philippines, Mexico and Pakistan while a further proposal for Ethiopia is under consideration.

Although there was little programme development in new countries in the course of 1999, significant growth was seen in a number of existing programmes. Clinic programmes in Sierra Leone, Yemen, Cambodia, Mongolia, Myanmar and Albania all increased client visits by over 100%, while Cambodia, Bolivia, Honduras, Peru and Albania all increased CYP numbers by over 100%. Across the partnership, CYP's increased to over 3.3 million, an increase of 16%.

In Marie Stopes International's London Support Office, investment has been made in the development of in-house technical teams. Two additional clinical specialists have been recruited to provide support to partners in clinical standards and quality of care while a Monitoring and Evaluation specialist will devise tools to assist both Marie Stopes International and partner teams in assessing the effectiveness and impact of project activities against objectives.

A Global Workshop for all partners was held in Brighton, England in April 1999 to launch the Marie Stopes International Partnership Manual. This document sets out the business principles of Marie Stopes International together with clinical and service delivery standards. The Partnership Manual seeks to distil best practice examples of partner organisations and set standards applicable to all. Later in the year assessment of partner organisations against these standards began and the process is on course for completion during 2000.

Marie Stopes International Group

Subsidiary Undertakings

Options Consultancy Services Limited enjoyed an excellent first half to the year with increases in turnover, gross profit and net profit against the same period in 1998. However, following the mid-year cessation of the Resource Centre contract with Department for International Development, there was a temporary downturn in business. The company ended the year with an increased turnover compared with 1998 but with a slightly lower gross profit and a very small profit after taxation for the year. This was due not only to a decrease in income but to a very considerable planned investment in marketing in order to develop new opportunities. It is confidently anticipated that this will lead to new and diversified business and an increased profit in 2000.

On 1 April 1999, Marie Stopes International acquired the entire share capital of Shawline Developments Limited, parent of two Austrian companies – Ordinations Management Service GmbH (OMS) and Ambulatorium am Fleischmarkt Betriebs GmbH. Through the merger of OMS with Ambulatorium am Fleischmarkt Betriebs GmbH a single company was formed that is now trading successfully under the latter name.

As a subsidiary of Marie Stopes International, Ambulatorium am Fleischmarkt Betriebs GmbH adds a new dimension to our European activities. A single clinic with projected customer visits of over 6,000 per annum and a post tax profit of £125,000 generated in the first nine months of trading, it is confidently predicted that the clinic will contribute significantly to the discretionary funds available to support overseas development.

Financial Position & Reserves

At 31 December 1999 the Marie Stopes International Group's total funds amounted to £17,709,000, including funds restricted for overseas projects of £6,538,000.

Unrestricted funds of £762,000 have been set aside to cover Marie Stopes International's future contributions due to existing co-financed projects.

A further £3,271,000 of the unrestricted funds at the year end is a revaluation reserve, representing the difference between the written down value of freehold properties and the most recent professional valuations of such properties.

The remaining funds of £7,138,000 at the year-end are unrestricted general funds. These are available to cover any deficit on the restricted funds for any particular project. See note 1k of these accounts for Marie Stopes International's reserves policy.

Fixed Assets

The cost of investment in implementing a call handling service for all UK customer services is included in the additions to computer equipment of £992,000.

Investment in alterations to freehold properties continued in the year, giving rise to additions to fixed assets of £503,000. The expenditure primarily represents the ongoing redesign and refurbishment of centres to maintain a high quality environment for our customers.

Details of movements in fixed assets during the year are given in note 9 to the financial statements.

Auditors

In accordance with the Companies Act 1985, a resolution to reappoint Chantrey Vellacott DFK as auditors to Marie Stopes International will be put to the Annual General Meeting.

By order of the Board



Dr TRL Black
Secretary

Date: 20 June 2000

Marie Stopes International Group

Auditors Report to the Members of the Marie Stopes International Group

We have audited the financial statements set out on pages 6 to 27 which have been prepared under the historical cost convention as modified by the revaluation of freehold properties and the accounting policies set out on pages 11 to 12.

Respective responsibilities of Trustees and auditors

As described on page 2, the charity's Trustees (who also act as directors of Marie Stopes International for the purposes of company law) are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practises Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and its subsidiary undertakings as at 31 December 1999 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Chantrey Vellacott DFK

Chantrey Vellacott DFK

Russell Square House
10-12 Russell Square
London WC1B 5LF

20 June 2000

**Consolidated Income and Expenditure Account and Statement of Financial Activities
for the year ended 31 December 1999**

