

**Marie Stopes International****Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 December 2007****Contents**

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**Auditor**

Chantrey Vellacott DFK LLP  
Russell Square House  
10-12 Russell Square  
London WC1B 5LF

**Principal bankers**

Barclays Bank Plc  
1 Churchill Place  
London E14 5HP

**Reference and administrative details****Registered name**

Marie Stopes International

**Charity number**

265543 (registered in England)

**Company number**

1102208 (registered in England and Wales)

**Registered office**

1 Conway Street  
Fitzroy Square  
London W1T 6LP

**Solicitor**

Andrew Lutley  
Springfield  
Rookery Hill  
Ashted Park  
Ashted  
Surrey KT21 1HY

**Board of Trustees***Chairman*

Edgar W Stanford (retired as Chairman 15 October 2007 and resigned as a Trustee 11 March 2008)

Timothy M Rutter FRCS (appointed 15 October 2007)

*Trustees*

Dr Y Ahmed (appointed 15 October 2007)

Cyprian Awiti

Dr TRL Black CBE MBBS MRCP DTM&H MPH  
(appointed 12 February 2007)

Baroness Flather

Philip D Harvey

Catherine Stopes (resigned 15 October 2007)

**Secretary**

Solscan Limited

**Chief Executive**

Dana Hovig (appointed 1 January 2007)

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## **Marie Stopes International**

### **Report of the Board of Trustees (incorporating the Directors' Report) for the year ended 31 December 2007**

The Board of Trustees presents its report and the audited financial statements for the year ended 31 December 2007

## **Structure, governance and management**

### **Memorandum and Articles of Association**

The objects and powers and other constitutional matters are set out in Marie Stopes International's 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 general investment power.

### **Constitution of the charity**

Marie Stopes International is a registered charity, constituted as a company and limited by guarantee.

### **The Board of Trustees**

Marie Stopes International's Board of Trustees is made up of independent individuals who are leaders in their field, committed to the organisation's mission, and bring enormous skills, energy, and experience to Marie Stopes International. Their backgrounds include senior level experience in the commercial health sector, clinical and teaching experience in women's reproductive health, leadership in the charity sector, finance, government, and advocacy.

The Trustees periodically review the skill set and experience necessary for the Board to exercise its role. If the Trustees identify the need for a new Trustee, or if a Trustee needs to be replaced (due to retirement or otherwise), the Trustees identify suitable potential candidates based on clear criteria, interview the potential Trustee(s) to establish their suitability and commitment, and check references as needed. The potential Trustee is often then invited to be an observer at the next Board meeting, after which the Trustees may formally invite the selected candidate to become a Trustee.

In addition, and following Charity Commission approval, Marie Stopes International now has two Trustees selected from amongst the most senior members of its partner organisations. These Trustees, who are Country Directors of Marie Stopes International partner programmes in Africa and Asia, are invited to join the Board for a two year term, after which other leaders from the Marie Stopes International's overseas partners are invited to join the Board.

Trustees are subject to retirement by rotation. New appointments and re-appointments are formally made by members of Marie Stopes International at Annual General Meetings.

New Trustees are inducted to Marie Stopes International via formal and informal exchanges with other Trustees and senior team members, on areas such as Marie Stopes International's mission, goal,

finances, strategy, and health service portfolio. New Trustees often visit a Marie Stopes International overseas partner programme, or one of the organisation's centres in the UK, in order to fully understand the health service mix, challenges, opportunities, and the difference that Marie Stopes International makes to individual women, couples, communities, and countries around the world.

The Trustees serving at 31 December 2007 and up to the date of signing this report are noted on page 1.

### **Statement of Trustees' responsibilities**

Company and Charity law requires the Board, as Directors and Trustees, 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 group and of the group's surplus or deficit 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 and the group will be able to continue to meet their 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 the group 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 the group and therefore must take reasonable steps for the prevention and detection of fraud and other irregularities.

Each Trustee, who was a Director of the company at the date that this report was approved, has taken all necessary steps as Directors in order to

- make themselves aware of any relevant audit information (as defined by the Companies Act 1985) and
- ensure that the auditor is aware of all relevant audit information (as defined)

As far as each Director is aware, there is no relevant information of which the company's auditor is unaware.

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The Board of Trustees is responsible for the maintenance and integrity of the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Organisational structure and decision making process**

Marie Stopes International operates by way of two divisions. The UK centres division is responsible for establishing and managing family planning centres, day units and referral centres in the UK. The overseas programmes division is responsible for establishing, monitoring and providing technical assistance to overseas sexual and reproductive health programmes.

Family planning and sexual and reproductive health projects overseas are implemented by independent non government organisations (see note 23) or by subsidiary organisations in 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.

Marie Stopes International's success depends, to a large extent, on the contribution of its people at all levels. Specific policies are followed to this end. All aspects of the employment of people or the engagement of professional services are undertaken regardless of an individual's colour, ethnic or national origin, religion, sex, marital status, sexual orientation, age or disability. Marie Stopes International's Team Development department leads the recruitment, contracting, and personnel administration function within the organisation. They ensure that Marie Stopes International follows best practice, and maintains transparent, fair, and equitable employment and personnel development policies and practices.

Decision-making authority is devolved as far as possible within Marie Stopes International, so that decisions are made "closest to the client", rather than centralised in London. Marie Stopes International manages by results, rather than process. This management approach guides the organisation's decision making process, and the delegation of authority. At the beginning of each year, a business plan is agreed by the Chief Executive, which outlines important results, or Key Performance Indicators (KPIs) to be achieved, and the resources needed to achieve these KPIs. KPIs are also agreed with each department and division within Marie Stopes International as well as for each Marie Stopes International partner overseas. Once results and responsibility are agreed, Marie Stopes International delegates authority to match responsibility levels. Accountability mechanisms are put in place to ensure that KPIs are monitored and achieved, and resources are used effectively and efficiently.

#### **Subsidiaries**

Options Consultancy Services is a wholly owned subsidiary of Marie Stopes International. In addition to its London office, Options now maintains offices and operations in Cambodia, Nepal, Pakistan, South Africa, and India.

Marie Stopes International also has a subsidiary, Ambulatorium am Fleischmarkt Betriebs GmbH which operates a reproductive health centre in Vienna trading as pro woman.

#### **Wider networks in which the organisation is involved**

Below are just a few examples of networks with which Marie Stopes International is involved.

#### **The Reproductive Health Supplies Coalition**

The Reproductive Health Supplies Coalition is a global partnership of public, private, and non-government organisations dedicated to ensuring that all people in low- and middle-income (LMI) countries can access and use affordable, high-quality supplies to ensure their better reproductive health.

The Coalition brings together diverse agencies and groups with critical roles in providing contraceptives and other reproductive health supplies. These include multilateral organisations, all the major northern donors, bilateral and private foundation donors, LMI country governments, civil society, and private-sector representatives. Since 2004, the Coalition has been at the forefront of international efforts to secure reproductive health supplies by increasing resources, strengthening systems, and building effective partnerships.

#### **The Inter-Agency Procurement Group**

The Inter-Agency Procurement Group (IAPG) along with 13 other non government organisations is a network of logistics professionals who work collectively on humanitarian supply chain activities. The Group meets once a quarter and its aim is to share knowledge and develop expertise with the goal of improving standards and the effectiveness of humanitarian logistical systems and practices worldwide.

#### **RAISE**

During 2007, the RAISE (Reproductive Health Access, Information and Services in Emergencies) Initiative – a joint project between Marie Stopes International and Columbia University, USA is gathering momentum. Technical and other support from RAISE, including clinical training at Marie Stopes Kenya's Eastleigh training centre in Nairobi, has enabled many of RAISE's collaborating agencies to improve their services both in scope and quality, and ensure that much needed services such as Post Abortion Care is provided in emergency camps such as those in South Darfur.

## Marie Stopes International

### Report of the Board of Trustees (Incorporating the Directors' Report) for the year ended 31 December 2007

Support from RAISE has also enabled Marie Stopes Uganda and other RAISE collaborating agencies to expand their services and networks to new geographic areas

#### Risk management

The organisation regularly assesses risks, and undertakes activities to manage and mitigate risks

Whilst no system of internal control can provide absolute assurance against material misstatement or loss, the Marie Stopes International risk management system has been developed to provide reasonable assurance to the Trustees that there are proper procedures in place and that they are operating effectively

The key elements of the system of internal control are

- **delegation** there is a clear organisational structure with lines of authority and responsibility for control together with procedures for reporting issues, decisions and actions
- **reporting** the Trustees approve and review the annual objectives (KPIs), activities programme, income and expenditure predictions and monitor actual income and expenditure on a regular basis
- **risk management** there are processes in place for identifying, evaluating and managing significant risks faced by Marie Stopes International

The Trustees believe that all of the major risks to which Marie Stopes International is exposed have been identified and reviewed and that systems have been established to manage those risks. The Trustees review critical risks as a formal agenda item in every Board meeting.

Marie Stopes International's management also undertakes risk assessments and develops risk matrices with many of its overseas partner programmes periodically, and agrees follow-up actions with the partner to manage the critical risks.

