

Marie Stopes International

Financial Statements and Annual Report
31 December 2015

Registered Charity No: 265543

Company No: 1102208

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Contents

	Page
Reference and administrative details	1
Chief Executive's statement	2
Report of the Board of Trustees	3
Independent auditor's report to the members of Marie Stopes International	27
Consolidated statement of financial activities	30
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Consolidated balance sheet	31
Consolidated cash flow statement	32
Notes to the financial statements	33

Reference and administrative details

Registered name and charity number

Marie Stopes International
265543 (registered in England and Wales)

Company number

1102208 (registered in England and Wales)

Registered office

1 Conway Street
Fitzroy Square
London W1T 6LP

Board of Trustees

The Trustees of Marie Stopes International are the charity's Trustees under charity law and the Directors of the charitable company.

Chairman

Timothy M Rutter FRCS

Trustees

Baroness Shreela Flather

Philip D Harvey

Kristin Anne Rutter

Faustina Fynne Nyame (Country Director appointee to the board)

Dr Mohsina Bilgrami (Appointed 25 August 2015, Country Director appointee to the board)

Claire Emma Morris (Appointed 23 March 2015)

Company Secretary and Solicitor

Company Secretary: Solscan Limited

Solicitor: Andrew Lutley

Springfield, Rookery Hill

Ashtead Park, Ashtead,

Surrey

KT21 1HY

Chief Executive Officer

Simon Cooke

Independent Auditors

PricewaterhouseCoopers LLP

1 Embankment Place

London WC2N 6RH

Principal bankers

Standard Chartered Bank Plc

1 Aldermanbury Square

London EC2V 7SB

Barclays Bank Plc

1 Churchill Place

London E14 5HP

Chief Executive's statement

There are currently 225 million women around the world who don't want to get pregnant but aren't using contraception. In many parts of the world, women remain unable to access safe abortion services.

With no legal alternative, around 21.6 million women each year resort to unsafe methods to end a pregnancy, from counterfeit drugs peddled by 'quack doctors', to industrial poisons or wire coathangers. Every day, around 22,000 women experience complications related to an unsafe abortion. One of these women dies every 11 minutes.

Shocking as these figures are, they might have been so much worse. Today, around six out of ten married women in the developing world are using contraception, giving them the power to choose whether and when they have children. In 1960, that figure was around one in ten.

Marie Stopes International has played a key role in driving this change, bringing our high-quality family planning services to dozens of countries and on every continent. In 2015, we celebrated our 100 millionth client visit and remarkably half of those visits took place in the last five years alone, during the delivery of our *Power of 10* strategic plan.

We far exceeded the ambitious couple years of protection* (CYP) targets that we set for ourselves in the *Power of 10*, delivering over 12.5 million more CYPs per annum in 2015 than in 2010. We also significantly increased our delivery of safe abortion and contraceptive services. In 2015 we provided more than 3.4 million safe abortion or post-abortion care services and by the end of the year nearly 21 million women and men were using a method of contraception supplied by Marie Stopes International.

Despite the significant gains made in expanding access to contraception, unmet need is actually increasing. As the largest generation of young people in history approach their reproductive years, our organisation, and others working to expand access to contraception, will have to redouble efforts to ensure every woman who wants to choose her family size has that choice.

The only way organisations working in our field will meet the challenges of the coming years is by being smarter about what services to provide, how to make them sustainable, and how to fund them. The stakes are high, and this cannot just be 'business as usual'. At the end of 2015 we finalised *Scaling-Up Excellence*, our new strategic plan for the period 2016-2020, which will guide our work over the next five years and sets out how we will confront these challenges.

Scaling-Up Excellence challenges us to ensure that every pound invested is used effectively and that we can validate all of the services that we report. In 2015 we invested considerable organisational time and resource improving the systems and processes that allow us to meet these goals. We implemented a new approach to data governance and completed the rollout of our SUN6 global accounting system, which is now being used by every one of our 37 country programmes. We also successfully embedded a new global reporting tool, which gives us a much clearer understanding of our operational and financial data and allows for more informed decision making.

I am delighted with our progress in 2015, not just in terms of our service delivery and putting stronger financial controls in place, but also in setting out a vision for the organisation that will ensure our services benefit women and families for generations to come.

Simon Cooke

Chief Executive Officer

*a couple year of protection (CYP) is the contraception needed for a couple to prevent pregnancy for one year.

Report of the Board of Trustees

The Board of Trustees presents its report and the audited consolidated financial statements for the year ended 31 December 2015 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and the Strategic Report, together with the audited financial statements for the year.

1. Structure, governance and management

Constitution of the charity

Marie Stopes International is a charity registered in England and Wales, constituted as a company and limited by guarantee. The charity is governed in accordance with its Memorandum and Articles of Association.

Our objectives

The charitable objectives of Marie Stopes International are:

- To provide sexual, reproductive, maternal and general health services, including advice, information, education, training, counselling, advocacy, screening, clinical and medical services and treatment.
- To reduce maternal mortality, relieve sickness and preserve physical, mental and sexual health and prevent poverty and distress resulting from unplanned conception
- To carry out and/or promote the carrying out of research relating to sexual and reproductive health, maternal and general health.

The Board of Trustees

Marie Stopes International's Board of Trustees is made up of individuals who are leaders in their field, committed to the organisation's mission. They bring skill, 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; business; finance; government; and advocacy.

The Trustees periodically consider 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 potential candidates; 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 has two Trustees selected from amongst Marie Stopes International's most senior country programme directors in Africa, Asia and Latin America. These Trustees are invited to join the Board for a three year term.

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 programme, or one of the organisation's centres in the UK, in order to understand the health service mix, challenges, opportunities, and the difference that Marie Stopes International makes to individual women, men, couples, communities, and countries around the world.

The Trustees serving in the year ended 31 December 2015 and up to the date of signing this report are noted on page 1.

Public benefit

The Trustees confirm that they have given due consideration to the Charity Commission published guidance on Public Benefit contained within section 17 of the Charities Act 2011. As detailed above, the charitable objectives, aims and strategy of the organisation comply with the public benefit test in the following areas:

- prevention or relief of poverty.
- advancement of health and the saving of lives.
- advancement of human rights.

At the core of our organisation is the aim to provide choices in reproductive healthcare, so that women have children by choice not chance.

Organisational structure and decision making process

Marie Stopes International is an international non-governmental organisation delivering contraception and safe abortion services (where legal) through static centres, clinical outreach teams and social franchisees in 37 countries globally. It is constituted as a charitable company limited by guarantee.

Marie Stopes International (the Charity) - or the Company for the purposes of company law - refers to Marie Stopes International's UK operations (its family planning centres and London Central Office) and Marie Stopes International's 20 international branch offices. The London Central Office provides support for Marie Stopes International's UK clinics as well as its network of international branches; subsidiaries and affiliated partners in 37 countries worldwide.

Marie Stopes International (the Group) refers to the Charity as defined above and subsidiary entities. The Group is occasionally also referred to as the Partnership internally. Marie Stopes International's subsidiaries are listed in note 20. Additionally Marie Stopes International's investment in subsidiaries is contained in note 10b. Unless otherwise stated all references to Marie Stopes International refer to Marie Stopes International (the Group).

The Trustees of Marie Stopes International are responsible for the overall strategic direction and policies of the Group. The Executive Team based in London, led by the Chief Executive Officer, is responsible for the implementation of this direction and for the Group's overall operational management.

Marie Stopes International subsidiaries have their own Board of Trustees (or Directors/ Members) of varying size which fulfil local statutory and regulatory requirements. Each

branch/subsidiary has a management team headed by a Country Director which reports operationally into London.

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, Marie Stopes International risk management system has been developed to provide reasonable assurance to the Trustees that there are adequate procedures in place and that we identify and evaluate their effective operation.

The key elements of the system of internal control are:

- **delegation:** there is a clear organisational structure with clear decision rights and 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 (Key Performance Indicators), 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.
- **internal audit:** Marie Stopes International's internal audit team, established in 2006 and reporting direct to the Board, is a key part of Marie Stopes International's internal review and control process for its international operations, visiting 36 group countries in 2015 to assess risks and review operational and financial controls within the Group.
- **review:** Marie Stopes International's Audit Committee is appointed by the Board, and includes at least two Trustees, all other Trustees are invited to attend. The Chief Executive Officer, Chief Financial Officer, Operations Director, Director of Internal Audit and the External Auditors are all expected to attend meetings. The Committee oversees the adequacy of internal control systems and compliance with finance guidelines. The Committee meets three times a year, prior to all Board meetings, to discuss the results from the internal and external audits conducted in the UK and overseas. The Trustee representatives then brief the remaining Trustees at the next Board meeting on key risks, and the actions undertaken to mitigate these risks.

Financial and operational risk management

We manage our key financial risks as follows:

- **Liquidity risk** is managed by managing monthly cash transfers to country programmes based on monthly cash-flow forecasts. We ensure group liquidity by holding the majority of cash in the global support office. This can be seen in the table on page 19.
- **Foreign exchange risk** is managed by holding funds in hard currency, and in donor currency until it is required to be spent.
- We manage our **Credit risk** by ensuring that suppliers are paid in arrears based on market prices.