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 1999 £'000	Total 1998 £'000
Incoming Resources					
Donations, legacies and gifts	2a	190	-	190	165
Grants receivable	2b	-	17,341	17,341	9,798
Investment income	2c	335	-	335	292
Income from trade in the furtherance of the objects of the charity	2d	16,774	-	16,774	14,347
Total Incoming Resources		17,299	17,341	34,640	24,602
Resources Expended					
Direct charitable expenditure:					
Disbursements for overseas programmes	3a	623	11,893	12,516	8,687
Overseas programmes support costs	3b	1,479	-	1,479	1,259
Reproductive healthcare services delivery costs	3c	12,792	-	12,792	9,920
		14,894	11,893	26,787	19,866
Other expenditure:					
Fundraising and publicity	4a	1,284	-	1,284	1,220
Management and administration of the charity	4b	2,011	-	2,011	1,561
		3,295	-	3,295	2,781
Total Resources Expended	5	18,189	11,893	30,082	22,647
Net Incoming Resources Before Transfers		(890)	5,448	4,558	1,955
Contribution to overheads	16	1,442	(1,442)	-	-
Net Incoming Resources for the year		552	4,006	4,558	1,955
Other Recognised Gains and Losses					
Unrealised gains on investment assets	10b	34	-	34	-
Net Movement in Funds		586	4,006	4,592	1,955
Fund Balances brought forward at 1 January 1999	16	10,585	2,532	13,117	11,162
Fund Balances carried forward at 31 December 1999	16	11,171	6,538	17,709	13,117

The notes on pages 11 to 27 form part of these financial statements.

**Note of Historical Cost Consolidated Profits and Losses
for the year ended 31 December 1999**

	Unrestricted Funds 1999 £'000	Unrestricted Funds 1998 £'000
Net movement in unrestricted funds for the year	586	1,230
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	234	226
Historical cost surplus on ordinary activities for the year	820	1,456

The notes on pages 11 to 27 form part of these financial statements.

Marie Stopes International Group

Group Balance Sheet at 31 December 1999

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 1999 £'000	Total 1998 £'000
Fixed Assets					
Intangible assets	8	937	-	937	-
Tangible assets	9	8,931	-	8,931	8,374
		<u>9,868</u>	<u>-</u>	<u>9,868</u>	<u>8,374</u>
Current Assets					
Stocks and work in progress	11	22	-	22	155
Debtors	12	1,400	168	1,568	1,923
Short term investments	10b	140	-	140	3
Cash at bank and in hand		2,707	6,370	9,077	5,041
		<u>4,269</u>	<u>6,538</u>	<u>10,807</u>	<u>7,122</u>
Creditors: amounts falling due within one year	13a	2,028	-	2,028	1,750
Net Current Assets		<u>2,241</u>	<u>6,538</u>	<u>8,779</u>	<u>5,372</u>
Total Assets less Current Liabilities		<u>12,109</u>	<u>6,538</u>	<u>18,647</u>	<u>13,746</u>
Creditors: amounts falling due after more than one year	13b	938	-	938	629
Net Assets		<u>11,171</u>	<u>6,538</u>	<u>17,709</u>	<u>13,117</u>
Unrestricted Funds					
General reserves	16	7,138	-	7,138	6,347
Designated funds - contingency reserve	16	762	-	762	967
Capital fund - revaluation reserve	16	3,271	-	3,271	3,271
		<u>11,171</u>	<u>-</u>	<u>11,171</u>	<u>10,585</u>
Restricted Funds					
Specific reserves	15/16	-	6,538	6,538	2,532
		<u>11,171</u>	<u>6,538</u>	<u>17,709</u>	<u>13,117</u>

Approved by the Board of Trustees on 20 June 2000
and signed on its behalf by

E W Stanford

E W STANFORD *Chairman*

The notes on pages 11 to 27 form part of these financial statements.

Marie Stopes International Group

Company Balance Sheet at 31 December 1999

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Total 1999 £'000	Total 1998 £'000
Fixed Assets					
Tangible assets	9	8,859	-	8,859	8,361
Investments	10a	1,162	-	1,162	50
		<u>10,021</u>	<u>-</u>	<u>10,021</u>	<u>8,411</u>
Current Assets					
Stocks and work in progress	11	-	-	-	59
Debtors	12	1,206	168	1,374	1,601
Short term investments	10b	107	-	107	3
Cash at bank and in hand		2,205	6,370	8,575	4,971
		<u>3,518</u>	<u>6,538</u>	<u>10,056</u>	<u>6,634</u>
Creditors: amounts falling due within one year	13a	1,566	-	1,566	1,399
Net Current Assets		<u>1,952</u>	<u>6,538</u>	<u>8,490</u>	<u>5,235</u>
Total Assets less Current Liabilities		<u>11,973</u>	<u>6,538</u>	<u>18,511</u>	<u>13,646</u>
Creditors: amounts falling due after more than one year	13b	837	-	837	629
Net Assets		<u>11,136</u>	<u>6,538</u>	<u>17,674</u>	<u>13,017</u>
Unrestricted Funds					
General reserves	16	7,103	-	7,103	6,247
Designated funds - contingency reserve	16	762	-	762	967
Capital fund - revaluation reserve	16	3,271	-	3,271	3,271
		<u>11,136</u>	<u>-</u>	<u>11,136</u>	<u>10,485</u>
Restricted Funds					
Specific reserves	15/16	-	6,538	6,538	2,532
		<u>11,136</u>	<u>6,538</u>	<u>17,674</u>	<u>13,017</u>

Approved by the Board of Trustees on 20 June 2000
and signed on its behalf by


E W STANFORD Chairman

The notes on pages 11 to 27 form part of these financial statements.