- **internal audit** Marie Stopes International's internal audit team, established in 2006, has now visited 19 partner programmes in 2007 to assess the risks and review the controls within the organisation
- **review** Marie Stopes International's Internal Audit Supervisory Group (ASG) comprises one Trustee, three representatives of the Marie Stopes International partnership, the Chief Executive, Finance Director, Financial Controller and the Regional Directors. The ASG oversees the adequacy of internal control systems and compliance with finance guidelines

The ASG meets periodically, and at least prior to every Board meeting, to discuss the results from the internal audits conducted in the UK and overseas. The Trustee representative then briefs the remaining Trustees at the next Board meeting on key risks, and the actions undertaken to mitigate these risks.

#### Reserves policy

It is the aim of the Trustees that the balance of funds retained in the general reserve will be sufficient to finance up to six 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.

Following a review of general reserves, the trustees have allocated £5,000,000 (2006 £Nil) to a designated Sustainability Reserve. The Sustainability Reserve will provide working capital for the continued expansion of family planning service delivery post donor funding and for institutional capacity development to support such services. As of 31 December 2007, the balance of funds retained in the general reserves stand at six months unfunded expenditure.

#### Investment portfolio

##### *The role of the Investment Supervisory Group*

The Board of Marie Stopes International has delegated to the Investment Supervisory Group the responsibility for developing an overall approach to investment management on behalf of all of the financial assets under the charity's control.

The principal responsibilities of the Supervisory Group include

- determining an appropriate investment strategy consistent with the risk appetite prevailing from time to time
- developing guidelines based on the agreed investment strategy
- recommending the appointment, re-appointment or removal of investment managers
- setting of appropriate investment benchmarks and targets

##### *The composition of the Supervisory Investment Group*

The members of the Supervisory Investment Group in 2007 were

- Mr T M Rutter (Chairman)
- Dr T R L Black (Trustee)
- Mr D S Hovig (Chief Executive)
- Mr E D Whitewright (Finance Director)

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**Principal issues**

The principal issues addressed during 2007 were

- the appointment of investment managers
- the risk appetite and tolerance of loss
- the overall asset allocation
- the investment duration

**Support**

The Supervisory Investment Group received information and support from management during the year to enable it to carry out its duties and responsibilities effectively

**Objectives and activities**

Marie Stopes International's mission is to enable people to have **children by choice not chance**. The charity's goal is the **prevention of unwanted births**

To achieve these objects, the charity has

- a **clear focus on family planning** while undertaking a broad spectrum of sexual and reproductive health activities within the remit of the International Conference on Population and Development
- a **client led, rather than provider driven, approach** which ensures a choice of high quality affordable family planning and sexual and reproductive health services, through comprehensive information, advice and delivery mechanisms that are tailored to local needs
- a **commitment to sustainable programmes** through the transfer of enduring management and operational skills to Marie Stopes International partners and the development of a diverse funding base, including cost recovery mechanisms
- a **range of advocacy and policy inputs** which help to raise awareness of sexual and reproductive health issues amongst governments, national and international agencies, the private sector and other non government organisations to create an enabling environment so that women, men and young people can access their sexual and reproductive health rights

Significant activities undertaken during 2007 to achieve those objects were

- a continued focus on expanding access to long term and permanent family planning methods, particularly for those living in rural and hard to reach areas – Marie Stopes International provided long term and permanent contraception to nearly 1 million men and women during the year
- the further expansion of medical abortion services into 17 more countries more (bringing the total to

28), giving even more women the choice of this method of termination of pregnancy

- building managerial capacity and leadership qualities through initiatives such as the Catalyst Initiative - The Marie Stopes Transformational Leadership Programme which is being run in partnership with one of the top ranked global providers of executive education, the Centre for Creative Leadership
- ensuring the organisation's financial sustainability by building the unrestricted general reserves to £27,208,000 in order to ensure the necessary cash flow and investment capital to continue the large scale global expansion of the organisation
- conducting an internal and external baseline study of the organisation to identify where the organisation currently is, where it wants to be in five years time and developing a strategy to get there
- establishing a Health Systems Team to help measure the effectiveness of Marie Stopes International's programmes around the world and the positive impact that the organisation has on peoples' health. Investments in this team have included recruiting new team members based both in the field and in the London Support Office
- investing in Marie Stopes International's financial systems and team to improve accurate and timely reporting to inform decision making
- major capital investments in Marie Stopes International's London Support Office which moved location in April 2007 to improve the organisation's visibility and provide a better working environment, and the commencement of a programme of refurbishment for UK centres to make them more client friendly
- a number of key advocacy and policy inputs including, for example, the successful Global Safe Abortion conference in October 2007 which was attended by around 800 delegates from 60 countries, Marie Stopes International's partner in Bolivia brokering a new agreement with the government which will dramatically improve access for women to female sterilisation services, an initiative undertaken by Marie Stopes International's partner in Afghanistan which was instrumental in helping to ensure the right to safe abortion up to 14 weeks was included in the national health policy

During 2007, the organisation's main aim and objective was to provide the widest possible access to a comprehensive range of sexual and reproductive healthcare services worldwide. Its strategy for achieving this was to

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- ensure that Marie Stopes International has outstanding team members by investing in their development and improving their skills, recruiting the best globally from the commercial, health, and non-profit sectors, and increasing the organisation's technical depth and breadth
- increasingly empowering country offices and individual team members to make decisions, be entrepreneurial, and exploit opportunities
- continue to focus on being the best family planning agency in the world rather than diluting Marie Stopes International and moving into other sectors or services
- continue to be innovative, pushing the state-of-the-art of family planning and safe abortion services forward, by, for example, becoming a global leader in introducing medical abortion services in many countries
- ensure that the voices of the poorest are heard by undertaking a range of advocacy and external relations activities both globally and in-country
- retain a strong focus on quality through and the customer through a number of new initiatives including the introduction of a Health Systems Team
- continue to paramedicalise and view family planning as a marketing challenge, rather than a medical issue
- continue to use the latest commercial sector techniques and best practices to ensure Marie Stopes International remains cost-effective, efficient, and results-oriented

In a number of countries worldwide, host governments formally recognised Marie Stopes International as a major contributor to their health systems and poverty reduction strategies. The organisation is now contracted by governments in India, Bangladesh, Malawi, South Africa, the UK, Pakistan, Kenya, Australia, Uganda, and Tanzania amongst others to provide sexual and reproductive health services on their behalf.

Marie Stopes International also opened an office in Zambia and began preparations to open a clinic and start outreach there. Negotiations to open offices also began in Burkino Faso, Mali, Nigeria and Senegal. Marie Stopes International also continued to expand operations in the countries in which it operates.

Other developments included the further strengthening of Marie Stopes International's senior team with the appointments of a new Director for External Relations & Strategy, a Director for the Health Systems Team and a Deputy Director of Finance. There was also some restructuring of the

regional support teams including two internal promotions. Marie Stopes International now has a Senior Director for the Africa & Latin America Region whilst the Director of the UK also became responsible for Western Europe.

On 1 January 2007, Mr Dana Hovig took over as Chief Executive from Dr Tim Black who as of February 2007 took up a role on the Marie Stopes International Board of Trustees.

Expenditure on charitable activities in support of the objectives of the charity was as follows:

- delivery of family planning and other sexual & reproductive health services £56,891,000 (2006 £42,785,000)
- advocacy & awareness raising £3,097,000 (2006 £2,462,000)
- developing capacity for sexual & reproductive health services £6,249,000 (2006 £4,123,000)

Restricted grants are raised for a diverse variety of service delivery and advocacy projects and are regulated by the contractual requirements of the donor. Marie Stopes International acts as a project management office for grants disbursed to partners and is responsible for cash-flow management, capacity development, project activity review and donor reports and relations.

Unrestricted funds and some restricted block grants are allocated by Marie Stopes International to partner projects under a Social Investment Fund, which prioritises the provision of sustainable reproductive health service delivery in areas of unmet need. Disbursements to partner programmes from this Fund are subject to grant agreements which define programme objectives and project management and reporting requirements.

Marie Stopes International has made programme-related investments to partner programmes since 2002. Marie Stopes International has formed a Global Partnership Loan Committee to evaluate loan requests from partner programmes using strict criteria. Six loans were made to Marie Stopes International partners in 2007, to a value of £487,000.

Marie Stopes International increased its grant-making to its partners during the year. The organisation has a formal criteria and process for making these grants. Grants must be used to:

- contribute to Marie Stopes International's core mission, reducing the number of unsafe abortions within a country and increasing overall contraceptive usage

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- increase choice for underserved women and couples by improving access and availability of family planning methods
- be catalytic and transformational, both for Marie Stopes International and for the family planning field
- move Marie Stopes International programmes and health services towards sustainability
- encourage innovation and move family planning state-of-the-art forward
- providing high level clinical training for 25 people who in turn trained a further 400 in the first phase of a training cascade which will see up to 4,000 people skilled up over the next four years
- establishing BlueStar social franchises in Ethiopia, Ghana, the Philippines and Viet Nam to expand access to high quality sexual and reproductive health services through existing private sector providers
- expanding its rural clinical outreach dramatically to include thousands more outreach sites

Any grants awarded have to comply with rigorous financial, monitoring and evaluation requirements which feed in to the organisation's management information systems

#### Achievements and performance

During 2007, Marie Stopes International continued to grow in scale, size, and reach. The organisation now works in 40 countries.