Major risks faced by MSI, and key approaches to mitigate the risks

Risk	Mitigations, including planned further actions
Lack of financial resilience, as evidenced by liquidity and the balance sheet reserves	<ul style="list-style-type: none"> • Increase liquidity reserves to policy targets level (£30m - £35m) • Continue to repatriate cash from country programmes to maximise group liquidity.
Loss of key donor funding	<ul style="list-style-type: none"> • Work proactively with donors to ensure alignment of MSI and donor objectives • Develop alternative funding strategies • Improve the financial sustainability of all service delivery channels
Adverse clinical outcomes, including client death	<ul style="list-style-type: none"> • Publish and implement revised obstetrics guidelines in relevant countries • Revised core nursing competencies issued • Complete review of medical risk management system including incident reporting.
Country programme corporate governance and statutory compliance	<ul style="list-style-type: none"> • Actively monitor strategy compliance in all country programmes • Launched a constitutional governance toolkit.
Fraud, corruption, theft, risk of overstating results and unethical practices	<ul style="list-style-type: none"> • Rollout of new fraud and bribery programme to all country programmes will be completed in 2016 • Implemented a new whistleblowing policy and procedure 2015.
Lack of sustainable access to quality Family Planning commodities	<ul style="list-style-type: none"> • Strengthen and standardised quality forecasting processes • Work closely with UNFPA and other quality funding agencies to better align forecast demand and supply • Implement a global supply chain strategy.
Inadequate product quality	<ul style="list-style-type: none"> • Launch a new product quality policy • Mandate product supplier options to country programmes as part of the global supply chain strategy.
Risks posed by complex geo-political situations	<ul style="list-style-type: none"> • Maintain relevant risk management processes especially in countries programmes assessed as being most at risk • Active security management teams now deployed in all medium/high risk programmes
Inability to maintain consistent quality at scale	<ul style="list-style-type: none"> • Rollout quality assurance dashboard and accreditation framework • Create procedure- specific risk assessments
Major breach of donor contractual or other compliance requirements	<ul style="list-style-type: none"> • Ongoing training of country programmes • Continue to review internal processes to ensure that donor compliance is embedded • Independent annual audit of most major grants.
Inability to recruit/retain talent for critical roles in-country	<ul style="list-style-type: none"> • Launching a leadership development programme in 2016 aimed at future senior leaders • Conducting regular compensation and reward reviews to ensure that MSI is positioned competitively within its sector
Major cyber-attack or leak of confidential information	<ul style="list-style-type: none"> • Review and update of data security policies and procedures, including regular penetration testing.

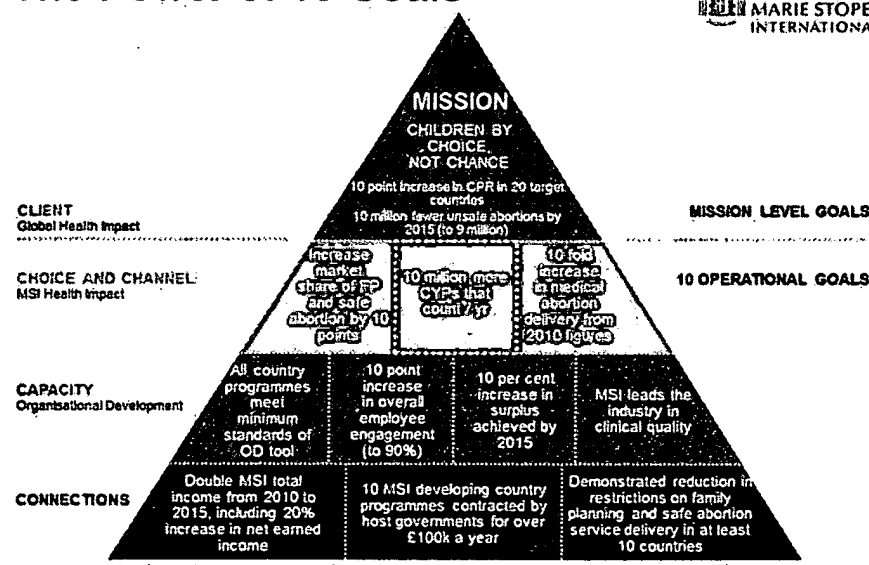
2. Strategic Report

2.1 Objectives, aims and strategy

The Partnership's mission is to enable women and girls to have children by choice, not chance. The Partnership's vision is a world in which every birth is wanted. In order to ensure we are a significant contributor to the worldwide effort to achieve this vision from 2010 to 2015 we worked within our *Power of 10* strategic framework, to guide our engagement. 2015 marked the final year of our *Power of 10* strategic plan. In this report we focus on our delivery against those plan objectives.

Through the *Power of 10* we aimed to dramatically expand the choices and channels available to our clients, in particular harnessing the potential of long-acting and permanent methods and medical abortion in order to deliver services as close to our clients as possible. The *Power of 10* was also a framework for us to build our institutional capacity – systems, standards, and people – to improve our effectiveness and efficiency across the board. Finally, we recognised that we could not do any of this alone, and forged enduring connections with governments and other institutions that influenced policy, funding and practice for family planning, both at the country level and globally.

The Power of 10 Goals



CYP: couple years of protection, one CYP is the contraception that is needed for a couple to prevent pregnancy over the course of a year. Different family planning methods account for different numbers of CYPs, depending on how long they can be used for, and how effectively they prevent pregnancy. FP: family planning

We set ourselves extremely challenging objectives and goals under the *Power of 10*, and we exceeded delivery of some and made significant progress against others:

- We exceeded the CYP targets that we set for ourselves, delivering over 12.5 million more CYPs per annum in 2015 than in 2010.
- We saw reductions in the restrictions around provision of family planning and services in 17 of our countries, against a target of 10.

- We made significant progress in clinical quality, with a large increase in the number of our country programmes scoring 90% or more in their quality assessments.
- All of the country programmes assessed for organisational development met the minimum standards required.

These achievements put us in a strong position to move forward and deliver our 2016 – 2020 *Scaling-Up Excellence* strategy effectively. This is explained in more detail in section 3.

MSI Principles

To achieve these objectives, the Partnership operates under the following principles:

- We will not turn away a woman in need. Provided that our standards for quality, security and legal compliance can be met, we will do our best to help anyone who seeks out our services.
- We are committed to providing contraception and safe abortion services (where we are legally able to do so) and treating complications related to unsafe abortions everywhere.
- We are passionate about excellence. In everything we do, including clinical quality and in our business processes, we embrace a spirit of innovation, efficiency, cost-effectiveness and a commitment to measurable results.
- We engage actively with the global family planning community, learning from and catalysing others to provide choices to the under-served, mobilising resources for choice and helping transform restrictive environments.
- We remain committed to our longstanding social enterprise approach, with an emphasis on diversifying revenue, maximising cost effectiveness, achieving bottom line results and ensuring long term sustainability.
- We are 'one' Marie Stopes International, a single global organisational franchise united by our mission and dedicated to common goals. We expect our standards of excellence – clinical, managerial and operational – to be replicated in every programme.

2015 objectives

In 2015 MSI focused our work and organisational objectives on three key areas stated below. MSI's performance against these objectives is assessed in the following sections of the report:

1. **Delivering impact:** by focusing primarily on our core services of safe abortion and contraception, we aimed to increase the number of CYPs that we deliver and the clients that we serve. We had a particular focus on reaching 'high impact' groups, including young people and those living in poverty. Performance against this objective is reviewed in section 2.2, the Operational Report
2. **Generating income:** we aimed to increase both our donor and service income, to allow us to continue to deliver impact for our clients and women around the world in the medium and long term. Performance against this objective is reviewed in section 2.4, the Financial review
3. **Building a high performance culture:** we aimed to invest in our people and recruit additional talent so that we blend great people, uniform best practice and client-centred service delivery. Continue to embed our organisational values and behaviours across our global organisation. Performance against this objective is reviewed in section 2.5 – Employees.

2.2 Operational report

Marie Stopes International provides contraception and safe abortion services to millions of women and families across the world. 2015 was the year in which we served our 100 millionth client, delivered more services, and achieved a greater health impact than ever before in a single year.

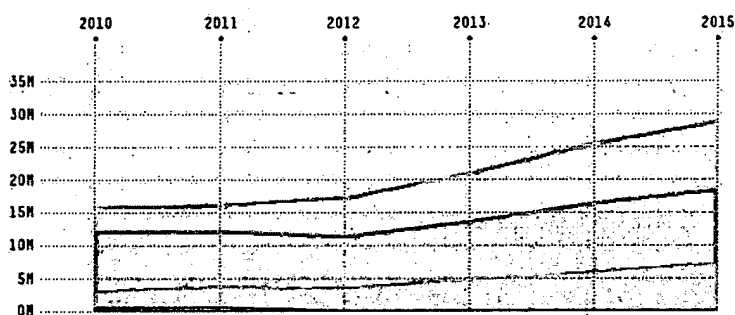
Measuring our performance

Like many in our field, we use CYPs to measure the scale of our services, and compare progress over time.

In 2015, we delivered 29.5 million CYPs, a 12% increase* on the previous year and more than 50% higher than 2010. The majority (three quarters) of CYPs were delivered by our programmes in sub-Saharan Africa and south and west Asia. Growth on the previous year was largely driven by programmes in Africa and Pacific Asia, two of the poorest, most underserved regions in the world.

> Figure 1:
MSI total CYPs,
2010-15, by region

- ◆ Africa
- South and west Asia
- ◐ Pacific Asia
- ◑ Latin America
- Europe and Australia
- Global Sales/Australia Overseas Support



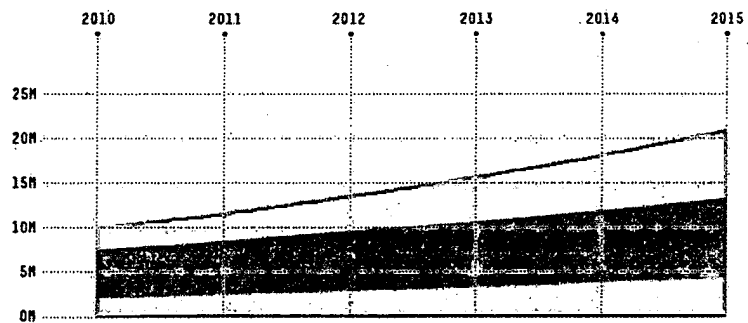
**In 2015, we made important changes to how we calculate the impact of our services, to ensure our results are as accurate as possible. As a result of these changes, our 2015 results appear slightly lower than they would have been using our previous approach. In real terms, however, our impact continues to grow at an impressive rate.*

Users of contraception

In 2015, an estimated 20.9 million women and men worldwide were using contraception provided by Marie Stopes International. This included 7.6 million people who received a method of contraception from us in 2015, and 13.3 million people who remained protected from unplanned pregnancy by a long-acting or permanent method they had received from us previously.