Marie Stopes International Group

Consolidated Cashflow Statement for the year ended 31 December 1999

	Note	1999 £'000	1998 £'000
Net Cash Inflow from Operating Activities	17	6,576	3,010
Taxation			
Corporation tax	(15)	(14)	
Net Cash Outflow for Taxation		(15)	(14)
Returns on Investments and Servicing of Finance			
Interest received	304	244	
Interest paid	(88)	(106)	
Rent received	30	40	
Sundry income	1	8	
Net Cash Inflow for Returns on Investments and Servicing of Finance		247	186
Capital Expenditure and Financial Investment			
Purchase of tangible fixed assets	(1,824)	(1,660)	
Proceeds from sale of tangible fixed assets	-	2	
Purchase of listed investments	(103)	-	
Net Cash Outflow for Capital Expenditure and Financial Investment		(1,927)	(1,658)
Acquisitions and Disposals			
Acquisition of subsidiary		(1,102)	-
Net Cash Inflow before Financing		3,779	1,524
Financing			
New secured loan	600	-	
Repayment of loans	(342)	(381)	
Net Cash Outflow for Financing		258	(381)
Increase in cash	18/19	4,037	1,143

The notes on pages 11 to 27 form part of these financial statements.

Notes to the Financial Statements for the year ended 31 December 1999

1 Accounting Policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties and in accordance with Statement of Recommended Practice Accounting by Charities and applicable Accounting Standards.

The principal accounting policies adopted are as follows:

a) **Basis of consolidation**

The operating results of subsidiary undertakings have been fully consolidated in the Income and Expenditure Account.

b) **Income**

Income comprises the gross amounts receivable from customers for reproductive healthcare and consultancy services and receipts of grants and donations.

c) **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date and exchange differences are included in the Income and Expenditure Account.

d) **Pension costs**

The charity operates a defined contribution scheme. The assets of the scheme are held separately from those of the charity in an independently administered fund managed by the Standard Life Assurance Company.

e) **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure Account as incurred.

f) **Allocation of costs**

Costs incurred by the Group are allocated across the various types of expenditure as follows:

Disbursements for overseas programmes - Costs relating directly to overseas programmes, eg transfers of funds, purchase of supplies.

Overseas programmes support costs - Costs relating to the development, monitoring and support of overseas programmes, eg programme teams' salaries, office costs allocated on the basis of space used.

Reproductive healthcare services delivery costs - Costs relating directly to service provision, eg clinic running costs and salaries.

Fundraising and publicity - Costs relating to donor and media relations and advertising, eg production of publications, visits to donors, office costs allocated on the basis of space used.

Notes to the Financial Statements for the year ended 31 December 1999

1 Accounting Policies (continued)

Management and administration of the charity - Costs relating to the charity's head office which cannot be directly identified as applicable to one of the other categories, eg finance costs, office costs allocated on the basis of space used.

g) **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation has been provided at rates calculated to write off the cost or valuation of fixed assets less their estimated residual value, on a straight line basis over their useful economic lives as follows:

Freehold properties	Over estimated useful life but none in the year of revaluation
Leasehold properties	Over period of the lease
Furniture, fixtures, fittings and office equipment	20% to 50% per annum
Medical equipment	20% to 50% per annum
Computer equipment	25% to 50% per annum
Motor vehicles	25% per annum

h) **Stocks**

Medical and drug stocks are considered to be of negligible value and as from 1st January 1999 all such costs incurred are treated as fully expended through the Income and Expenditure Account. Work in progress represents amounts invoiced in excess of costs yet to be incurred on behalf of customer at the year end.

i) **Investments**

Current asset investments are shown in the financial statements at market value. Any material increase or decrease in the value is included in the Income and Expenditure Account.

j) **Goodwill**

Goodwill is amortised over a period of five years.

k) **Reserves**

General reserves - It is the aim of the Trustees that the balance of funds retained in the general reserve will become sufficient to finance up to 6 months unfunded expenditure and loan repayments. This policy is reviewed on an annual basis and the adequacy of the policy judged in the light of all relevant information.

Contingency reserves - The contingency reserves represent provisions made by the charity equal to the charity's outstanding commitment to co-financed projects.