During the year, the charity's main achievements were:

- protecting the equivalent of 12.5 million couples from unplanned pregnancy and unsafe abortion – an increase of 27% on 2006
- delivering health services to over 5 million clients around the world – an increase of 9% on 2006
- preventing 7 million unplanned pregnancies, 16,000 women's deaths (through pregnancy related causes) and 224,000 infant deaths in the first year of life
- providing nearly 1 million women and men (995,000) with long term / permanent contraception (sterilisations, IUD or implants)
- opening 46 new health clinics bringing the total to 477 at the end of 2007
- safely delivering 16,133 babies in the organisation's maternity centres, an increase of 87% on 2006's figures
- providing 430,000 safe surgical and medical abortions globally, nearly a seven per cent increase on 2006. For the first time, Marie Stopes International delivered medical abortion outside its own centres. This development was pioneered by the programme in India
- winning large scale grants for transformational growth and impact in Ethiopia, Pakistan and Mexico City, as well as new European Commission grants for Sri Lanka, Sierra Leone and Tanzania

The net increase in funds of the Marie Stopes International group for the financial year was £13,127,000 (2006 £7,475,000). These net reserves were both sufficient to fund the charity and maintain an adequate cash flow position. The Trustees again endorsed the use of surplus service income from Marie Stopes International's UK and Austria programmes to fund the growth of family planning and sexual and reproductive health services in Marie Stopes International's overseas programmes. This investment of surplus income resulted in a dramatic increase in the delivery of family planning and sexual and reproductive health services in developing countries, which is detailed below.

#### UK developments and results

In England and Wales, Marie Stopes International provided 104,572 client services during the year (2006 100,562) and the number of family planning clients increased by 10%. Service income in the UK increased in 2007 by 12% to £32,480,000 (2006 29,600,000). This increase in income is a result of the commitment of our teams to provide high quality service to women and men throughout the UK. *Marie Stopes One Call*, our telephone helpline and booking service, received 320,363 (2006 301,675) calls for all issues related to sexual and reproductive health, an increase of six per cent over 2006.

Delivering the highest quality of care for our clients remains a core commitment of Marie Stopes International. The UK Division's Medical Advisory Team met numerous times during the year, both formally and informally, to monitor the organisation's quality of care, any complaints or complications, and evolve Marie Stopes International clinical protocols, policies, and procedures in line with the NHS Health Care Commission.

#### Australia clinic network

Marie Stopes International's service network in Australia was expanded to a total of 10 clinics through the acquisition of a further three clinics during the year, one in Melbourne, Victoria and two in Sydney, New South Wales.

With these three new clinics we were able to achieve by the end of the year an increase of 26% in our safe

## **Marie Stopes International**

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abortion service numbers and a 32% increase in vasectomy numbers

Towards the end of the year we commenced an investment programme in rebuilding our clinic in Perth, Western Australia for a budgeted cost of AUD\$2.35 million. The construction is planned to be completed and the new clinic opened in August 2008. To date the works are both on time and to budget.

#### **Overseas developments and results**

Marie Stopes International successfully fund-raised £27,920,000 in donor funding for its overseas partner programmes in 2007 (2006 £16,051,000).

These funds, and the substantial surplus generated by Marie Stopes International's UK centre operations enabled Marie Stopes International to serve its mission and support overseas activities by disbursements of £25,304,000 (2006 £14,439,000) and expenditure of £3,787,000 (2006 £3,268,000).

The organisation is increasingly sharing its best practices and tools with other family planning organisations and donors. As a leader in the family planning field, Marie Stopes International believes that it has a responsibility to do so.

By increasingly working in partnership with others from the public and private sector, Marie Stopes International is ensuring that it has maximum impact and as many people as possible have access to its quality services. In Bangladesh, for example, Marie Stopes Clinic Society's work alongside the Government has proved directly responsible for a dramatic increase in the number of people in the country who now have access to a permanent method of contraception. In 2007, 190,000 people in Bangladesh chose this method of family planning, 65,000 more than in 2006. Marie Stopes Clinic Society provided 125,000 of these procedures (an increase of 80,000 over the year before), largely through its rural outreach teams.

#### **Financial review**

The results for the year are shown in the Consolidated Statement of Financial Activities. It is the aim of the Trustees of Marie Stopes International that the balance of funds retained in the general reserves are sufficient to finance up to six 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.

At 31 December 2007, Marie Stopes International's total funds amounted to £41,296,000 including funds restricted for overseas projects of £8,474,000.

Unrestricted funds of £2,137,000 have been set aside to cover Marie Stopes International's future contributions to existing co-financed projects. A further £3,477,000 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 previously carried out.

The remaining funds of £27,208,000 at year-end are unrestricted general funds. These are available to cover any deficit on the restricted funds for any particular project.

#### **Subsidiary undertakings**

Options Consultancy Services' turnover for the year increased from £5,565,430 to £6,876,187, a growth of 23.6% (2006 21%).

Profit before tax was £257,731 (2006 £346,234), representing an increase of 1.3% compared to 2006, excluding the 2006 exceptional items (£91,824).

This growth in turnover and pre-tax profit was due to growth over the concluding months of the DFID funded Technical Assistance Management Agency programme in Pakistan, continued growth of the UK work of Design Options, and increased income from a range of short-term consultancy work.

During the year, there have also been increases in the number of Options' staff employed, adding technical capacity in maternal health, social development, HIV/AIDS, private sector delivery of health services, behavioural and ethnographic research, and monitoring and evaluation both in the UK and overseas.

Pro woman in Vienna provided sexual and reproductive healthcare services to 4,010 women and men during the year. In 2007, the centre saw a growth in income derived from service fees to £1,547,427 (2006 £1,542,000) and pre-tax profits were £238,071 (2006 £9,700).

This growth in pre-tax profits was as a result of improving team member efficiency and productivity and the introduction and management of a cost reduction programme.

Options Consultancy Services total funds amounted to £414,225 (2006 £408,000) and pro woman's total funds amounted to £102,755 (2006 £61,700).

#### **Partner organisations**

The Marie Stopes International Partnership Manual details financial standards to which all partners must subscribe. This is supported by the sharing of best practice and an Overseas Partners Finance Manual. Compliance to partnership finance standards is monitored through internal audit and other mechanisms. Partners submit monthly financial and statistical data and narrative reports which are reviewed quarterly by Programme Support Teams. The outcomes of partner's self assessments, quarterly reviews, internal audits and monitoring visits are summarised in a Financial Management Capacity



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matrix which determines priorities for support and review

During 2007, all expenditure supported Marie Stopes International's key objectives

Marie Stopes International's investment policy seeks to maximise income returns subject to the following considerations

- any risks are minimised and no speculative investments are made
- all invested funds are kept liquid to allow them to be called upon as and when necessary
- no investment will be made if the Trustees are aware that the investment may present a compromise to the charity's commitment to sexual and reproductive health rights

In practice, the organisation adheres to this policy by a day-to-day strategy of placing its available funds with bankers on short and medium term deposit, this ensures a reliable income stream and enables ready access to the funds should they be required to support the delivery of sexual and reproductive health services

#### **Plans for future periods**

Marie Stopes International has six strategic priorities. These will continue to drive its work during 2008 with the aim of

- providing the widest possible access to family planning, sexual and reproductive health services and becoming the biggest, best and most sustainable family planning organisation in the world

The six strategic priorities are

**1 & 2 Maximise our health impact and service delivery and Have a catalytic impact by**

- continuing to expand geographically, particularly in countries, and regions within countries, which are underserved, and which have high fertility and maternal and infant mortality rates
- providing the widest range of contraceptive choice with the aim of providing protection to more than 14 million couples from unplanned pregnancy and unsafe abortion during the year
- rolling out of the BlueStar social franchise network to at least four new countries
- developing a number of innovative partnerships with host governments, other family planning organisations, international agencies, the private sector, donors, academic and research institutions

**3 & 4 Have the best people in the industry and have the best systems and quality of care by**

- developing senior team members' leadership and management skills through the Catalyst Initiative The Marie Stopes International Transformational Leadership Programme and ensuring that team members across the partnership have access to training & development opportunities
- recruiting from outside the organisation from a variety of sectors as well as continuing to develop capacity within
- introducing an organisational development assessment tool to help monitor the effectiveness of programmes in key areas leading to the development of Action Plans which identify areas for strengthening and the support required from the Support Offices in London and Melbourne. The tool will also increase accountability across the partnership
- further strengthening the Health Systems Team to ensure that lessons are learnt and that those lessons are fed into programme development and the Medical Development Team
- investing further in finance and IT systems and teams

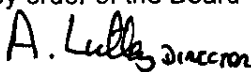
**5 & 6 Diversify income streams and strengthen the Global Partnership by**

- forming strategic partnerships with a variety of new donors as well as developing new Public Private Partnerships
- further integrating family planning with other sexual and reproductive health services
- bringing together the partner programmes at two regional retreats to promote discussion and feedback about strategic issues
- taking forward the information gained from the internal and external stakeholder reviews to help inform the partnership's strategic planning process

#### **Auditor**

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

By order of the Board

  
**Solscan Limited**  
**Company Secretary**

**9 June 2008**

## Marie Stopes International

### Independent auditor's report to the members of Marie Stopes International

We have audited the financial statements of Marie Stopes International for the year ended 31 December 2007 which comprise the Consolidated Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Consolidated Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of Trustees and auditor

The Trustees' (who are also the directors of Marie Stopes International) responsibilities for preparing the Report of the Board of Trustees (incorporating the Directors' Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985.