> Figure 3:
Total users of MSI
contraception,
2010-15

- Sub-Saharan Africa
- South and west Africa
- Pacific Asia
- Latin America
- Europe and Australia



The vast majority of our clients choose long-acting or permanent methods of contraception that will protect them from unintended pregnancy for long periods of time. In many of the countries where we work, Marie Stopes International is the only provider of these methods. In 2015, 83% of women using contraception provided by us were using a long-acting or permanent method.

Safe abortion and post-abortion care

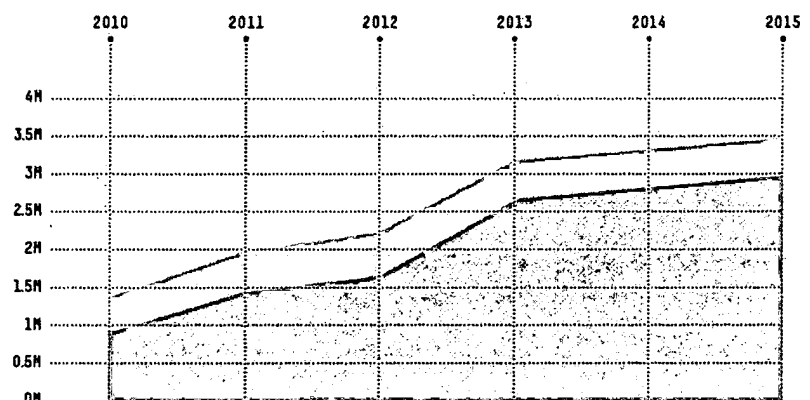
With a death occurring every 11 minutes as a result of unsafe abortion, and more than 21 million women forced into choosing unsafe procedures each year, service providers must do much more to meet this urgent need. Providing access to safe abortion and post-abortion care for women and girls who have decided to end a pregnancy is at the core of our mission.

Marie Stopes International provided more than 3.4 million safe abortion and post-abortion care services in 2015. Most of these services were medical abortion and medical post-abortion care, where a woman takes tablets to safely end a pregnancy or as part of her aftercare following an unsafe procedure. Over 90% of this medical abortion provision came from the sale of products through social marketing.

The expansion of access to medical abortion in recent years has been, and will continue to be, one of the most important tools in combating the harm of unsafe abortion. We also remain committed to providing women with the choice of surgical abortion and post-abortion care, and these services grew by 3% in 2015 compared with 2014.

> Figure 5:
MSI safe abortion/
post-abortion
care services,
2010-15

- Surgical Abortion/PAC
- Medical Abortion/
MPAC



Our clients

We provide services to some of the world's most marginalised and underserved communities. One of the ways we ensure our services are reaching those in greatest need is by measuring the proportion of clients that we define as 'high impact'.

High impact clients are those who fall into at least one of a number of groups: women not currently using contraception ('adopters'), women aged 15-24, women living in extreme poverty, and women who wouldn't have had any other option of receiving their service if it had not been for Marie Stopes International ('no availability').

- 41% of our clients were adopters, meaning they were not using modern contraception when they came to us.
- 27% of our clients were living in extreme poverty, defined as living on less than \$1.25 a day.
- 50% of the clients we served had no other option available to them to get the service that Marie Stopes International provided.
- 27% of the clients we served were aged 15-24, a group less likely to use contraception than older women.

2.3 Country programme achievements & performance

Regional performance is summarised in the table below. Each country programme is made up of one or more legal entities.

Regional Performance				
	Income		CYPs	
	2015 £'000	2014 £'000	2015 (000s) New Policies	2014 (000s) Old Policies
East Africa				
Ethiopia	7,884	7,966	1,070	982
Kenya	7,611	5,837	970	834
Mexico	3,110	3,584	85	144
Nigeria	7,887	5,598	1,317	867
South Sudan	372	1,636	4	43
MSI Uganda	4,388	-	288	-
MS Uganda	3,892	10,176	253	1,600
	35,144	34,797	3,987	4,470
Southern Africa				
Madagascar	4,413	4,417	921	719
Malawi	7,795	7,355	1,334	1,212
Tanzania	6,051	6,186	1,660	1,589
Zambia	2,654	3,401	203	189
Zimbabwe	3,501	2,905	471	401
South Africa	2,986	3,393	83	92
	27,400	27,657	4,672	4,202
West Africa				
Burkina Faso	2,143	1,042	232	190
Bolivia	1,687	1,897	102	160
Mali	2,537	1,943	402	421
Ghana	5,733	5,542	666	493
Niger	634	199	16	8
Sierra Leone	6,187	3,343	325	278
Senegal	1,518	1,254	247	143
	20,439	15,220	1,990	1,693
South Asia				
Bangladesh	10,204	8,008	2,709	3,044
India	4,162	2,428	1,031	977
India PHS	5,822	4,999	3,647	4,018
Sri Lanka	551	496	126	109
Nepal	2,080	3,110	396	406
	22,819	19,041	7,909	8,554
West Asia				
Afghanistan	2,154	2,345	421	375
Pakistan	17,052	13,584	3,028	2,760
Yemen	4,100	4,652	292	543
	23,306	20,581	3,741	3,678
Pacific Asia				
Cambodia	2,232	2,099	153	194
China	984	397	30	41
Mongolia	846	766	128	200
Myanmar	5,628	4,944	454	485
Papua New Guinea	2,922	2,610	114	112
Philippines	3,828	2,627	2,874	2,400
Timor Leste	1,246	1,138	34	32
Vietnam	4,290	3,133	2,933	2,829
	21,976	17,714	6,720	6,293
Regional support offices	2,171	1,528		
Total Country Programmes	153,255	136,538	29,019	28,890
UK & Europe clinics	34,099	31,672	226	222
Australia	14,177	17,559	103	94
Options	25,164	20,353	-	-
Global support office	22,813	22,459	150	49
Sub-grants to partners	16,789	13,423	-	-
Marie Stopes International Group	266,297	242,004	29,498	29,255

Performance highlights

In 2015 MSI made a number of changes to the policies used to calculate CYPs, to ensure the impact MSI reports is as accurate as possible. All of the 2015 CYP numbers stated below are calculated using the new policies. All of the 2014 CYP numbers stated below, are calculated using old policies.

East Africa & Mexico

Marie Stopes International Ethiopia had an impressive year of growth and generated 1,070,000 CYPs, 9% more than in 2014. Mobile outreach units saw an increase in service delivery including a 44% increase in tubal ligations through its strengthening of the public sector. The programme also registered as an income generating authority which will enable it to maximise income generation and help to build sustainability.

In 2015 **Marie Stopes Kenya** increased CYP delivery by over 16% to 970,000 through its outreach, centres and AMUA social franchise network, with a 25% increase in long-acting and permanent method (LAPM) provision. The centres saw increased client flow due to investments in marketing and client-centred care. The Amua social franchise network was revitalised resulting in a 48% increase in CYPs. Innovative pilots to reach youth through all service delivery channels took place, which will now be taken to scale.

Marie Stopes Mexico had a challenging year in 2015, as they saw a sharp decrease in the number of CYPs that they generated, from 144,000 in 2014 down to 85,000 in 2015. This was also accompanied by a drop in income from the previous years.

Marie Stopes International Nigeria has had another year of impressive growth. A total of 1,317,000 CYPs were generated, which is an increase of 51% on the previous year. While the number of social franchisees grew modestly, gains in productivity levels and a broader scope of services saw the SF channel generate 258,000 CYPs - an increase of 85% on 2014.

The **Marie Stopes South Sudan** country programme was closed in 2015 due to operating challenges.

Marie Stopes International Uganda was established and operational from April 2015. The programme had a steady start, with focus placed on consolidating the social franchise network. After nine months of service delivery, the organisation generated a total of 288,000 CYPs. 66,000 CYPs were generated through social franchising, 202,000 CYPs through outreach and 19,600 CYPs through the Dedicated Providers programme.

Marie Stopes Uganda, through its centres and social marketing channels generated 253,000 CYPs, with social marketing increasing from 50,000 to 225,000 CYPs. The programme was also active in the Uganda Family Planning Consortium, the coordination forum which successfully secured policy change to allow for greater provision of tubal ligations.

Southern Africa

Marie Stopes Madagascar achieved a 28% increase in CYPs to 921,000, 86% of which were generated through long-acting and permanent methods of contraception. This was achieved through large increases in both implants (30%) and IUDs (39%). 74% of their clients live in extreme poverty and 34% aged under 25, increasing access for those most vulnerable and in need.

In **Malawi, Banja La Mtsogolo (BLM)** generated 1,334,000 CYPs, a 10% increase on 2014 results. 90% of the CYPs were derived from long-acting and permanent methods, expanding choice and access to comprehensive contraceptive services across the country. Well-conceived and targeted awareness raising activities have contributed to a 37% increase on 2014 results in delivery of contraceptive services to young people under the age of 24.

Marie Stopes Tanzania generated a record 1,660,000 CYPs through its network of outreach teams, centres and social marketing products. 90% of CYPs were generated through the programme's outreach teams. The number of long-acting and permanent methods delivered increased by 16% compared to 2014. Improved youth-friendly services resulted in a 30% increase in contraception provided to young people compared with 2014.

Marie Stopes Zambia generated 203,000 CYPs, 65% of these came from long-acting and permanent method services, with a significant increase in tubal ligations (51%). The programme made significant advances in access to safe abortion in Zambia through the creation the influential Safe Abortion Action Group (SAAG) and by increasing their safe abortion CYPs by 38%.