Revaluation reserves - The revaluation reserves represent the difference between the written down value of freehold properties and professional valuations of such properties calculated at the time of the professional valuation.

Specific reserves - The specific reserves represent funds made available to the charity to be expended in accordance with the wishes of the donor. Transfers are made from restricted funds to unrestricted funds equal to amounts specified by donors as available from project funds to contribute towards the running costs of the charity.

Notes to the Financial Statements for the year ended 31 December 1999

2 Incoming resources	Unrestricted Funds £'000	Restricted Funds £'000	Total 1999 £'000	Total 1998 £'000
a) Donations, legacies and gifts				
Discretionary income raised by campaigns from:				
Trusts & foundations	115	-	115	93
Direct Mail	48	-	48	33
Covenants	10	-	10	18
Other	17	-	17	21
	<u>190</u>	<u>-</u>	<u>190</u>	<u>165</u>
b) Grants receivable				
Department for International Development	-	5,832	5,832	3,580
European Union	-	1,332	1,332	642
United Nations	-	2,997	2,997	2,372
Packard Foundation	-	3,690	3,690	-
Kreditanstalt für Wiederaufbau	-	672	672	863
World Bank	-	50	50	18
National Lottery	-	23	23	12
UK trusts & foundations	-	988	988	1,162
Offshore trusts & foundations	-	1,452	1,452	1,154
Other	-	305	305	(5)
	<u>-</u>	<u>17,341</u>	<u>17,341</u>	<u>9,798</u>
c) Investment income				
Bank interest receivable	304	-	304	244
Rent receivable	30	-	30	40
Sundry income	1	-	1	8
	<u>335</u>	<u>-</u>	<u>335</u>	<u>292</u>
d) Trade in furtherance of the objects of the charity				
Provision of reproductive healthcare services	14,984	-	14,984	12,840
Fees waived	(110)	-	(110)	(72)
Reproductive health consultancy services	1,900	-	1,900	1,579
	<u>16,774</u>	<u>-</u>	<u>16,774</u>	<u>14,347</u>

Notes to the Financial Statements for the year ended 31 December 1999

3	Direct charitable expenditure	Unrestricted Funds £'000	Restricted Funds £'000	Total 1999 £'000	Total 1998 £'000
	a) Disbursements for overseas programmes				
	Africa & Arab World				
	Angola	-	229	229	21
	Ethiopia	1	107	108	65
	Kenya	85	127	212	103
	Lebanon	-	88	88	11
	Madagascar	-	243	243	176
	Malawi	-	2,354	2,354	1,370
	Mozambique	-	143	143	154
	Sierra Leone	-	131	131	255
	South Africa	12	64	76	247
	Syria	-	-	-	1
	Tanzania	380	218	598	167
	Uganda	18	117	135	114
	West Bank	-	5	5	-
	Yemen	(11)	113	102	91
	Zimbabwe	-	129	129	150
	Training, research & development	11	35	46	27
	Asia				
	Bangladesh	-	848	848	535
	Cambodia	-	1,035	1,035	791
	China	-	1,521	1,521	1,010
	India	-	676	676	509
	Indonesia	-	21	21	4
	Mongolia	-	136	136	78
	Myanmar	-	126	126	122
	Nepal	1	186	187	128
	Pakistan	1	764	765	312
	Philippines	1	293	294	255
	Sri Lanka	-	283	283	208
	Vietnam	-	219	219	278
	Training, research & development	-	1	1	30
	Europe				
	Albania	1	100	101	-
	Former Yugoslavia	-	-	-	133
	Romania	9	-	9	-
	Training, research & development	1	-	1	27
	Latin America				
	Bolivia	12	229	241	161
	Haiti	-	36	36	9
	Honduras	-	148	148	104
	Mexico	-	131	131	-
	Nicaragua	-	107	107	164
	Peru	5	116	121	153
	Training, research & development	12	54	66	16
	Australia				
	Australia	-	16	16	-
	Cross-regional				
	Advocacy	-	95	95	74
	Harry Levin Gynefix Fund	-	17	17	-
	Refugees & Internally Displaced People	-	37	37	25
	Social Marketing	6	595	601	552
	Training, research & development	78	-	78	57
		623	11,893	12,516	8,687

Notes to the Financial Statements for the year ended 31 December 1999

3	Direct charitable expenditure (continued)	1999 £'000	1998 £'000
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Disbursements for overseas programmes include the following payments disclosed separately in accordance with the requirements of the donor.