We also report to you whether in our opinion the information given in the Report of the Board of Trustees (incorporating the Directors' Report) is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company or the group have not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Trustees' remuneration and other transactions is not disclosed.

We read the Report of the Board of Trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of audit opinion

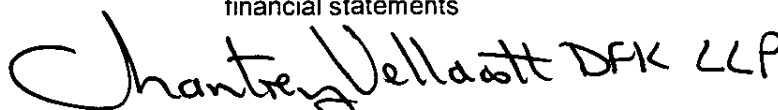
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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 circumstances of the charitable company and the group, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and the group as at 31 December 2007 and of the group's incoming resources, and application of resources, including its income and expenditure, for the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Board of Trustees (incorporating the Directors' Report) is consistent with the financial statements.

 Chantrey Vellacott DFK LLP

Chantrey Vellacott DFK LLP  
Chartered Accountants  
Registered Auditor  
Russell Square House  
10-12 Russell Square London WC1B 5LF

9 June 2008

**Consolidated statement of financial activities incorporating the income and expenditure account  
for the year ended 31 December 2007**

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2007 £'000	Total 2006 £'000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Voluntary income	2a	131	-	131	146
Investment income	2c	1,030	-	1,030	516
<b>Incoming resources from charitable activities</b>	2b	50,311	27,920	78,231	56,283
<b>Total incoming resources</b>		<u>51,472</u>	<u>27,920</u>	<u>79,392</u>	<u>56,945</u>
<b>Resources expended</b>					
<b>Costs of generating funds</b>					
Costs of generating voluntary income	5	46	-	46	17
<b>Charitable activities</b>					
Delivery of Family Planning and other Sexual & Reproductive Health Services		38,364	18,527	56,891	42,785
Advocacy & Awareness Raising		952	2,145	3,097	2,462
Developing capacity to deliver Sexual & Reproductive Health Services		3,362	2,887	6,249	4,123
	3 / 5	<u>42,678</u>	<u>23,559</u>	<u>66,237</u>	<u>49,370</u>
<b>Governance costs</b>	4	99	-	99	82
<b>Total resources expended</b>	5	<u>42,823</u>	<u>23,559</u>	<u>66,382</u>	<u>49,469</u>
<b>Net incoming resources before transfers</b>		<u>8,649</u>	<u>4,361</u>	<u>13,010</u>	<u>7,476</u>
Transfers - contribution to support costs	15	2,476	(2,476)	-	-
Realised gains on disposals of investments		16	-	16	-
<b>Net incoming resources before other recognised gains or losses, being net income for the year</b>		<u>11,141</u>	<u>1,885</u>	<u>13,026</u>	<u>7,476</u>
Unrealised gains on revaluation of current asset investments	10d	19	-	19	(1)
Unrealised gains on revaluation of investment properties	10a	82	-	82	-
<b>Net movement in funds</b>		<u>11,242</u>	<u>1,885</u>	<u>13,127</u>	<u>7,475</u>
Total funds brought forward at 1 January 2007	15	21,932	6,589	28,521	20,872
<b>Exchange movement on consolidation</b>	15	(352)	-	(352)	174
<b>Total funds carried forward at 31 December 2007</b>	15	<u>32,822</u>	<u>8,474</u>	<u>41,296</u>	<u>28,521</u>

All amounts relate to continuing activities. All gains and losses have been included above therefore no Statement of Total Recognised Gains and Losses has been presented.

The notes on pages 15 to 32 form part of these financial statements.

Group balance sheet at 31 December 2007

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2007 £'000	Total 2006 £'000
<b>Fixed assets</b>					
Tangible assets	9	16,331	29	16,360	9,937
Investment property	10a	735	-	735	653
Programme Related Investments	10c	2,054	-	2,054	1,801
		<u>19,120</u>	<u>29</u>	<u>19,149</u>	<u>12,391</u>
<b>Current assets</b>					
Stock and Work in progress		46	-	46	-
Debtors	11	6,909	1,377	8,286	6,677
Investments	10d	2,062	-	2,062	32
Cash at bank and in hand		14,344	10,972	25,316	19,650
		<u>23,361</u>	<u>12,349</u>	<u>35,710</u>	<u>26,359</u>
<b>Creditors amounts falling due within one year</b>	12a	9,576	-	9,576	6,214
		<u>13,785</u>	<u>12,349</u>	<u>26,134</u>	<u>20,145</u>
<b>Net current assets</b>					
		<u>32,905</u>	<u>12,378</u>	<u>45,283</u>	<u>32,536</u>
<b>Total assets less current liabilities</b>					
<b>Creditors amounts falling due after more than one year</b>	12b	83	-	83	89
<b>Loans amounts falling due after more than one year</b>	13	-	3,904	3,904	3,926
		<u>83</u>	<u>3,904</u>	<u>3,987</u>	<u>4,015</u>
<b>Total amounts falling due after more than one year</b>					
		<u>83</u>	<u>3,904</u>	<u>3,987</u>	<u>4,015</u>
<b>Net assets</b>		<u>32,822</u>	<u>8,474</u>	<u>41,296</u>	<u>28,521</u>
<b>Unrestricted funds</b>					
General reserves	15	22,208	-	22,208	17,381
Designated funds - contingency reserve	15	2,137	-	2,137	1,097
Designated funds - sustainability reserve	15	5,000	-	5,000	-
Capital fund - revaluation reserve	15	3,477	-	3,477	3,454
		<u>32,822</u>	<u>-</u>	<u>32,822</u>	<u>21,932</u>
<b>Restricted funds</b>					
Specific reserves	14 / 15	-	8,474	8,474	6,589
		<u>32,822</u>	<u>8,474</u>	<u>41,296</u>	<u>28,521</u>

Approved and authorised for issue by the Board of Trustees on 9 June 2008  
and signed on its behalf by

Mr TM Rutter FRCS *Chairman*

The notes on pages 15 to 32 form part of these financial statements

Company balance sheet at 31 December 2007

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2007 £'000	Total 2006 £'000
<b>Fixed assets</b>					
Tangible assets	9	16,154	29	16,183	9,748
Investment property	10a	735	-	735	653
Investments in subsidiaries	10b	1,162	-	1,162	1,162
Programme Related Investments	10c	2,054	-	2,054	1,801
		<u>20,105</u>	<u>29</u>	<u>20,134</u>	<u>13,364</u>
<b>Current assets</b>					
Stock and Work in progress		46	-	46	-
Debtors	11	5,373	1,377	6,750	5,209
Investments	10d	2,030	-	2,030	-
Cash at bank and in hand		13,394	10,972	24,366	18,990
		<u>20,843</u>	<u>12,349</u>	<u>33,192</u>	<u>24,199</u>
<b>Creditors amounts falling due within one year</b>	12a	7,509	-	7,509	4,302
		<u>13,334</u>	<u>12,349</u>	<u>25,683</u>	<u>19,897</u>
<b>Net current assets</b>					
		<u>33,439</u>	<u>12,378</u>	<u>45,817</u>	<u>33,261</u>
<b>Total assets less current liabilities</b>					
<b>Creditors amounts falling due after more than one year</b>	12b	43	-	43	30
<b>Loans amounts falling due after more than one year</b>	13	-	3,904	3,904	3,926
		<u>43</u>	<u>3,904</u>	<u>3,947</u>	<u>3,956</u>
<b>Total amounts falling due after more than one year</b>					
		<u>33,396</u>	<u>8,474</u>	<u>41,870</u>	<u>29,305</u>
<b>Net assets</b>					
<b>Unrestricted funds</b>					
General reserves	15	22,782	-	22,782	18,165
Designated funds - contingency reserve	15	2,137	-	2,137	1,097
Designated funds - sustainability reserve	15	5,000	-	5,000	-
Capital fund - revaluation reserve	15	3,477	-	3,477	3,454
		<u>33,396</u>	<u>-</u>	<u>33,396</u>	<u>22,716</u>
<b>Restricted funds</b>					
Specific reserves	14 / 15	-	8,474	8,474	6,589
		<u>33,396</u>	<u>8,474</u>	<u>41,870</u>	<u>29,305</u>

Approved and authorised for issue by the Board of Trustees on 9 June 2008  
and signed on its behalf by