In **Zimbabwe**, the programme saw growth of 17% on 2014 results and generated a total of 471,000 CYPs through service delivery at outreach, centre and social franchising sites. Social franchising continued to grow resulting in a 56% increase in CYPs compared to last year. Focused youth initiatives have also contributed to a 24% increase on 2014 results in the provision of contraceptive services to young people under the age of 24.

Marie Stopes South Africa had a challenging year with a decline in CYPs generated from 92,000 to 83,000 and the programme's income also fell during the same period. The programme invested significant time evaluating opportunities to improve efficiency and sustainability.

West Africa and Bolivia

Marie Stopes Burkina Faso increased the number of CYPs generated by 22%. This was financed through an income of just over £2 million. The programme expanded its outreach teams, Marie Stopes Ladies, social marketing and youth activities, as well as starting a call centre.

Marie Stopes Bolivia achieved 102,000 CYPs in the year, a 36% decrease on 2014, based on an income of £1.7 million. This was due to the loss of funding for outreach services: the

programme reduced its outreach teams to two from six, in addition to continuing to run its seven centres.

Marie Stopes Mali continues to be affected by the country's challenging security situation, which can impact the ability to deliver services. The programme generated almost 402,000 CYPs, a 5% decrease on 2014. Mali was financed through an income of just over £2.5m in 2015.

Marie Stopes Ghana generated 666,000 CYPs, an increase of 35%, which includes a healthy increase in its social marketing programme. Ghana also operates 10 centres, eight outreach teams, 288 BlueStar franchisees and a call centre. The team set up 25 Marie Stopes Ladies as a new channel during the year. Income for the programme was £5.7million.

Marie Stopes Niger entered its second year of operation, with 5 Marie Stopes Ladies, two outreach teams and a centre in Niamey. The centre was however unable to open to the public due to difficulties in gaining Ministry of Health registration. The programme generated 16,000 CYPs, double the number in 2014.

Marie Stopes Sierra Leone was able to get back to a more normal footing in 2015 as the country emerged from the Ebola outbreak. The programme achieved 325,000 CYPs, a growth of 17% on 2014, as well as continuing some of the Ebola prevention activities into May 2015. Income was £6.2m for the year and included some Ebola grants.

Marie Stopes International Senegal generated 247,000 CYPs in 2015, a 73% growth on 2014. The team operated seven outreach teams, 70 Blue Star franchisees (including starting with some selected community health posts), one centre, three youth centres and three Marie Stopes Ladies. These achievements were financed through an income of £1.5 million.

South Asia

Marie Stopes Bangladesh generated 11% fewer CYPs in 2015 while going through a period of change both in terms of interim leadership and head office restructure. The drop in CYP numbers is primarily due to the change of CYP recognition policy. The support office was restructured and the programme strengthened its systems and processes for data validation and evidence based decision making. Income in 2015 increased to £10m.

Marie Stopes India generated 1,031,000 CYPs in 2015, 666,000 of which came from outreach. This was aided by the scale up of outreach in Bihar and Uttar Pradesh through funding from the Bill and Melinda Gates Foundation, with a major focus placed on building stronger relationships with Government departments. The programme managed the closure of their Social Franchise network towards the end of the year.

PHS India generated the largest number of CYPs in the partnership, a total of 3,647,000 despite the closure of their outreach channel. The majority of their CYPs continue to come from their social marketing channel (3,599,000 CYPs) and centres which grew by 130% delivering 48,400 CYPs in 2015, an increase from 21,000 in 2014. The programme made the

highest contribution to medical abortion delivery across the partnership, delivering 1,185,000 CYPs.

Our **Sri Lanka** programme delivered an increase of 16% on its 2014 CYPs, generating 126,000 in 2015 in a politically challenging environment. The team received a grant of £170,000 from Danida to continue and enhance their advocacy work particularly around PAC guidelines and the registration of Misoprostol.

Marie Stopes International Nepal generated 10,000 fewer CYPs than in 2014, with service delivery affected by two earthquakes, political turmoil and resulting fuel crisis. The total number of safe abortion procedures increased by 7%. The programme was also awarded funding to strengthen the accessibility and availability of comprehensive family planning services in the public sector.

West Asia

Marie Stopes International Afghanistan was able to serve 429,000 clients and generate 421,000 CYPs in 2015, despite escalating security challenges. This was a 12% increase on 2014. The programme was also able to increase the number of post abortion-care services by 8% through increased government provider trainings and public sector support work.

Marie Stopes Society Pakistan generated 3,028,000 CYPs, an increase of 10% from 2014. The programme served a total of 661,510 clients, a 6% increase from 2014. Of these clients served, 73% were living on under \$2.50 per day. The growth in CYP was primarily fuelled by the social franchise channel that expanded from a network of 537 to 684 providers. Long-term and permanent method services grew in particular, with a 16.24% increase, as a result of scale up in these projects.

Marie Stopes International Yemen generated 292,000 CYPs, 46% fewer than in 2014. This was due to the deteriorating political and security situation in the country. The programme faced escalating operating costs and intermittent electricity and many days of office and centre closure. Towards the end of the year, Yemen was able to source supplies of IUCD's which helped generate 7% more social marketing income compared to last year, and 16% more surplus for the whole program.

Pacific Asia

Marie Stopes International Cambodia generated 153,000 CYPs in 2015. The programme saw a 14% increase in client visits compared with 2014. In 2015, the programme continued to focus heavily on providing reproductive health care to factory workers in garment factories. .

Marie Stopes International China generated 30,000 CYPs in 2015 and secured a subcontract from Fudan University in Shanghai as part of the DFID funded China-UK Global Health Support Program.

Marie Stopes International Mongolia continued to excel at social marketing and distributed over 4.6 million male condoms in 2015, remaining as the main distributor of condoms in Mongolia. The programme also saw a 42% increase in clinical procedures in its centres in 2015.

Marie Stopes International Myanmar generated over 454,000 CYPs in 2015. The programme saw 339,442 clients. They continued to focus on providing a wide range of services including long-acting contraceptive methods, sexual and reproductive health services and HIV counselling and testing services through their 44 clinics and 55 outreach teams.

Marie Stopes Papua New Guinea reached 40,889 clients in 2015 and reached more men and women in the rural and hard-to-reach Highland regions than in previous years. The programme is the largest non-governmental provider of family planning in the country, with four centres and 11 outreach mobile teams.

Population Services Philippines Inc. increased CYPs by 20%, achieving almost 3 million CYPs in 2015. In 2015, the programme also successfully advocated for a change in policy to allow for midwives to have the ability to insert implants. This will vastly increase contraceptive choice for women in the Philippines.

Marie Stopes International Timor Leste served over 30,000 family planning clients and generated over 34,000 CYPs, a 6% increase on 2014. Half of the programme's clients were living on less than \$1.25 a day.

Marie Stopes International Vietnam generated a total of 2,933,000 CYPs, an increase on the 2014 figure of 2,830,810 CYPs. They continue to be one of the biggest generators of CYPs in the Partnership. The programme also saw an increase in the number of client visits in 2015 to almost 1.5 million.

UK and Australia programmes

Marie Stopes UK had a very strong 2015, with a 7% increase in the number of abortion services provided. The programme also provided more than 23,000 women with long-acting reversible contraception.

Marie Stopes Australia increased the number of its clinics and women's access to medical abortion and surgical abortion in 2015. The programme saw over 12,241 clients through its 17 centres and, acting as the sole distributor of Mifepristone, distributed 17,000 units of the drug outside its centre network.

The Group also owns **Options Consultancy Services Ltd** ("Options"). Options provides consultancy services in sexual and reproductive health throughout the world, including programmes in Bangladesh, Kenya and Nigeria. In 2015 Options turnover exceeded £25 million.

2.4 Financial review

The results for the year are shown in the consolidated statement of financial activities. The Trustees are pleased to note the continued financial health of the organisation. Income continued to grow strongly in the year (an increase of £24.3m, 10%), represented by growth in both donor funded income and self-generated service income. Expenditure grew by £27.0m (12%) to match the growth in income. This has led to an increase in reserves of £9.9m. Cash holdings at the year-end have increased by £10.3m to £69.3m.

The Charity conducts its operations through its branches and subsidiaries throughout the world and several of these overseas operations operate at a deficit requiring support from the parent charity. At 31 December 2015 ten subsidiaries reported net liabilities with a total of £6.4 million. The Charity has reviewed the branches and subsidiaries that it supports and plans to continue to provide such support to these entities as is necessary for them to continue in operation for the benefit of the Charity's beneficiaries and in accordance with its charitable mission.

Surplus

The net movement in funds of £9.9m is made up of an operating surplus of £10.9m, and unrealised investment and foreign exchange losses of £1.0m. The majority of the movement in funds is represented by growth in unrestricted reserves of £6.7m.

Income

Income	2015	2014
	£m	£m
Grant income	151.2	129.9
Service income	76.7	78.8
Consultancy income	24.9	20.2
Voluntary income	9.8	7.3
Gifted assets	-	1.7
Other income	3.7	4.1
	266.3	242.0

In 2015 total income was £266.3 million, an increase of £24.3 million on the prior year. This is due to a £21.3 million increase in donor income and a £4.7 million increase in consultancy income.

The growth in donor income for charitable activities in 2015 is a result of the success of the *Power of 10* strategy. MSI have developed a new global five year strategy for the period 2015 – 2020 called *Scaling-Up Excellence*.

Expenditure

In 2015 total expenditure was £255.6 million, an increase of £27.0 million. This matches the increase in incoming resources for charitable activities. Staff costs increased by £14.2m to £113.9m, this increase was proportionate to the total increase in expenditure.

Cash balances

Cash increased in 2015 by £10.3 million to £69.3 million. The increase in cash is principally due to the advanced receipt of donor funds, and is offset by deferred income.

An analysis of cash balances by region is shown in the table below.