Funded by Department for International Development

Albania Refugees	78	-
Angola Clinics	193	21
Madagascar Institutional Strengthening	34	70
Malawi Clinics Expansion	2,354	1,090
Mozambique Reproductive Health for Refugees	143	167
Sierra Leone Emergency Reproductive Health	61	182
Sierra Leone Institutional Strengthening	-	1
Tanzania Institutional Strengthening	-	9
Zimbabwe Slum Clinic & Outreach	78	48
Bangladesh Reproductive Healthcare	780	515
India Reproductive Health Education	59	54
India Reproductive Health in Orissa	421	309
Pakistan Sindh RH Project	-	6
Pakistan Community Based Distribution	51	78
Philippines Clinics	64	-
Philippines Mobile Outreach	-	95
Philippines Franchising Feasibility Study	-	3
Sri Lanka Mannar Reproductive Health	3	64
Sri Lanka Refugees	245	169
Vietnam Clinics	26	77
Bolivia Clinics	91	34
Honduras Clinics	52	-
Nicaragua Institutional Strengthening	-	2
Nicaragua Adolescent Franchise	84	48
Peru Clinic	14	110
Uganda Slum Clinics	47	-
Uganda Social Marketing	-	2
	4,878	3,154

Funded by National Lottery

Zimbabwe 2 Clinics	11	13
Vietnam	4	-
	15	13

Notes to the Financial Statements for the year ended 31 December 1999

3	Direct charitable expenditure (continued)	1999 £'000	1998 £'000
	Funded by United Nations		
	State of the World Population Report	3	4
	North/South Technical Assistance	13	11
	Advocacy - Parliamentarians	-	1
	Advocacy - European Public	3	25
	Lebanon Technical Assistance	88	13
	Yemen Research & Development	(1)	1
	Bosnia Refugees	-	9
	China Technical Assistance	1,521	1,010
	Mongolia Clinic	65	83
	Nepal Outreach Clinic	45	1
	Nepal Reproductive Health Workshop	-	2
	Pakistan Reproductive Health - Punjab	3	112
	Haiti Technical Assistance	15	37
	Cambodia Reproductive Health	870	730
	Cambodia Ministry of Womens Affairs	110	73
	Vietnam Reproductive Health Initiative	127	28
		2,862	2,140

	Unrestricted Funds £'000	Restricted Funds £'000	Total 1999 £'000	Total 1998 £'000
b) Overseas programmes support costs				
Technical assistance & monitoring costs	1,064	-	1,064	937
Consultancy	37	-	37	65
Literature	19	-	19	16
Office costs	359	-	359	241
	1,479	-	1,479	1,259

c) Reproductive healthcare services delivery costs				
Provision of reproductive healthcare services	11,405	-	11,405	8,885
Reproductive health consultancy services	1,387	-	1,387	1,035
	12,792	-	12,792	9,920

4 Other expenditure

a) Fundraising and publicity				
Reproductive healthcare services marketing & advertising	728	-	728	627
Fundraising	505	-	505	539
Overseas programmes press & publicity	51	-	51	54
	1,284	-	1,284	1,220

b) Management and administration of the charity				
Salaries & office costs	1,798	-	1,798	1,533
Amortisation of goodwill on acquisition	165	-	165	-
Audit fee	48	-	48	28
	2,011	-	2,011	1,561

Notes to the Financial Statements for the year ended 31 December 1999

5	Total resources expended	Staff costs £'000	Depreciation & amortisation £'000	Other costs £'000	Total 1999 £'000	Total 1998 £'000
	Disbursements for overseas programmes	-	-	12,516	12,516	8,687
	Overseas programme support costs	943	45	492	1,480	1,260
	Reproductive healthcare services delivery cost	3,868	1,135	7,788	12,791	9,920
	Fundraising & publicity	292	22	970	1,284	1,220
	Management & administration	1,063	230	663	1,956	1,546
	Tax on profit of subsidiary undertakings	-	-	55	55	14
		6,166	1,432	22,484	30,082	22,647

Staff costs:

Wages & salaries	5,618	4,675
Social security costs	497	439
Employer's pension contributions	51	48
	6,166	5,162

The average number of employees analysed by function was:

Trustees	6	6
Reproductive healthcare services	242	201
Overseas programmes support	34	38
Fundraising & publicity	13	12
Management & administration	24	21
	319	278

The numbers of employees whose emoluments were more than £40,000 were:

£40,001 - £50,000	3	2
£50,001 - £60,000	2	1
£60,001 - £70,000	1	-
£90,001 - £100,000	1	-
£100,001 - £110,000	1	1
£120,001 - £130,000	1	-

6 Directors' emoluments

None of the directors, who are also Trustees of the charity, received any emoluments during the year.
(1998: None)

7	Interest payable and similar charges	1999 £'000	1998 £'000
	Bank loans & overdrafts	68	81
	Other loans wholly repayable within five years	20	25
		88	106

Notes to the Financial Statements for the year ended 31 December 1999

8 Intangible Fixed Assets

	Goodwill £'000
Cost:	
At 1 January 1999	-
Additions	1,102
At 31 December 1999	<u>1,102</u>
Amortisation:	
At 1 January 1999	-
Provided during the year	165
At 31 December 1999	<u>165</u>
Net Book Value:	
At 31 December 1999	<u>937</u>
At 31 December 1998	<u>-</u>

Goodwill arising on the acquisition of Shawline Developments Limited on 1 April 1999 is being amortised over the Trustees' estimate of its useful economic life of five years as from 1 April 1999.