Mr TM Rutter FRCS Chairman

The notes on pages 15 to 32 form part of these financial statements

Consolidated cashflow statement for the year ended 31 December 2007

	Note	2007 £'000	2006 £'000
<b>Net cash inflow from operating activities</b>	16	10,005	7,799
<b>Taxation paid</b>		(30)	(2)
<b>Returns on investments and servicing of finance</b>			
Interest received	703	384	
Interest paid	(259)	(164)	
Rent receivable	71	47	
Sundry income	256	85	
<b>Net cash inflow for returns on investments and servicing of finance</b>		771	352
<b>Capital expenditure and financial investment</b>			
Payments to acquire intangible fixed assets	(824)	-	
Payments to acquire tangible fixed assets	(8,801)	(1,374)	
Receipts from sale of tangible fixed assets	4,660	368	
Investment in programme related investments	(487)	(638)	
Capital repayments from programme related investments	212	61	
<b>Net cash outflow for capital expenditure and financial investment</b>		(5,240)	(1,583)
<b>Net cash inflow before financing</b>		5,506	6,566
<b>Management of liquid resources</b>			
Payments to acquire current asset investments	(2,008)	-	
Sale of current asset investments	16	-	
<b>Net cash (outflow) for current asset investments</b>		(1,992)	-
<b>Financing</b>			
New unsecured loan	2,174	1,681	
Repayment of long term loans	(22)	(688)	
<b>Net cash inflow / (outflow) for financing</b>		2,152	993
<b>Increase in cash</b>	17/18	<u>5,666</u>	<u>7,559</u>

The notes on pages 15 to 32 form part of these financial statements

**Notes to the financial statements for the year ended 31 December 2007**

**1 Accounting policies**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold and investment properties and investments in accordance with the Statement of Recommended Practice Accounting and Reporting by Charities 2005, the Companies Act 1985 and applicable Accounting Standards

The principal accounting policies adopted are as follows

**a) Basis of consolidation**

The Group financial statements combine the results of the parent undertaking, Marie Stopes International, and its subsidiary undertakings detailed in Note 9b and after eliminating inter-group transactions

The entities stated in note 23 are not consolidated for the reasons stated in note 23. This is a departure, in order to give a true and fair view, from the requirements of FRS 2 to consolidate the results of all subsidiary undertakings. The effect of this departure cannot reasonably be quantified by the Trustees

No separate statement of financial activities or income and expenditure account has been presented for the charity alone as permitted by section 230 of the Companies Act 1985 and paragraph 397 of the 2005 Charities SORP. The charity had total incoming resources in the year of £71,464,439 (2006 £46,322,983) and total resources expended of £58,643,528 (2006 £38,242,692) giving net income for the year of £12,820,911 (2006 net income of £8,080,371). The net movement in funds, after investment gains / losses was £12,924,585 (2006 £7,709,371)

**b) Incoming resources**

Grants and donations are recognised in the period to which they are receivable. Investment income and income from charitable activities are included in the period in which the group is entitled to receipt

Voluntary income comprises donations and legacies receivable

Investment income comprises interest and rents receivable

Incoming resources from charitable activities comprises the amounts receivable from clients for sexual and reproductive healthcare and consultancy services and the receipt of grants for the delivery of reproductive health services and information

**c) Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of transaction. 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

Exchange differences arising from the re-translation at year end exchange rates of branch assets and liabilities are recognised as unrealised in the statement of financial activities

**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 Standard Life Assurance Company. Contributions are charged to the statement of financial activities as they fall due

**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

## Notes to the financial statements for the year ended 31 December 2007

### 1 Accounting policies (continued)

#### f) Allocation of costs

Direct costs incurred by the Group are allocated across the various types of expenditure as follows

**Costs of generating voluntary income** comprise costs relating to the raising of donations such as production of publications, direct mailing campaigns, donations database maintenance and personnel

**Costs of charitable activities** comprise costs relating directly to the following activities

- Delivery of Family Planning and other Sexual & Reproductive Health Services costs relating to the delivery of clinical and outreach services throughout the global partnership, such as service providers' salaries, costs of drugs and equipment, materials, premises, training and travel
- Advocacy & Awareness Raising costs of promoting the objectives of the charity, such as the costs of development and distribution of information and educational materials on sexual and reproductive health matters and the costs of donor relations
- Developing capacity to deliver Sexual & Reproductive Health Services costs relating to the development, monitoring and support of overseas programmes, e.g. training and infrastructure development funds for overseas partners, technical and programme team employment costs, travel and communication costs

Disbursements reflect the transfer of funds for the activities described above, to partner organisations as defined in note 23

Indirect costs are allocated on the basis of floor space occupied by team members supporting the activities described above

**Governance costs** - represent the costs of compliance with statutory requirements and include the costs of audits and costs incurred on behalf of trustees relating to the governance of the organisations, such as travel and meeting attendance

#### 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 & 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

Fixed assets costing less than £1,200 are not capitalised

#### h) Programme related investments

Programme related investments are included at the amount invested less any repayments and impairments

#### i) Investment properties

Investment properties are included in the balance sheet at open market value in accordance with SSAP 19 "Accounting for investment properties". Valuations are made annually by the Trustees and by external valuers every five years and any material increase or decrease in value is reflected in the statement of financial activities. Investment properties are not depreciated.



Notes to the financial statements for the year ended 31 December 2007

1 Accounting policies (continued)

k) Investments

In 2007, the Board of Marie Stopes International has delegated to the Supervisory Group responsibility for developing an overall approach to investment management on behalf of all of the financial assets under the charity's control. The Investment Supervisory Group has developed a more detailed investment strategy for Marie Stopes International to now include investment in managed funds. The objective for this managed investment is for Marie Stopes International to increase the value of its portfolio by 9% per annum, with an anticipated investment of £2 million per annum. Marie Stopes International has delegated investment management to Schroder & Co Ltd and has agreed that the portfolio should be invested within the following ranges:

Equities	60 - 80%
Bonds	20 - 30%
Property	0 - 10%
Cash	0 - 5%

Current asset investments are shown in the financial statements at market value. Any material increase or decrease in the value is reflected in the statement of financial activities.

l) Intangible assets

Intangible assets comprise the cost of goodwill on acquisitions of subsidiary companies or centres. Goodwill arising represents the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired. The cost of the acquisitions comprise of the fair value of the initial consideration, deferred consideration paid or accrued and professional costs directly associated with the acquisition.

Goodwill on acquisition is capitalised and amortised over its useful economic life of five years, or a shorter period where deemed appropriate.

m) Work in progress

Work in progress represents amounts incurred on behalf of clients in advance of being invoiced at the year-end.

n) Donated goods and services

Where the charity receives donations of goods and services in kind and where there is a measurable value to the charity, which can be ascertained with reliability, they are included as both income and expenditure.

o) Reserves

**Unrestricted Funds**

Unrestricted funds are those funds available to the Trustees for the furtherance of the objects of the charity. They comprise:

**General reserves** - it is the aim of the Trustees that the balance of funds retained in the general reserve will be sufficient to finance up to six 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 designations made by the charity equal to the charity's outstanding commitment to co-financed projects.

**Sustainability reserves** - the sustainability reserves represent designations made by the trustees to provide working capital for the continued expansion of family planning service delivery post donor funding and for institutional capacity development to support such services.

**Revaluation reserves** - the revaluation reserves represent the difference between the written down value of freehold properties held for the group's own use and professional valuations of such properties calculated at the time of the professional valuation.

**Restricted Funds**

**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 support costs of the charity.

Notes to the financial statements for the year ended 31 December 2007

2 Incoming resources	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
<b>a) Voluntary income</b>				
Discretionary income raised by campaigns from				
Trusts & Foundations	4	-	4	28
Direct Mail	36	-	36	66
Covenants	55	-	55	22
Legacies and other donations	36	-	36	30
	<u>131</u>	<u>-</u>	<u>131</u>	<u>146</u>
<b>b) Incoming resources from charitable activities</b>				
<b>Grants receivable</b>				
Department for International Development	-	946	946	905
European Union	-	2,551	2,551	1,365
United Nations	-	1,071	1,071	758
Packard Foundation	-	445	445	494
Kreditanstalt für Wiederaufbau	-	1,000	1,000	1,225
Netherlands Ministry of Foreign Affairs	-	363	363	351
Finland Ministry of Foreign Affairs	-	238	238	278
UK Trusts & Foundations	-	1,154	1,154	1,193
Offshore Trusts & Foundations	-	19,959	19,959	9,413
Other	-	193	193	69
	-	<u>27,920</u>	<u>27,920</u>	<u>16,051</u>
<b>Activities in furtherance of the objects of the charity</b>				
Sexual and Reproductive healthcare services	46,666	-	46,666	40,092
Fees waived	(150)	-	(150)	(161)
	<u>46,516</u>	<u>27,920</u>	<u>74,436</u>	<u>55,982</u>
<b>Other income</b>	3,795	-	3,795	301
	<u>50,311</u>	<u>27,920</u>	<u>78,231</u>	<u>56,283</u>
<b>c) Investment income</b>				
Bank interest receivable	703	-	703	379
Loan interest receivable	-	-	-	5
Rent receivable	71	-	71	47
Sundry income	256	-	256	85
	<u>1,030</u>	<u>-</u>	<u>1,030</u>	<u>516</u>