Cash balances by Region		
	2015	2014
	£m	£m
Region		
East Africa	2.0	3.2
Southern Africa	1.7	4.8
West Africa	2.1	2.0
South Asia	2.0	2.5
West Asia	2.0	5.1
Pacific Asia	3.1	4.7
Rest of the World	7.0	5.8
UK	49.4	30.9
	69.3	59.0

Reserves policy

The Trustees reviewed the group reserves policy in November 2015. The purpose of the group reserve is to provide an unencumbered resource for the pursuit of Marie Stopes International's charitable mission. Reserves would be used to ensure the organisation could operate in times of substantial income fluctuations or where expenditure on charitable activities could not or should not be scaled back in the short to medium term. At the same time, our policy is designed to ensure that we do not retain income for longer than is required. The Trustees consider the group's reserves requirements from both a long and short-term perspective.

Based on this review, the trustees have established a target range for free reserves of between £30 million and £35 million, with a target of £20 million to be held in a liquid investment fund.

At 31 December 2015 the group had the following unrestricted reserves:

- A designated sustainability reserve of £9.7m (2014: £7.4m) which is invested in a UK managed investment fund. These funds are available on demand, and form a core part of the group's free reserves.
- General unrestricted reserves of £45.1m (2014: £39.4m). This is made up of global working capital and is not all immediately available for use.
- A designated tangible fixed assets reserve of £30.4m (2014: £31.6m) which represents the net book value of MSI's unrestricted tangible fixed assets – primarily clinic buildings.

This gives total unrestricted reserves of £85.2m (2014: £78.5 million). Marie Stopes International unrestricted funds represent the cumulative surpluses from the group's

worldwide operations. This includes substantial commercial operations in the UK, Australia and Western Europe. The trustees endorse the use of surpluses from these operations to fund family planning and sexual and reproductive health services around the world.

At 31 December 2015, MSI had liquid free reserves of £15.2m, these are primarily held in the sustainability reserve. MSI will continue to build up the sustainability reserve until the free reserves target of £30-35 million is met. The trustees intend to increase the sustainability reserve and the matching market investments by £2 million in 2016 to provide greater cover against short-term risks.

For the purpose of assessing the adequacy of the group's reserves, trustees take a prudent view, based on the likely timescale to realise assets, or secure borrowings against those assets, and thereby generate liquid funds. The trustees therefore monitor other liquid assets and the potential to secure medium term secured funding against the group's tangible fixed assets.

In addition Marie Stopes International had restricted funds at 31 December 2015 of £15.3m (2014: £12.2m). These restricted funds are from two sources:

- Income received from donors to directly support our charitable activities.
- Net proceeds from clinic services which, for local legal reasons, are restricted to be used within the country where the income was generated.

Investments

Excluding investments in subsidiaries and programme-related investments, Marie Stopes International's principal investments are a managed investment fund (net book value £9.7 million at 31 December 2015; 2014: £7.6 million), and a Dublin property (market value £0.24 million at 31 December 2015; 2014: £0.26 million).

In November 2015 the Board of Marie Stopes International:

- Reviewed MSI's approach to investment management
- Recommended MSI re-tender for investment manager

Marie Stopes International's revised investment objectives are to prioritise capital security in short-term investments, and prioritise capital growth in medium term investments, at acceptable levels of risk.

Marie Stopes International's revised investment management strategy is to manage the fund at arm's length through half-yearly review meetings with the investment manager. Performance will be assessed against the FTSE 100 index and the MSCI World index

In March 2016, Marie Stopes International appointed GAM as the new investment manager for the group. The transition from the current fund managers will occur by the end of 2016.

2.5 Employees

Marie Stopes International is a global organisation comprising a diverse workforce of over 12,000 team members across 37 countries. A consistent focus on recruiting and retaining talented committed professionals who deliver to our global mission ensures the sustainability of the organisation. By the end of the year the Executive Team was fully resourced with a mix of both internal and external recruits.

The global performance management system, directly linking team member performance and accountability to the overall performance of the organisation, was rolled out to the country programmes. The Values and Behaviours have been rolled out across the organisation and will be embedded in a range of initiatives during the implementation of the Scaling Up Excellence 2020 strategy.

Following the work we undertook at Talent Boards in 2015, we filled 60% of our country lead roles internally, so we are well on our way to achieving our goal of 80% of our business critical positions being filled by talented internal candidates by 2020.

Other Talent initiatives in 2015 included the creation of a graduate programme by the UK business, in conjunction with *Charityworks*, and participation in the GSK secondment scheme. Both initiatives were successful and are being repeated in 2016 to aid incoming talent and knowledge to MSI. Each Executive Team member takes responsibility for the development of our talent and ensuring appropriate training is given and adequate retention is in place. Plans were put in place for a Talent Development Programme to be rolled out in 2016.

As an organisation we work in some challenging environments, therefore we place particular emphasis on how we can support our team members. We have a dedicated Crisis Management Team, comprising experts from across support functions in our global support offices and in-country management. The Crisis Management Team provides key support to enable team members to work through crises, ensuring business continuity in addition to safety and security.

Marie Stopes International believes that it is important to be transparent regarding remuneration for senior team members balanced with realism about attracting talent to our organisation. Our senior reward approach encompasses two main factors:

- internal job evaluation which weights the distinct elements of roles and allows for internal comparison of roles within different functions; e.g. in operational management and in business support teams; and
- external pay benchmarking via the use of market data taken from sector specific and general pay surveys.

We refer to the market median as the benchmark for determining salaries for fully competent individuals, along with a consideration of specific requirements for each post. Any salaries which fall outside the externally benchmarked median levels must be approved by the organisation's Remuneration Committee processes.

Senior team members receive ongoing performance management and an annual appraisal from the Chief Executive Officer on their contribution to the achievement of the strategy.

The Chief Executive Officer's remuneration is set by the Board of Trustees and the Trustees approve the annual remuneration budgets for pay and bonuses.

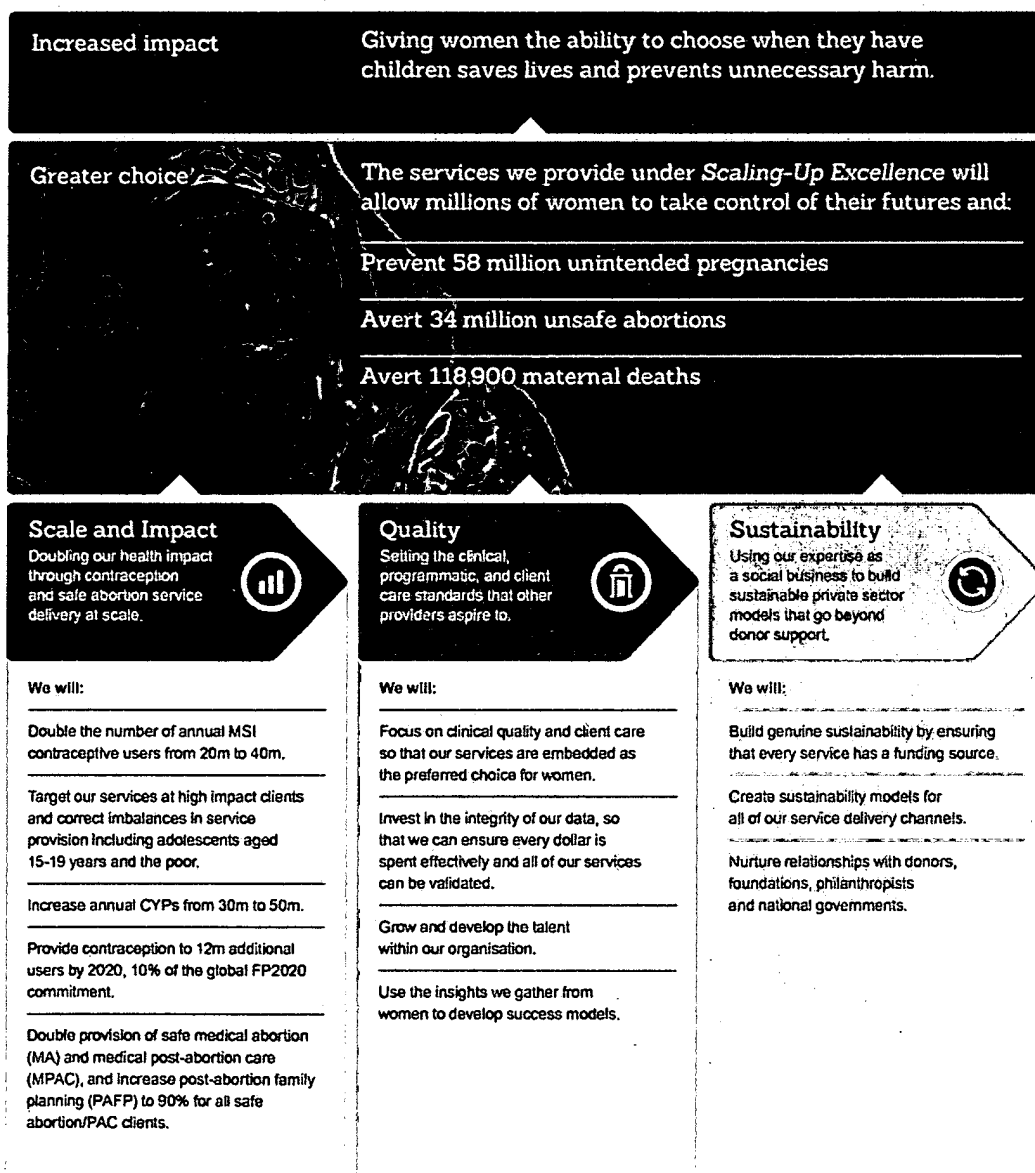
We continue to operate as an equal opportunities employer, with a zero tolerance approach to any form of discrimination and have the relevant policies and procedures in place to support this.

3. Plans for future periods

At the end of 2015 Marie Stopes International finalised its strategic plan, *Scaling-Up Excellence: Universal access one woman at a time*, which covers the period 2016-2020. *Scaling-Up Excellence* will guide the work of the organisation and all its country programmes over the next five years.