9 Tangible fixed assets

Freehold properties are revalued as deemed necessary by the Trustees. The latest revaluation was at 1 December 1994 by Nelson Bakewell, Chartered Surveyors, on the basis of the open market value for existing use. Properties purchased since the date of the latest valuation are included at cost.

Group Assets

	Freehold properties £'000	Short leasehold properties £'000	Furniture, fixtures, fittings & office equipment £'000	Medical equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation							
At 1.1.99	8,685	508	687	462	1,466	27	11,835
Additions	503	112	121	88	992	8	1,824
At 31.12.99	<u>9,188</u>	<u>620</u>	<u>808</u>	<u>550</u>	<u>2,458</u>	<u>35</u>	<u>13,659</u>
Depreciation							
At 1.1.99	1,697	121	593	328	698	24	3,461
Charge for the year	494	85	100	68	515	5	1,267
At 31.12.99	<u>2,191</u>	<u>206</u>	<u>693</u>	<u>396</u>	<u>1,213</u>	<u>29</u>	<u>4,728</u>
Net book value							
At 31.12.99	<u>6,997</u>	<u>414</u>	<u>115</u>	<u>154</u>	<u>1,245</u>	<u>6</u>	<u>8,931</u>
At 31.12.98	<u>6,988</u>	<u>387</u>	<u>94</u>	<u>134</u>	<u>768</u>	<u>3</u>	<u>8,374</u>

Notes to the Financial Statements for the year ended 31 December 1999

9 Tangible fixed assets (continued)

Charity assets

	Freehold properties £'000	Short leasehold properties £'000	Furniture, fixtures, fittings & office equipment £'000	Medical equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation							
At 1.1.99	8,685	508	682	462	1,427	27	11,791
Additions	503	112	23	88	975	8	1,709
At 31.12.99	9,188	620	705	550	2,402	35	13,500
Depreciation							
At 1.1.99	1,697	121	590	328	670	24	3,430
Charge for the year	494	85	51	68	508	5	1,211
At 31.12.99	2,191	206	641	396	1,178	29	4,641
Net book value							
At 31.12.99	6,997	414	64	154	1,224	6	8,859
At 31.12.98	6,988	387	92	134	757	3	8,361

The net book value at 31 December 1999 represents fixed assets used for:

	£'000
Direct charitable purposes	
UK programme	7,746
Overseas programme support office	474
	<u>8,220</u>
Other purposes	
Fundraising & publicity	237
Management & administration of the charity	474
	<u>8,931</u>

The historical cost of the freehold properties included at valuation is as follows:

	Group & Charity	
	1999 £'000	1998 £'000
Cost	6,521	6,018
Accumulated depreciation	(1,933)	(1,663)
Net book value	<u>4,588</u>	<u>4,355</u>

Notes to the Financial Statements for the year ended 31 December 1999

10 Investments

a) Fixed Asset Investments

Charity
£'000

Investments in subsidiary undertakings at cost:

At 1 January 1999

50

Additions

1,112

At 31 December 1999

1,162

The Charity holds 100% of the nominal value of the ordinary share capital of the following companies:

Name of Company	Country of incorporation and operation	Nature of business
Options Consultancy Services Ltd	England	Provision of consultancy services in the field of reproductive healthcare
Shawline Developments Ltd	England	Holding company for overseas operations
*Ambulatorium am Fleischmarkt Betriebs GmbH	Austria	Operation of clinic based reproductive healthcare services

* Shares held by Shawline Developments Limited.

On April 1 1999 the charity acquired Shawline Developments Limited for a consideration of £1,112,500.

Further information on the activities of the subsidiaries is given in the Trustees' Report.

b) Current Asset Investments

	Group		Charity	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Listed Investments				
Market value at 1 January 1999	3	3	3	3
Additions at cost	103	-	70	-
Unrealised net gains on revaluation arising during year	34	-	34	-
Market value at 31 December 1999	<u>140</u>	<u>3</u>	<u>107</u>	<u>3</u>
Historical cost as at 31 December 1999	<u>106</u>	<u>3</u>	<u>73</u>	<u>3</u>

Notes to the Financial Statements for the year ended 31 December 1999

11 Stocks and work in progress

	Group		Charity	
	1999	1998	1999	1998
	£'000	£'000	£'000	£'000
Medical supplies, drugs & family planning requisites	-	59	-	59
Work in progress	22	96	-	-
	22	155	-	59