Notes to the financial statements for the year ended 31 December 2007

3 Charitable activities	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
<b>Africa</b>				
Angola	-	-	-	29
Ethiopia	83	783	866	516
Ghana	-	630	630	211
Kenya	87	1,740	1,827	1,468
Madagascar	-	701	701	166
Malawi	-	122	122	99
Mozambique	-	10	10	-
Sierra Leone	30	328	358	140
South Africa	-	777	777	355
Tanzania	848	1,837	2,685	1,131
Uganda	1	1,670	1,671	1,487
Zambia	-	133	133	-
Zimbabwe	95	2,065	2,160	573
Africa training, research & development	438	157	595	440
<b>Arab World</b>				
Yemen	(40)	526	486	701
<b>Pacific Asia</b>				
Cambodia	(3)	345	342	393
China	63	1,284	1,347	654
East Timor	19	49	68	21
Fiji	-	125	125	-
Papua New Guinea	40	275	315	194
Mongolia	-	84	84	174
Myanmar	2	350	352	103
Philippines	-	1,009	1,009	682
Viet Nam	-	161	161	217
Pacific Asia training, research & development	67	171	238	201
<b>South Asia</b>				
Afghanistan	-	507	507	425
Bangladesh	48	1,481	1,529	732
India	154	687	841	631
Nepal	7	809	816	715
Pakistan	81	1,629	1,710	542
Sri Lanka	9	47	56	43
South Asia training, research & development	240	108	348	295
<b>Europe</b>				
Austria	1,313	-	1,313	1,458
Romania	(2)	-	(2)	6
United Kingdom	29,188	-	29,188	26,023
<b>Latin America</b>				
Bolivia	-	686	686	252
Honduras	-	-	-	112
Mexico	-	251	251	93
Nicaragua	-	2	2	-
Latin America training, research & development	56	-	56	77
<b>Australia</b>				
Australia	6,646	-	6,646	4,474
<b>Cross-regional</b>				
Advocacy	1,013	378	1,391	904
Contraceptive & medical supplies	(24)	147	123	111
Refugees & Internally Displaced People	144	209	353	114
Social Marketing	110	749	859	626
General training, research & development	1,965	537	2,502	1,782
	42,678	23,559	66,237	49,370

Notes to the financial statements for the year ended 31 December 2007

3	Charitable activities (continued)	2007 £'000	2006 £'000
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Disbursements for overseas programmes include the following payments disclosed separately in accordance with the requirements of the donor  
These figures include contributions to support costs

**Funded by Department for International Development**

Ethiopia SRH Rights Protection	5	-
Malawi Management Support	93	136
Tanzania Youth Information & Education	135	59
Uganda Youth Advocacy	86	148
Bangladesh CSCF	164	109
Papua New Guinea SRH Gender Equity	58	92
Pakistan Sindh Reproductive Health	151	82
Bolivia Advocacy in Cochabamba	42	105
Bolivia CSCF	87	51
Philippines Capacity HIV/AIDS Advocacy (2006 costs co financed in 2007)	(16)	16
Philippines Capacity Youth Councils	58	45
Zimbabwe safe sex and motherhood	37	-
	<u>900</u>	<u>843</u>

**Funded by the Finland Foreign Affairs Ministry**

Afghanistan Clinics Phase 2 (expenditure reallocated to Phase 3)	(38)	6
Afghanistan Clinics Phase 3	266	270
	<u>228</u>	<u>276</u>

**Funded by United Nations**

Advocacy 2006 Phase A	8	16
Advocacy 2007	20	-
Advocacy - European Policy Makers 2005/2006	(4)	2
State of the World Population Report 2005	-	2
China Technical Assistance 2003	-	3
China Technical Assistance 2006	1,062	591
Honduras La Ceiba	-	(1)
Honduras Social Licensing	-	28
Nicaragua Adolescent Mobile	-	19
Myanmar Improving Adolescent Rural Health	33	65
	<u>1,119</u>	<u>725</u>

**Funded by The Netherlands Government**

Netherlands Ministry of Foreign Affairs 2005	-	18
Netherlands Ministry of Foreign Affairs 2006	68	327
Netherlands Ministry of Foreign Affairs 2007	320	-
	<u>388</u>	<u>345</u>

**4 Governance Costs**

Costs of Trustees' meetings and support	3	4
Audit fee		
- amounts payable to group auditors	74	58
- amounts payable to subsidiary auditors	22	20
	<u>99</u>	<u>82</u>

## Notes to the financial statements for the year ended 31 December 2007

5 Total resources expended	Disbursements to overseas programmes £'000	Staff costs £'000	Depreciation & amortisation £'000	Other costs £'000	Total 2007 £'000	Total 2006 £'000
Delivery of Family Planning and other Sexual & Reproductive Health Services	19,745	20,729	2,458	13,959	56,891	42,785
Advocacy & Awareness Raising	2,154	575	11	357	3,097	2,462
Developing capacity to deliver Sexual & Reproductive Health Services	3,405	1,850	21	973	6,249	4,123
Total charitable activities	25,304	23,154	2,490	15,289	66,237	49,370
Costs of generating voluntary income	-	23	-	23	46	17
Governance Costs	-	-	-	99	99	82
	25,304	23,177	2,490	15,411	66,382	49,469

## Staff costs

Wages and salaries	13,157	12,354
Social security costs	1,472	1,196
Employer's pension contributions	409	315
	15,038	13,865

## Sessional fees and agency costs

8,139	5,602
23,177	19,467

## The average number of staff analysed by function was

	Number	Number
Generating Voluntary income	4	4
Charitable activities		
- Delivery of Family Planning and other Sexual & Reproductive Health Services	435	421
- Advocacy & Awareness Raising	18	12
- Developing capacity to deliver Sexual & Reproductive Health Services	42	29
Governance	7	7
	506	473

## The numbers of employees whose emoluments were more than £60,000 were

£60,001 - £70,000	12	3
£70,001 - £80,000	2	5
£80,001 - £90,000	2	1
£90,001 - £100,000	3	1
£100,001 - £110,000	-	1
£110,001 - £120,000	3	-
£120,001 - £130,000	1	-
£140,001 - £150,000	1	-
£160,001 - £170,000	-	1

## 6 Directors' emoluments

None of the directors, who are also Trustees of the charity, received any emoluments during the year (2006 none)

## 7 Interest payable and similar charges

2007 £'000	2006 £'000
259	164

## Other loans &amp; overdrafts

Interest payable on The David and Lucile Packard Foundation loan is charged against a restricted reserve into which interest earned from bank deposits and onward loans are allocated and against which administration costs are also charged. The balance of the restricted reserve must be offset against any exchange losses suffered by The David and Lucile Packard Foundation at the date of repayment by Marie Stopes International.

Notes to the financial statements for the year ended 31 December 2007

8 Intangible fixed assets

	Group £'000	Charity £'000
Cost		
At 1 January 2007	2,198	1,096
Additions	824	824
Exchange movements on consolidation	104	104
At 31 December 2007	3,126	2,024
Amortisation		
At 1 January 2007	2,198	1,096
Provided during the year	824	824
Exchange movements on consolidation	104	104
At 31 December 2007	3,126	2,024
Net book value		
At 31 December 2007 and 31 December 2006	-	-

Intangible fixed assets represent goodwill arising on acquisition of shares in subsidiary companies and acquisition of clinics. Additions in the current year represent goodwill arising from the acquisition in Australia of the Melbourne Family Planning Clinic in Victoria on 15 June 2007 and two clinics in New South Wales from the Australian Birth Control Services on 5 July 2007.

9 Tangible fixed assets

Freehold properties are re-valued periodically on the basis of the open market value for existing use. The latest revaluation of freehold properties in the UK was at 1 December 1994 by Nelson Bakewell, Chartered Surveyors. Properties purchased since the date of the latest valuation are included at cost. Properties owned in Australia were revalued at 31 December 2004 by Robert Lister, Chartered Surveyors. The trustees have not updated the valuation as they are not aware of any material changes since the date of the last valuation.

Group	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 January 2007	15,353	1,762	1,475	1,800	4,153	13	24,556
Additions	8,450	-	66	133	152	-	8,801
Disposals	(2,865)	(407)	-	-	-	(13)	(3,285)
Exchange movements on consolidation	153	15	14	48	15	-	245
At 31 December 2007	21,091	1,370	1,555	1,981	4,320	-	30,317
Depreciation							
At 1 January 2007	6,731	1,245	1,252	1,495	3,883	13	14,619
Charge for the year	1,098	115	107	177	175	-	1,672
Disposals	(2,086)	(322)	-	-	-	(13)	(2,421)
Exchange movements on consolidation	28	2	9	37	11	-	87
At 31 December 2007	5,771	1,040	1,368	1,709	4,069	-	13,957
Net book value							
At 31 December 2007	15,320	330	187	272	251	-	16,360
At 31 December 2006	8,622	517	223	305	270	-	9,937

Notes to the financial statements for the year ended 31 December 2007

9 Tangible fixed assets (continued)

Charity

	Freehold properties £'000	Short leasehold properties £'000	Furniture fixtures, fittings & office equipment £'000	Medical equipment £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>							
At 1 January 2007	15 353	1,610	1,392	1 743	4,083	13	24,194
Additions	8,450	-	66	132	146	-	8,794
Disposals	(2,865)	(407)	-	-	-	(13)	(3,285)
Exchange movements on consolidation	153	1	8	42	14	-	218
At 31 December 2007	21,091	1 204	1,466	1 917	4,243	-	29,921
<b>Depreciation</b>							
At 1 January 2007	6,731	1,230	1,204	1,448	3 820	13	14,446
Charge for the year	1 098	98	96	173	171	-	1,636
Disposals	(2 086)	(322)	-	-	-	(13)	(2,421)
Exchange movements on consolidation	28	1	6	32	10	-	77
At 31 December 2007	5,771	1,007	1,306	1,653	4,001	-	13,738
<b>Net book value</b>							
At 31 December 2007	15,320	197	160	264	242	-	16,183
At 31 December 2006	8,622	380	188	295	263	-	9,748

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

	Group and charity	
	2007 £'000	2006 £'000
Cost	20,869	14,186
Accumulated depreciation	(6,553)	(6 585)
Net book value	14,316	7,601

Notes to the financial statements for the year ended 31 December 2007

10 Investments

a) Investment Property

The investment property was revalued by Finnegan Menton, Chartered Surveyors, on the basis of the open market value for rental use, at 31 December 2007 resulting in an increase of £81 742. The original cost was £971,619.