Scaling-Up Excellence is deeply rooted in our values, our commitment to our clients, and our unwavering focus on clinical quality, client-centred care and effective governance. We have incorporated the lessons learned from our country programmes' experiences in pioneering innovative service delivery models like outreach and social franchising, and radically transforming the provision of safe and affordable medical abortion.

The approach to delivering global impact that it defines is built on the strategies and goals contained within the three interlinking pillars of Scale & Impact, Quality and Sustainability. These pillars form the strategic framework that will guide our work over the next five years.



Delivering **Scale and Impact** is the key focus of our strategy and to do that we will:

- Use a balanced country portfolio approach to make deliberate choices about where to invest financial and technical resources. We will choose service delivery models that correct gaps in service provision (including adolescents aged 15-19) and deliver scale, impact and sustainability in each country. This will allow us to maximise the global impact of our Partnership.
- Increase access to medical abortion (MA) / medical post-abortion care (MPAC), doubling provision through a revitalised social marketing strategy. This will be supported by a continuum of client care, integrated call centres and post-abortion family planning (PAFP).
- Use our proven long-acting and permanent methods (LAPM) of contraception delivery models to provide the full range of contraceptive method choice to every client. Our services prioritise the needs of the client - quality counseling, respect, and comprehensive contraceptive choice. We will demonstrate that our LAPM service delivery models are the most cost effective way of increasing contraceptive prevalence and delivering lasting change in behavioural norms and continued demand for contraception.
- Work to remove policy and clinical restrictions that limit access to contraception, safe abortion, and post abortion care services, using our position as a service provider to 'advocate by doing'.

We will not compromise our absolute commitment to **Quality** in everything we do. It is the **Quality** of our services that will drive our ability to achieve **Scale and Impact**. We will:

- Continue to Invest in governance and audit oversight, clinical quality standards and provider training. Continue to provide surgical procedures in our own unique way. Our procedures have been developed to ensure that clients' discomfort and pain is minimised.
- Invest in our people to nurture our unique Marie Stopes International culture and grow our capacity by putting investment in people at the heart of our new strategy.
- Invest in insight so that we are led by the needs voiced by our clients and women and girls with unmet need. This will allow us to create enduring user demand for universal access to all methods of contraception.

We want to deliver **Scale and Impact** and maintain our commitment to **Quality**, not just this year or for the duration of our Scaling-Up Excellence strategy but for generations to come. So to ensure the **Sustainability** of our services we will:

- Continue to develop sustainable models for all service delivery channels, with every service provided backed by a funding source.
- Evolve a global network of self-sustaining centres, which will set the standard for client care and clinical quality for contraception and safe abortion services across our network and the sector.
- Work with national governments, donors, and others to shape markets and increase access to and funding for contraception and safe abortion services, ensuring contraception and safe abortion/PAC services are included in universal health care (UHC) frameworks and funded through domestic financing.

- **Innovate and test sustainable contraceptive technologies and service delivery models, including safe obstetrics and post-partum family planning (PPFP). To be successful, these private sector models will increase access to maternal health services to low and middle income clients, as well as increase the use of core services and generate surplus that can be reinvested to achieve our global mission.**

4. Independent auditors

A resolution proposing that PricewaterhouseCoopers LLP be reappointed as auditors of the Charity will be put to the Board at the Annual General Meeting.

5. Statement of trustees' responsibilities

The trustees (who are also directors of Marie Stopes International for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have prepared the financial statements in accordance with United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the trustees are aware, there is no relevant audit information of which the company's auditors are unaware; and they have taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Going Concern

The Trustees have reviewed the Group's financial position, taking account of the level of reserves and cash, the annual business plan and the systems of financial and risk management. As a result of this review, the Trustees believe that Marie Stopes International is well placed to manage operational and financial risks successfully.

Accordingly, the Trustees expect that Marie Stopes International has adequate resources to continue in operational existence for the foreseeable future and therefore continue to adopt the going concern basis of accounting in preparing the financial statements.

This report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 14 June 2016 including approving in their capacity as company Directors the Strategic Report contained therein, and is signed as authorised on its behalf by:

A handwritten signature in black ink, appearing to be 'TM Rutter', written over a horizontal line.

Mr TM Rutter FRCS

Chairman

Independent auditors' report to the members of Marie Stopes International

Report on the financial statements

Our opinion

In our opinion, Marie Stopes International's group financial statements and parent charitable company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 December 2015 and of the group's incoming resources and application of resources, including its income and expenditure and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Marie Stopes International Financial Statements and Audit Report (the "Annual Report"), comprise:

- the group and parent charitable company balance sheets as at 31 December 2015;
- the consolidated statement of financial activities and the income and expenditure account for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the trustees have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trustees' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of trustees' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the trustees; and

- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the trustees' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



NWE Boden (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

14 June 2016

**Consolidated statement of financial activities (incorporating the income and expenditure account)
for the year ended 31 December 2015**

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
INCOME FROM					
Donations	3a	2,649	7,172	9,821	9,037
Charitable activities	3b	103,200	149,627	252,827	228,871
Investments	3c	489	189	678	740
Other income		2,242	729	2,971	3,356
Total income		108,580	157,717	266,297	242,004
EXPENDITURE ON					
Raising funds	4	(1,017)	-	(1,017)	(590)
Charitable activities	4	(99,165)	(155,429)	(254,594)	(227,982)
Total expenditure		(100,182)	(155,429)	(255,611)	(228,572)
Net gains on investments	10d	183	-	183	370
Net income		8,581	2,288	10,869	13,802
Transfers between funds	15/22	(854)	854	-	-
Other recognised (losses) / gains					
Loss on revaluation of fixed assets	10a	-	-	-	(5)
Unrealised exchange (losses) / gains		(1,001)	-	(1,001)	1,798
Net movement in funds	7	6,726	3,142	9,868	15,595
Fund balances brought forward	15/16	78,506	12,186	90,692	75,097
Fund balances carried forward	15/16	85,232	15,328	100,560	90,692

All amounts relate to continuing activities. All gains and losses recognised in the year are included in the Statement of Financial Activities.

There is no material difference between the net income for the year and net movement in funds stated above and their historical cost equivalents.

The 2014 funds brought forward of £75.1m are made up of unrestricted funds of £69.1m and restricted funds of £6.0m. Please see Note 2 for further detail.

The notes on pages 33 to 50 form part of these financial statements.

Balance sheet as at 31 December 2015

	Note	Group		Company	
		Total 2015 £'000	Total 2014 £'000	Total 2015 £'000	Total 2014 £'000
Fixed assets					
Intangible assets	8	740	3,537	731	2,367
Tangible assets	9	39,673	41,768	23,917	24,350
Investments	10	10,172	7,891	13,415	11,348
Total fixed assets		50,585	53,196	38,063	38,065
Current assets					
Stock and work-in-progress		12,870	13,593	5,357	4,823
Receivables	11	48,460	45,582	42,012	41,525
Short-term deposits		3,290	3,883	215	736
Cash at bank and in hand		69,298	58,989	50,224	39,707
Total current assets		133,918	122,047	97,808	86,791
Payables: amounts falling due within one year	12a	(78,259)	(79,508)	(54,000)	(57,385)
Net current assets		55,659	42,539	43,808	29,406
Total assets less current liabilities		106,244	95,735	81,871	67,471
Payables: amounts falling due after more than one year	12b	(926)	(514)	(893)	(280)
Loans: amounts falling due after more than one year	13	(4,758)	(4,529)	(4,748)	(3,992)
Net assets		100,560	90,692	76,230	63,199
The funds of the charity:					
Unrestricted income funds					
General funds		45,123	39,449	36,187	31,426
Designated funds - tangible fixed asset reserve	16	30,393	31,634	23,917	24,350
Designated funds - sustainability reserve	16	9,716	7,423	9,716	7,423
Total unrestricted income funds	16	85,232	78,506	69,820	63,199
Restricted income funds	15	15,328	12,186	6,410	-
Total charity funds		100,560	90,692	76,230	63,199

The notes on pages 33 to 50 form part of these financial statements.

The financial statements on pages 30 to 50 were approved by the Board of Trustees *14 June 2016* and signed on its behalf by



Mr. JM Rutter FRCS Chairman

Consolidated cash flow statement for the year ended 31 December 2015

	2015		2014	
	£'000	£'000	£'000	£'000
Net cash provided by operating activities		19,835		26,018
Cash flows from investing activities				
Dividends, interest and rents from investments	678		740	
Proceeds from sale of tangible fixed assets	637		697	
Proceeds from sale of fixed asset investments	-		262	
Purchase of tangible fixed assets	(7,866)		(11,991)	
Purchase of intangible assets	(158)		(288)	
Purchase of fixed asset investments	(2,131)		(410)	
Net cash used in investing activities		(8,840)		(10,990)
Cash flows from financing activities				
(Decrease)/increase in bank and unsecured loans	(1,208)		557	
Increase/(decrease) in long term loans	229		(986)	
Cash acquired as gifted assets	-		214	
Net cash used in financing activities		(979)		(215)
Net increase in cash and cash equivalents		10,016		14,813
Cash and cash equivalents at 1 January		62,572		47,759
Cash and cash equivalents at 31 December		<u>72,588</u>		<u>62,572</u>
Cash and cash equivalents consists of:				
Cash at bank and in hand		69,298		58,989
Short-term deposits		3,290		3,883
Bank overdrafts		-		(300)
Total cash and cash equivalents		<u>72,588</u>		<u>62,572</u>

Notes

a) Reconciliation of net income to net cash inflow from operating activities

	2015	2014
	£'000	£'000
Net income for the year	10,869	13,802
Gifted assets	-	(1,712)
Investment income	(678)	(740)
Depreciation of tangible fixed assets	8,015	7,964
Amortisation & impairment of intangible fixed assets	2,781	678
Loss on disposal of tangible fixed assets	75	144
Gain on revaluation of investments	(183)	(370)
Decrease/(Increase) in stocks	723	(2,987)
Decrease/(Increase) in receivables	(2,878)	(8,197)
(Decrease)/Increase in payables & provisions	671	16,211
Exchange movements	440	1,225
Net cash inflow from operating activities	19,835	26,018

b) Reconciliation of movement in net funds

Total cash and cash equivalents	72,588	62,572
Bank loans falling due within one year	(419)	(1,627)
Other loans falling due after more than one year	(4,758)	(4,529)
Cash and cash equivalents less borrowings	67,411	56,416
Increase in cash	10,016	14,813
Cash outflow from financing	979	429
Net funds at 1 January	56,416	41,174
Net funds at 31 December	67,411	56,416

The notes on pages 33 to 50 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Management undertook an exercise to assess the impact of the new Statement of Recommended Practice (SORP) 2015 on the company and the group and concluded that all numerical changes to the accounts are immaterial. MSI has made purely presentational changes to the accounts; including a number of new disclosures and some reclassification of prior year comparatives in disclosure notes. As such, there has been no adjustment to any of the figures presented in the primary financial statements or their 2014 comparatives.