12 Debtors

	Unrestricted	Restricted	Total	Total
	Funds	Funds	1999	1998
	£'000	£'000	£'000	£'000
Group debtors				
Trade debtors	1,077	168	1,245	1,615
Loans to overseas programmes	69	-	69	79
Other debtors	59	-	59	61
Prepayments & accrued income	195	-	195	168
	1,400	168	1,568	1,923

Charity debtors

Trade debtors	767	168	935	1,276
Loans to overseas programmes	69	-	69	79
Amounts owed by subsidiary undertakings	139	-	139	50
Other debtors	51	-	51	30
Prepayments & accrued income	180	-	180	166
	1,206	168	1,374	1,601

Amounts repayable after more than one year are £69,169 (1998: £69,169) included in loans to overseas programmes and £100,000 (1998: £50,000) included in amounts owed by subsidiary undertakings.

Notes to the Financial Statements for the year ended 31 December 1999

13 Creditors	Unrestricted Funds £'000	Restricted Funds £'000	Total 1999 £'000	Total 1998 £'000
a) Amounts falling due within one year				
Group creditors				
Bank & other loans	312	-	312	262
Bank overdrafts	-	-	-	25
Trade creditors	917	-	917	697
Corporation tax	54	-	54	14
Other taxes & social security	173	-	173	140
Accruals & deferred income	572	-	572	612
	<u>2,028</u>	<u>-</u>	<u>2,028</u>	<u>1,750</u>

Charity creditors

Bank & other loans	312	-	312	262
Trade creditors	611	-	611	534
Other taxes & social security	145	-	145	131
Accruals & deferred income	488	-	488	472
Amounts owed to subsidiary undertakings	10	-	10	-
	<u>1,566</u>	<u>-</u>	<u>1,566</u>	<u>1,399</u>

b) Amounts falling due after more than one year

	Group		Charity	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Bank & other loans	837	629	837	629
Deferred liabilities	101	-	-	-
	<u>938</u>	<u>629</u>	<u>837</u>	<u>629</u>

14 Loans

Group and charity

	1999 £'000	1998 £'000
Bank loans	1,065	752
Other loans	84	139
	<u>1,149</u>	<u>891</u>

Notes to the Financial Statements for the year ended 31 December 1999

14 Loans (continued)

Group and charity

	1999 £'000	1998 £'000
Amounts repayable:		
In one year or less or on demand	312	262
Between one & two years	211	237
Between two & five years	484	364
	<u>1,007</u>	<u>863</u>
In five years or more	142	28
	<u>1,149</u>	<u>891</u>
Amounts repayable by instalments any of which fall for payment after five years:		
Instalments payable within five years	-	333
Instalments payable after five years	142	28
	<u>142</u>	<u>361</u>
Interest rates applicable to loans outstanding at the year end are as follows:		
Bank loans:		
1.25% above bank base rate, with 2% reduction in bank base rate for the first year	204	257
1.5% above bank base rate	295	361
1.5% over cost of funds	517	-
1.75% above bank base rate	49	134
	<u>1,065</u>	<u>752</u>
Other loans:		
Fixed rate at 9.5% per annum	84	139
	<u>84</u>	<u>139</u>

The bank loans are secured on the charity's freehold properties and by way of a floating charge over the assets of the charity. The other loans are unsecured loans from DKT International, a company incorporated in the USA, in which Mr PD Harvey and Dr TRL Black are directors.

Notes to the Financial Statements for the year ended 31 December 1999

15 Restricted funds	At 1 Jan 1999 £'000	Net movement £'000	At 31 Dec 1999 £'000
Africa & Arab World			
Angola	-	17	17
Egypt	25	1	26
Ethiopia	26	29	55
Kenya	-	3	3
Madagascar	4	130	134
Malawi	-	343	343
Mozambique	2	(2)	-
Sierra Leone	13	36	49
Syria	12	(6)	6
Tanzania	-	39	39
Uganda	41	(39)	2
Yemen	209	(174)	35
Zimbabwe	38	(32)	6
Training, research & development	47	(38)	9
Asia			
Bangladesh	24	189	213
Cambodia	40	(12)	28
China	-	97	97
India	271	78	349
Indonesia	23	(22)	1
Mongolia	-	3	3
Myanmar	-	40	40
Nepal	63	15	78
Pakistan	316	1,766	2,082
Philippines	19	382	401
Sri Lanka	1	64	65
Vietnam	236	(131)	105
Training, research & development	5	-	5
Europe			
Albania	-	88	88
Former Yugoslavia	10	-	10
Latin America			
Bolivia	63	13	76
Honduras	23	(8)	15
Mexico	-	298	298
Nicaragua	3	(3)	-
Peru	71	(21)	50
Training, research & development	-	47	47
Cross-regional			
Advocacy	204	496	700
Refugees & Internally Displaced People	103	(55)	48
Social Marketing	544	94	638
Training, research & development	96	281	377
	2,532	4,006	6,538