	Group and Charity £'000
Investment property at valuation	
At 1 January 2007	653
Revaluations	82
At 31 December 2007	<u>735</u>
<b>Net book value</b>	
<b>At 31 December 2007</b>	<u><b>735</b></u>
At 31 December 2006	<u><b>653</b></u>

b) Investments in subsidiaries - charity

	Charity £'000
Investment in subsidiary undertakings at cost	
At 1 January 2007 and 31 December 2007	<u>1,162</u>

The charity holds 100% of the nominal value of the ordinary share capital of the following principal trading subsidiaries, the results of which have been consolidated

Name of company	Country of incorporation	Net Assets as at 31 December 2007	Results for the year	Nature of business
Options Consultancy Services Limited*	England	£414,225	£6 367	Provision of consultancy services in the field of sexual and reproductive health
Ambulatorium am Fleischmarkt Betnebs GmbH** (trading as pro woman)	Austria	£102,775	£182,413	Operation of centre based sexual and reproductive healthcare services

\* Shares directly held by Mane Stopes International

\*\* Shares indirectly held by Mane Stopes International through the dormant holding company Shawline Developments Limited

Further information on the activities of the subsidiary undertakings is given in the Trustees' Report



## Notes to the financial statements for the year ended 31 December 2007

## 10 Investments

## c) Programme Related Investments Social Investment Fund loans to partner organisations

	Group and Charity	
	2007	2006
	£'000	£'000
Balance brought forward as at 1 January 2007	1,801	1,228
Loans out	487	638
Capital repayment	(212)	(61)
Exchange gains / ( losses)	(22)	(4)
Balance carried forward as at 31 December 2007	<u>2,054</u>	<u>1,801</u>

On 1 November 2002 Marie Stopes International created a Social Investment Fund with a £4 435 million loan from The David and Lucile Packard Foundation (see note 13). The purpose of the Social Investment Fund is to provide onward loans to partner organisations and subsidiaries for the delivery of sexual and reproductive health services, provided the goals and objectives of projects are in line with those of Marie Stopes International and The David and Lucile Packard Foundation. Loans are made in the recipient country currency and at interest rates of between 3% and 6% and are repayable by September 2015. Exchange gains and losses on capital repayments are offset against the amounts due to the David and Lucile Packard Foundation, as detailed in Note 13.

Of the below, amounts repayable after more than one year are £1,799,546 (2006 £1,582,152)

	2007	2006
	£'000	£'000
Loans outstanding at 31 December 2007 are comprised as follows		
Australia	201	206
China	78	85
Kenya	190	209
Mongolia	78	46
Philippines	106	135
Romania	332	348
South Africa	468	477
Tanzania	397	178
Sierra Leone	77	85
Zimbabwe	59	32
Malawi	68	-
	<u>2,054</u>	<u>1,801</u>

Notes to the financial statements for the year ended 31 December 2007

10 d) Current Asset Investments

Group and Charity	Group 2007 £'000	2006	Charity 2007 £'000	2006
<b>Listed investments</b>				
Market value at 1 January 2007	32	34	-	-
Additions	2,008	-	2,008	-
Revaluation	19	(1)	22	-
Exchange movements on consolidation	3	(1)	-	-
Market value at 31 December 2007	<u>2,062</u>	<u>32</u>	<u>2,030</u>	<u>-</u>
Historical cost at 31 December 2007	<u>2,032</u>	<u>534</u>	<u>2,000</u>	<u>534</u>

Charity investments arose from gifts of shares in two companies listed on the Alternative Investment Market in the UK. All such shares were subject to a lock-in deed which prevented the disposal of the shares for a period of two years from the date of gift. The lock-in period ended in March 2005, however, the donated shares had no market value and were revalued during that year as a result. All such shares were disposed of during the year ended 31 December 2007.

In line with the company's investment policy, £2,008,000 was invested in 2007 (2006 £Nil) through a managed investment fund in equities, bonds, cash and other investments.

11 Debtors	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
<b>Group</b>				
Trade debtors	6,091	1,377	7,468	5,982
Other debtors	185	-	185	94
Prepayments & accrued income	633	-	633	601
	<u>6,909</u>	<u>1,377</u>	<u>8,286</u>	<u>6,677</u>
<b>Charity</b>				
Trade debtors	4,341	1,377	5,718	4,568
Amounts owed by subsidiary undertakings	437	-	437	185
Other debtors	167	-	167	81
Prepayments & accrued income	428	-	428	375
	<u>5,373</u>	<u>1,377</u>	<u>6,750</u>	<u>5,209</u>

Notes to the financial statements for the year ended 31 December 2007

12 Creditors	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
<b>a) Amounts falling due within one year</b>				
<b>Group</b>				
Bank loans	3,396	-	3,396	1,681
Bank overdrafts	1,038	-	1,038	579
Trade creditors	1,657	-	1,657	1,214
Corporation tax	60	-	60	69
Other taxes & social security	434	-	434	343
Accruals	2,991	-	2,991	2,328
	<b>9,576</b>	<b>-</b>	<b>9,576</b>	<b>6,214</b>
<b>Charity</b>				
Bank loans	3,396	-	3,396	1,681
Trade creditors	1,333	-	1,333	953
Other taxes & social security	373	-	373	282
Accruals	2,390	-	2,390	1,382
Amounts owed to subsidiary undertakings	17	-	17	4
	<b>7,509</b>	<b>-</b>	<b>7,509</b>	<b>4,302</b>
<b>b) Amounts falling due after more than one year</b>				
	<b>Group</b>		<b>Charity</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deferred liabilities	83	89	33	20
Amounts owed to subsidiary undertakings	-	-	10	10
	<b>83</b>	<b>89</b>	<b>43</b>	<b>30</b>

13 Loans	Group and Charity	
	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
Amounts repayable		
In five years or more	3,904	3,926
	<b>3,904</b>	<b>3,926</b>

Marie Stopes International agreed terms on 1 November 2002 with The David and Lucile Packard Foundation for a £4 435 million loan to be repaid in 2010. The purpose of the loan is to create a Social Investment Fund which will provide onward loans to partner organisations and subsidiaries, provided the goals and objectives of projects are in line with those of Marie Stopes International and The David and Lucile Packard Foundation (see note 10c).

In 2004, the loan agreement was extended to 2015. The amount repayable of £3 904 million includes offset of exchange differences on inward loan repayments as allowed by the loan agreement.

The long term loan is unsecured, repayable in GB Sterling after more than five years and bears interest at 1% per annum.

Notes to the financial statements for the year ended 31 December 2007

14 Restricted funds	Group and Charity		
	At 1 Jan 2007 £'000	Net movement £'000	At 31 Dec 2007 £'000
<b>Africa and Arab World</b>			
Ethiopia	(41)	720	679
Ghana	601	(28)	573
Kenya	566	(549)	17
Madagascar	(10)	15	5
Malawi	279	49	328
Mozambique	8	-	8
Sierra Leone	151	(11)	140
South Africa	141	58	199
Tanzania	(51)	261	210
Uganda	177	492	669
Yemen	105	15	120
Zambia	-	10	10
Zimbabwe	161	(13)	148
Training, research & development	84	(57)	27
<b>Pacific Asia</b>			
Cambodia	188	(105)	83
China	102	(101)	1
Fiji	54	(33)	21
Papua New Guinea	20	8	28
Mongolia	(26)	26	-
Myanmar	33	137	170
Philippines	54	(7)	47
Viet Nam	159	(52)	107
Training, research & development	80	(25)	55
<b>South Asia</b>			
Afghanistan	(1)	13	12
Bangladesh	785	(742)	43
India	237	(82)	155
Nepal	634	(167)	467
Pakistan	283	1,706	1,989
Sri Lanka	154	(28)	126
Training, research & development	59	(12)	47
<b>Latin America</b>			
Bolivia	(14)	14	-
Honduras	3	(3)	-
Mexico	111	259	370
Nicaragua	6	(6)	-
<b>Cross-regional</b>			
Advocacy	271	(7)	264
Contraceptive & medical supplies	(20)	20	-
Refugees & Internally Displaced People	195	(114)	81
Social Marketing	(280)	294	14
Training, research & development	1,331	(70)	1,261
	<b>6,589</b>	<b>1,885</b>	<b>8,474</b>