Notes to the Financial Statements for the year ended 31 December 1999

16 Accumulated funds

	General reserves £'000	Contingency reserves £'000	Revaluation reserves £'000	Restricted reserves £'000
Group funds				
At 1 January 1999	6,347	967	3,271	2,532
Net incoming resources before transfers	(890)	-	-	-
Transfers:				
Movement in contingency provision	205	(205)	-	-
Contributions to overheads	1,442	-	-	(1,442)
Unrealised gains on investment assets	34	-	-	-
Specific donations:				
Received	-	-	-	17,341
Disbursements for overseas programmes	-	-	-	(11,893)
At 31 December 1999	7,138	762	3,271	6,538
Charity funds				
At 1 January 1999	6,247	967	3,271	2,532
Net incoming resources before transfers	(825)	-	-	-
Transfers:				
Movement in contingency provision	205	(205)	-	-
Contributions to overheads	1,442	-	-	(1,442)
Unrealised gains on investment assets	34	-	-	-
Specific donations:				
Received	-	-	-	17,341
Disbursements for overseas programmes	-	-	-	(11,893)
At 31 December 1999	7,103	762	3,271	6,538

Notes to the Financial Statements for the year ended 31 December 1999

17 Reconciliation of net incoming resources to net cash inflow from operating activities

	1999 £'000	1998 £'000
Net incoming resources for the year	4,558	1,955
Investment income	(335)	(292)
Interest payable	88	106
Exchange gain	(24)	(23)
Depreciation & amortisation	1,432	943
Tax payable	55	14
Decrease/(increase) in stocks and work-in-progress	133	(53)
Decrease/(increase) in debtors	355	(195)
Increase/(decrease) in creditors	314	555
Net cash inflow from operating activities	<u>6,576</u>	<u>3,010</u>

18 Reconciliation of net cash flow to movement in net funds

	1999 £'000	1998 £'000
Increase in cash in the period	4,037	1,143
Exchange gain	24	23
Repayment of loans	342	381
New loan	(600)	-
	<u>3,803</u>	<u>1,547</u>
Net funds at 1 January 1999	4,125	2,578
Net funds at 31 December 1999	<u>7,928</u>	<u>4,125</u>

19 Analysis of changes in net funds as shown in the balance sheet

	At 1 Jan 1999 £'000	Cash flows £'000	Other changes £'000	At 31 Dec 1999 £'000
Cash at bank & in hand	5,041	4,012	24	9,077
Bank overdrafts	(25)	25	-	-
	<u>5,016</u>	<u>4,037</u>	<u>24</u>	<u>9,077</u>
Debt due within one year	(262)	267	(317)	(312)
Debt due after more than one year	(629)	(525)	317	(837)
	<u>4,125</u>	<u>3,779</u>	<u>24</u>	<u>7,928</u>

20 Taxation

Marie Stopes International has no liability to UK corporation tax as the company is a charity registered in England and takes advantage of the tax exemption available to charities. The liability to taxation shown in these financial statements relates to tax due on profits of the subsidiary undertakings in the United Kingdom and Austria.

Notes to the Financial Statements for the year ended 31 December 1999

21 Financial commitments

a) Capital commitments

Capital commitments as at 31 December 1999 amounted to £229,000 (1998: £129,000)

b) Operating lease commitments

As at 31 December 1999 commitments for the following year under operating leases for land and buildings were as follows:

	Group £'000	Charity £'000
Expiring:		
Within one year	30	30
Between one & two years	11	11
In five years or more	104	104
	<u>145</u>	<u>145</u>

22 Contingent Liabilities

At 31 December 1999 the liability of the charity to co-financed projects was £763,000 (1998: £967,000). The charity has also given advance payment guarantees of £256,000 (1998: £256,000) to the Department for International Development in respect of projects in Malawi; US\$350,000 (1998: US\$350,000) to the Ministry of Health (Uganda) in respect of projects in Uganda and DM 350,000 (1998: DM 350,000) to Kreditanstalt für Wiederaufbau for projects in Albania.

23 Transactions involving Trustees and Company Secretary

The charity receives an annual donation of US\$555,000 from DKT International, a company incorporated in the USA in which Mr PD Harvey (Trustee) and Dr TRL Black (Secretary) are directors.

The charity is in receipt of a loan from DKT International as detailed in note 14 to the financial statements.

During the year the charity paid £91,300 (1998: £74,400) to Dr TRL Black (Secretary) for the provision of consultancy and surgical services. The charity also paid £12,288 (1998: £11,100) to Mrs J Black, wife of Dr TRL Black (Secretary) for the provision of secretarial and administrative services.