Notes to the financial statements for the year ended 31 December 2007

15 Accumulated funds

	General reserves £'000	Contingency reserves £'000	Sustainability reserves £'000	Revaluation reserves £'000	Total Unrestricted Reserves £'000	Restricted reserves £'000
<b>Group</b>						
<b>As at 1 January 2007</b>	17,381	1,097		3,454	21,932	6,589
Net incoming resources before transfers	8,664	-		-	8,664	-
Transfers						
Movement in contingency provision	(1,040)	1,040		-	-	-
Movement in designated sustainability reserve	(5,000)		5,000	-	-	-
Contributions to support costs	2,476	-		-	2,476	(2,476)
Exchange movements	(375)			23	(352)	
Unrealised losses on revaluation of current asset and property investments	102	-		-	102	-
Specific donations						
Received	-	-		-	-	27,920
Disbursements for overseas programmes	-	-		-	-	(23,559)
<b>At 31 December 2007</b>	<b>22,208</b>	<b>2,137</b>	<b>5,000</b>	<b>3,477</b>	<b>32,822</b>	<b>8,474</b>
<b>Charity</b>						
<b>As at 1 January 2007</b>	18,165	1,097		3,454	22,716	6,589
Net incoming resources before transfers	8,456	-		-	8,456	-
Transfers						
Movement in contingency provision	(1,040)	1,040		-	-	-
Movement in designated sustainability reserve	(5,000)		5,000	-	-	-
Contributions to support costs	2,476	-		-	2,476	(2,476)
Exchange movements	(379)	-		23	(356)	
Unrealised gains on revaluation of current asset and property investments	104	-		-	104	-
Specific donations						
Received	-	-		-	-	27,920
Disbursements for overseas programmes	-	-		-	-	(23,559)
<b>At 31 December 2007</b>	<b>22,782</b>	<b>2,137</b>	<b>5,000</b>	<b>3,477</b>	<b>33,396</b>	<b>8,474</b>

Notes to the financial statements for the year ended 31 December 2007

<b>16 Reconciliation of net incoming resources to net cash inflow from operating activities</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
Net incoming resources for the year	13,026	7,476
Investment income	(1,030)	(516)
Interest payable	258	164
Depreciation and amortisation	2,496	1,492
Tax charge	65	69
(Profit) / loss on disposal of tangible fixed assets	(3,795)	(368)
(Profit) / loss on disposal of current asset investments	(16)	-
(Increase) / decrease in stock and work in progress	(46)	42
(Increase) in debtors	(1,653)	(1,584)
Increase in creditors	1,191	747
Revaluation movements	(245)	-
Exchange movements	(246)	277
Net cash inflow from operating activities	<u>10,005</u>	<u>7,799</u>

<b>17 Reconciliation of net cash flow to movement in net funds</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
Increase in cash in the period	5,666	7,559
New unsecured loan	(2,174)	(997)
Repayment of loans	22	4
	<u>3,514</u>	<u>6,566</u>
Net funds at 1 January 2007	13,464	6,898
Net funds at 31 December 2007	<u>16,978</u>	<u>13,464</u>

<b>18 Analysis of changes in net funds as shown in balance sheet</b>	<b>At 1 Jan 2007 £'000</b>	<b>Cash flows £'000</b>	<b>At 31 Dec 2007 £'000</b>
Cash at bank & in hand	19,650	5,666	25,316
Bank overdrafts	(579)	(459)	(1,038)
	<u>19,071</u>	<u>5,207</u>	<u>24,278</u>
Other loans falling due after more than one year	(3,926)	22	(3,904)
Bank loans	(1,681)	(1,715)	(3,396)
	<u>13,464</u>	<u>3,514</u>	<u>16,978</u>

**19 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 2007

20 Financial commitments

a) Capital commitments

Capital commitments as at 31 December 2007 amounted to £872,142 / AUD1,977,233 (2006 £6,499,689)

b) Operating lease commitments

As at 31 December 2007 commitments for the following year under operating leases for land and buildings were as follows

	Group and Charity	
	2007	2006
	£'000	£'000
Within one year	523	211
Between one & two years	930	278
Leases expiring in five years or more	89	173
	<u>1,542</u>	<u>662</u>

21 Contingent liabilities

At 31 December 2007 the liability of the charity to co-financed projects was £2,136,639 (2006 £1,097,000) Advance payment guarantees of £Nil (2006 £28,101) to the Indian Government for projects in India ceased on 13 July 2007 Guarantees to the Kenyan Ministry of Health of £337,407 / euro 500,780 in 2006 ceased on 25 January 2007 An advance payment guarantee of £952,648 / euro 1,297,030 (2006 £873,892 / euro 1 297,030) was given to the European Commission delegation in Madagascar for projects in Madagascar

The charity has also provided an advance payment guarantee to KfW of £514,139 / Euro700,000 (2006 £480,967 / euro 700,000 in respect of a project in the Caribbean being managed by Options Consultancy Services Limited Options Consultancy Services Limited had provided Bank International Guarantees in respect of projects to the value of £ nil (2006 £56,096 / euro 83,257 ) which expired in May 2007

The charity has agreed an irrevocable letter of credit facility of up to £5,167,394 / AUD 11,715,000 (2006 2,635,924 / AUD 6,545,000 ) of which £3,427,286 / AUD7,770,000 (2006 £1,681,431 / AUD4,175,000) has been drawn during the year and is included in note 12

22 Transactions involving Trustees and Company Secretary

The charity received a donation of £77,505 / US\$158,628 (2006 £193,221 / US\$350,000) from DKT International, a company incorporated in the USA in which Mr PD Harvey (Trustee) and Dr TRL Black (Trustee) are directors

During the year the charity reimbursed Trustees with out-of-pocket expenses of £6,050 (2006 £3,010) for travel to partner programmes, £6,322 (2006 £nil) for travel to Partnership Workshop and £1,560 (2006 £1,037) for travel to UK offices for trustee meetings The charity also made a performance bonus payment of £4,619 (2006 £nil) to a trustee for their role as a Programme Director of a partner programme

Notes to the financial statements for the year ended 31 December 2007

23 Partner and other organisations

Partner organisations

As referred to in the Trustees' report, Marie Stopes International works in partnership with other independent non-government organisations throughout the world. The organisations are based in the following countries and share the common objective of providing family planning and sexual and reproductive healthcare services. A full list is provided below:

- 1 Albania
- 2 Australia
- 3 Bolivia
- 4 Bangladesh
- 5 Cambodia
- 6 China
- 7 Ethiopia
- 8 Fiji
- 9 India
- 10 Ireland
- 11 Malawi
- 12 Mongolia
- 13 Myanmar
- 14 Namibia
- 15 Nepal
- 16 Nigeria
- 17 Pakistan
- 18 Philippines
- 19 Romania
- 20 Sri Lanka
- 21 Timor Leste
- 22 Uganda
- 23 Viet Nam
- 24 Zambia
- 25 Zimbabwe

The Trustees regularly review the relationship between Marie Stopes International and the above partner organisations to ensure that no obligation exists between Marie Stopes International and its global partners. No relationship other than pursuance of common goals and objectives is implied.

Marie Stopes International provides assistance to the organisations on technical matters, co-ordinates between them and acts as a conduit for forwarding grants and funds to them. The organisations listed above are not controlled by Marie Stopes International and are correctly excluded from consolidation.

Transactions with partner organisations comprise disbursement of funds for charitable activities as shown in Note 3 or loans from the Social Investment Fund as reflected in 10c. Details of movement on restricted grants and balances held for each of these partners can be found in Note 14.

Branches and subsidiary organisations

The organisations listed below, all providers of services in the field of sexual and reproductive health, are branches or subsidiaries of the charity. These organisations have been excluded from consolidation as the charity does not exercise operational or management control over the activities of these organisations, other than in the manner detailed above. As such, the charity does not have the ability to direct the financial or operational policies of these organisations with a view to gaining economic benefit from their activities and therefore they are treated in the same way as partner organisations.

Name of organisation	Country of incorporation
1 Hondurena Mujer Y Familia (1986)	Honduras
2 Marie Stopes Albania	Albania
3 Marie Stopes Afghanistan	Afghanistan
4 Marie Stopes Madagascar	Madagascar
5 Marie Stopes International Contraceptive Social Marketing Limited	Mongolia
6 Marie Stopes Mexico A C	Mexico
7 Marie Stopes Society Nepal	Nepal
8 Marie Stopes Nicaragua S A	Nicaragua
9 Marie Stopes Papua New Guinea	Papua New Guinea
10 Marie Stopes Society	Sierra Leone
11 Community Medical Services trading as Marie Stopes South Africa	South Africa
12 Population Services Sri Lanka	Sri Lanka
13 Marie Stopes Ghana	Ghana
14 Marie Stopes Kenya	Kenya
15 Marie Stopes Tanzania Limited	Tanzania
16 Marie Stopes International Yemen	Yemen