The principal accounting policies, which have been applied consistently in the year, are set out below.

a) Basis of preparation and assessment of going concern

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments to market values. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in note (o) to these policies.

No separate Statement of Financial Activities or income and expenditure account has been presented for the company alone as permitted by section 408 of the Companies Act 2006. The company had total incoming resources in the year of £133.2 million (2014: £117.3 million) and total resources expended of £120.2 million (2014: £110.9 million) giving a net gain for the year of £13.0 million (2014: £6.4 million). The net movement in funds, after investment gains/losses was a gain of £13m (2014: £6.8 million)

Having considered the risks, reserves and financial position the financial statements have been prepared on a going concern basis.

b) Basis of consolidation

The Group financial statements combine the results of the parent undertaking, Marie Stopes International, and its subsidiary undertakings after eliminating inter-group transactions. Marie Stopes International refers to Marie Stopes International's UK operations and international branch offices. The subsidiary undertakings are detailed in note 20.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the financial and operating policies of the entity it accounts for that entity as a subsidiary.

Where a subsidiary has different accounting policies to the Group, adjustments are made on consolidation to apply the Group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the year are included up to, or from, the dates of change of control.

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated income statement. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

c) Foreign currency

(i) Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands. The Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the opening exchange rates for the month of transaction.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at month of transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and related to borrowings and cash and cash equivalents are presented in the Statement of Financial Activities (SOFA).

Foreign exchange gains and losses resulting from the translation at period-end exchange rates of monetary assets and liabilities and all other foreign exchange gains and losses are presented in SOFA within 'Unrealised exchange gains/(losses)'.

(iii) Translation

The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year end.

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies (continued)

d) Income

Incoming from charitable activities comprises income from the provision of services to clients for sexual and reproductive healthcare, grants for the delivery of sexual & reproductive health services and consultancy services.

Donations

Donations are included in the Statement of Financial Activities when there is entitlement to the income, reasonable certainty of receipt and the amount can be measured reliably.

Gifts in kind

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. The donation is recognised on receipt of goods and services and the goods and services are expended when used.

Grant income

Income from external grants is recognised in the Statement of Financial Activities as soon as it is receivable unless donor conditions related to performance and specific deliverables apply. These grants are accounted for as the charity earns the right to consideration through performance. Where income is received in advance it is classified as deferred and included in creditors until conditions of entitlement are met, at which point it is released. Where entitlement occurs before the income is received the income is accrued and included in debtors.

Service income

Service income comprises income received and receivable from clients for sexual and reproductive health services and products provided during the period.

Investments

Investment income comprises interest, dividends, distributions and rents and is recognised in the period in which it becomes receivable.

e) Expenditure

All expenditure is accounted for on an accruals basis. Direct costs incurred by the Group are allocated across the various types of expenditure as follows:

Raising funds comprises costs relating to the raising of voluntary donations such as production of publications, direct mailing campaigns, donations database maintenance and personnel.

Charitable activities comprise costs relating directly to the delivery of family planning and other sexual and reproductive health services and related advocacy and awareness raising and capacity building. Costs include 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.

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.

f) Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the SOFA account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

g) 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 Statement of Financial Activities as incurred.

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies (continued)

h) Grants paid

Grants payable to third parties to reimburse them for specific activities undertaken by them in support of Marie Stopes International's charitable activities are charged to the Statement of Financial Activities when an obligation exists.

i) Intangible fixed assets

Goodwill, which represents the excess of the acquisition costs over the fair values of the identifiable net assets acquired is capitalised at cost and amortised over its estimated useful life.

Registration and license fees are capitalised at cost and are amortised over the period to which the rights relate (estimated to be seven years).

j) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation has been provided on completed assets at rates calculated to write off the cost 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
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

Marie Stopes International capitalises fixed assets in the UK above a value of £5,000. For Marie Stopes International's branches and subsidiaries overseas the capitalisation level is lower and varies by entity.

Assets under development are not depreciated until they have been brought into use.

The carrying value of fixed assets is reviewed for impairment if events or changes in circumstances suggest that their carrying amount may not be recoverable.

k) Fixed asset Investments

Listed investments and investment properties are stated at the market value at the balance sheet date. Investments such as hedge funds and private equity funds, which have no readily identifiable market value, are included at the most recent valuations from their respective managers.

Investments in subsidiaries are stated at cost less any provision to impairment.

Revaluation gains or losses arising during the year are included in the Statement of Financial Activities. Impairments are charged to resources expended on charitable activities. Investment income is the amount receivable by Marie Stopes International in the year.

l) Programme related investments

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

m) Stock

Stock represents medical equipment and supplies purchased or donated to fulfil Marie Stopes International charitable objectives and is reported at the lower of cost and net realisable value. In some circumstances stock items are sold (rather than used internally) after the balance sheet date. In such cases our assessment of net realisable value is based on the service potential provided by the items of stock because, as indicated, the sale after the balance sheet date is made in furtherance of our charitable objectives. As a result, in these cases, it is not necessary to impair the carrying value of this stock at the period end.

n) Reserves and fund accounting

General reserves are unrestricted funds available to be used at the discretion of the Board of Trustees for the furtherance of the charitable objectives of the Group and which have not been designated for any other purpose.

Designated funds comprise unrestricted funds that have been set aside by the Board of Trustees for particular purposes. The aim of each designated fund is set out in note 16.

Restricted funds are funds which have to be used in accordance with specific restrictions imposed by a donor and funds restricted by constitution which represent the accumulated surpluses from those group entities where the funds have been generated locally and the future use is restricted to that location.

Overhead/support costs relating to restricted donor funds are classed as unrestricted expenditure and are not directly attributed to restricted funds at source. The fees earned on restricted donor funds in relation to these overhead/support costs are directly attributed to restricted income and at the year end a reallocation is made between restricted and unrestricted funds in relation to these fees.

Notes to the financial statements for the year ended 31 December 2015

1 Accounting policies (continued)

o) Key accounting estimates and assumptions

The charity makes estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include provisions, accruals, depreciation and revenue recognition. The accounting in these areas of the accounts requires management to use judgement. In relation to provisions and accruals this is with regard to a best estimate of the costs that will be incurred based on legislative and contractual requirements. For depreciation these estimates are driven by the useful economic life of the associated assets. For revenue recognition management apply judgement in concluding on the point at which revenue should be recognised.

p) Financial Instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

q) Company status

Marie Stopes International is a company limited by guarantee. The members of the Company are the Trustees named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per Trustee.

Notes to the financial statements for the year ended 31 December 2015

2. Comparative information for the consolidated statement of financial activities (incorporating the income and expenditure account) for the year ended 31 December 2015

	2015			2014		
	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2014 £'000
INCOME FROM						
Donations	2,649	7,172	9,821	3,200	5,837	9,037
Charitable activities	103,200	149,627	252,827	108,423	120,448	228,871
Investments	489	189	678	510	230	740
Other income	2,242	729	2,971	2,409	947	3,356
Total income	108,580	157,717	266,297	114,542	127,462	242,004
EXPENDITURE ON						
Raising funds	(1,017)	-	(1,017)	(590)	-	(590)
Charitable activities	(99,165)	(155,429)	(254,594)	(104,502)	(123,480)	(227,982)
Total expenditure	(100,182)	(155,429)	(255,611)	(105,092)	(123,480)	(228,572)
Net gains on investments	183	-	183	370	-	370
Net income	8,581	2,288	10,869	9,820	3,982	13,802
Transfers between funds	(854)	854		(1,214)	1,214	-
Other recognised gains / (losses)						
Loss on revaluation of fixed assets	-	-	-	(5)	-	(5)
Other gains / (losses)	(1,001)	-	(1,001)	822	976	1,798
Net movement in funds	6,726	3,142	9,868	9,423	6,172	15,595
Fund balances brought forward at 1 January 2015	78,506	12,186	90,692	69,083	6,014	75,097
Fund balances carried forward at 31 December 2015	85,232	15,328	100,560	78,506	12,186	90,692

Notes to the financial statements for the year ended 31 December 2015

3 Income from

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
a) Donations				
Gifts in Kind	1,671	5,312	6,983	5,325
Donations and legacies	978	1,860	2,838	2,000
Gifted assets	-	-	-	1,712
	2,649	7,172	9,821	9,037

Gifts in kind represent the estimated cost of goods donated to the group at the value at which the group would have paid. The amounts are included as costs in the appropriate expenditure categories and consist of:

	Total 2015 £'000	Total 2014 £'000
- Family planning commodities	5,892	4,961
- Equipment	1,091	364
	6,983	5,325

b) Charitable activities

Grant income	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
Department for International Development	1,076	45,310	46,386	45,286
United States Agency for International Development	-	23,421	23,421	17,060
The Bill and Melinda Gates Foundation	-	12,131	12,131	4,872
Ministry of Foreign Affairs of Denmark	2,860	2,220	5,080	2,255
United Nations	788	3,694	4,482	3,702
Netherlands Ministry of Foreign Affairs	421	4,043	4,464	5,604
Ministry for Foreign Affairs of Finland	-	483	483	536
European Union	-	1,393	1,393	540
Swedish International Development Agency	-	1,184	1,184	606
World Bank	-	563	563	186
The David and Lucile Packard Foundation	-	497	497	401
Norwegian Agency for Development Cooperation	-	669	669	1,031
Kreditanstalt für Wiederaufbau	-	2,539	2,539	2,556
Anonymous	3	20,935	20,938	21,922
Other	1,161	25,849	27,010	23,293
	6,309	144,931	151,241	129,850
Reallocation of fees earned on restricted grants	6,292	(6,292)	-	-
	12,601	138,640	151,241	129,850
Service income				
Sexual and reproductive healthcare services	91,799	11,633	103,432	100,440
Fee waived	(1,200)	(646)	(1,846)	(1,419)
	90,599	10,987	101,586	99,021
Total income from charitable activities	103,200	149,627	252,827	228,871

Grant income is recognised in accordance with the Charities SORP and as a result may differ from cash received, please see note 1d for further information. Where the purpose of the grant is narrower than the charitable objects of Marie Stopes International, is restricted to a specific location, or deemed to be restricted by time constraints, the grant income is classified as restricted. The fees earned on restricted donor funds in relation to overhead/support costs are directly attributed to restricted income and at the year end a reallocation is made between restricted and unrestricted funds in relation to these fees.

Approximately half of Marie Stopes International's income relates to global projects. A geographical split of this income is shown on page 12 of the Trustees' Report

	Unrestricted funds £'000	Restricted funds £'000	Total 2015 £'000	Total 2014 £'000
c) Investments				
Bank interest receivable	215	113	328	426
Distributions receivable	114	-	114	101
Rent receivable	150	72	222	201
Other receivable	10	4	14	12
	489	189	678	740

Notes to the financial statements for the year ended 31 December 2015

4 Expenditure

a) Total expenditure

	Programme activities £'000	Staff costs (4d) £'000	Other costs £'000	Governance costs £'000	Support costs costs (4c) £'000	Total 2015 £'000	Total 2014 £'000
Raising funds	-	882	-	-	135	1,017	590
Charitable activities	108,374	113,103	19,495	1,271	12,351	254,594	227,982
Subtotal	108,374	113,985	19,495	1,271	12,486	255,611	228,572
Support costs reallocation	10,478	-	1,885	123	(12,486)	-	-
Total	118,852	113,985	21,380	1,394	-	255,611	228,572

Governance costs include expenditure on internal and external audit, Trustee meetings and non-audit services. In 2015 the cost of the group audit was £177,600 (2014: £174,000), inclusive of VAT. In addition, fees for the audit of country programmes totalled £272,000 (2014: £250,000)

Non-audit fees paid to the current auditors in the year was £29,000 (2014: £136,000)

b) Programme activities

Programme activity expenditure includes subcontracts awarded to external partners of £16,787,000 (2014: £12,287,000). Details are available from Marie Stopes International, 1 Conway Street, London W1T 6LP.

c) Support costs

						2015	2014
Support costs by function	Management & Office Services £'000	Finance & Information Technology £'000	Programme Support £'000	People & Development £'000	External Relations £'000	Total support costs £'000	Total support costs £'000
	1,332	2,211	7,796	456	691	12,486	10,802

Support costs represent the cost of Marie Stopes International's London and regional support offices and are allocated by function. Costs relate to the costs of technical assistance to programmes and to the corporate functions of Information Technology, People and Development, External Relations and other centralised functions.

Support costs are apportioned to specific activities based on the weighting of each function as a percentage of total costs.

d) Staff

	2015 £'000	2014 £'000
Staff costs:		
- Wages and salaries	83,483	74,509
- Social security costs	4,392	3,921
- Other pension costs	2,810	2,692
	90,685	81,122
Sessional fees and agency costs	23,300	18,533
Total staff costs	113,985	99,655

The charity operates a defined contribution pension 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.

In line with government legislation, Marie Stopes International commenced the automatic enrolment of its staff into its defined contribution pension scheme where certain criteria are met.

On 1 October 2013, the charity introduced 'Smart' pensions for all members of the group personal pension scheme. Smart pensions is a salary sacrifice scheme for pension contributions enabling current members to save on national insurance contributions. Staff can choose to opt out of Smart pensions and remain in the standard pension scheme.

Redundancy and termination payments totalled £1,069,000 in 2015 (2014: £880,000).

Notes to the financial statements for the year ended 31 December 2015

4 Expenditure (continued)

Staff (continued)

The average monthly number of staff analysed by function was:

	2015 Number	2014 Number
- Raising funds	8	6
- Charitable activities	12,418	10,300
	12,426	10,306

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

	2015 Number	2014 Number
£60,001 - £70,000	32	29
£70,001 - £80,000	18	24
£80,001 - £90,000	13	7
£90,001 - £100,000	10	13
£100,001 - £110,000	3	2
£110,001 - £120,000	5	5
£120,001 - £130,000	-	2
£130,001 - £140,000	1	1
£140,001 - £150,000	1	2
£150,001 - £160,000	4	2
£160,001 - £170,000	2	1
£170,001 - £180,000	1	-
£180,001 - £190,000	2	-
£200,001 - £210,000	1	-
£210,001 - £220,000	-	1
£260,001 - £270,000	1	1
£370,001 - £380,000	-	1
£420,000 - £430,000	1	-

Employee numbers disclosed above include staff from all entities in the group, including Options Consultancy Services.

The remuneration of the highest paid employee was split between base salary (£168,924) and performance-based bonus (£251,831). The total paid to key management personnel in 2015 was £939,000 (2014: £712,000).

Retirement benefits were accrued under a defined contribution scheme for 76 higher paid employees (2014: 48). Total employer contributions for these employees were £249,000 (2014: £305,000).

5 Directors' emoluments

None of the directors received emoluments during the year for their services as trustees (2014: none).

6 Interest payable and similar charges

	2015 £'000	2014 £'000
Loans and overdrafts	183	239

7 Net movement in funds

	2015 £'000	2014 £'000
Net movement in funds is stated after charging:		
Amortisation of intangible fixed assets	511	678
Depreciation of tangible fixed assets	8,015	7,964
Operating lease rentals	5,845	5,721

Notes to the financial statements for the year ended 31 December 2015

8 Intangible fixed assets

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Goodwill				
Opening balance	2,328	2,727	2,312	2,673
Impairments	(1,185)	-	(1,185)	-
Amortisation	(306)	(354)	(303)	(316)
Exchange movements on consolidation	(99)	(45)	(93)	(45)
Closing balance	738	2,328	731	2,312
License and registration fees				
Opening balance	1,209	1,118	55	51
Additions	158	288	-	4
Impairments	(1,085)	-	(55)	-
Amortisation	(205)	(324)	-	-
Exchange movements on consolidation	(75)	127	-	-
Closing balance	2	1,209	-	55
Intangible fixed assets	740	3,537	731	2,367

Notes to the financial statements for the year ended 31 December 2015

9 Tangible fixed assets

Group

	Freehold properties £'000	Short leasehold properties £'000	Office equipment £'000	Medical equipment £'000	Computer equipment & software £'000	Motor vehicles £'000	Assets under development £'000	Total £'000
Cost or valuation								
At 1 January 2015	36,557	3,629	7,524	8,106	14,015	14,043	1,794	85,668
Additions	214	187	639	1,413	1,429	2,085	1,899	7,866
Transfers into/(out of) the Group	(117)	139	(9)	3	10	(10)	-	16
Transfers to completed assets	1,179	-	-	-	1,696	288	(3,163)	-
Disposals	(129)	(35)	(680)	(217)	(557)	(1,545)	-	(3,163)
Exchange movements on consolidation	(559)	(459)	(546)	(468)	(357)	(966)	130	(3,225)
At 31 December 2015	37,145	3,461	6,928	8,837	16,236	13,895	660	87,162
Accumulated depreciation								
At 1 January 2015	14,670	2,569	4,878	5,589	7,768	8,426	-	43,900
Charge for the year	1,311	137	799	857	2,841	2,070	-	8,015
Transfers into/(out of) the Group	(17)	-	(7)	5	7	(10)	-	(22)
Disposals	(15)	(26)	(572)	(194)	(406)	(1,200)	-	(2,413)
Exchange movements on consolidation	(111)	(199)	(451)	(372)	(212)	(646)	-	(1,991)
At 31 December 2015	15,838	2,481	4,647	5,885	9,998	8,640	-	47,489
Net book value								
At 31 December 2015	21,307	980	2,281	2,952	6,238	5,255	660	39,673
At 31 December 2014	21,887	1,060	2,646	2,517	6,247	5,617	1,794	41,768

Company

	Freehold properties £'000	Short leasehold properties £'000	Office equipment £'000	Medical equipment £'000	Computer equipment & software £'000	Motor vehicles £'000	Assets under development £'000	Total £'000
Cost or valuation								
At 1 January 2015	27,468	2,617	3,517	3,404	10,257	3,443	1,225	51,931
Additions	85	46	245	1,014	740	780	1,985	4,895
Transfers to completed assets	1,179	-	-	-	1,471	-	(2,650)	-
Disposals	-	-	(456)	(127)	(249)	(291)	-	(1,123)
Exchange movements on consolidation	(210)	(58)	(159)	(41)	(106)	(200)	(45)	(819)
At 31 December 2015	28,522	2,605	3,147	4,250	12,113	3,732	515	54,884
Accumulated depreciation								
At 1 January 2015	13,402	1,754	2,625	2,134	5,635	2,031	-	27,581
Charge for the year	1,045	192	297	503	2,114	614	-	4,765
Disposals	-	-	(389)	(118)	(193)	(280)	-	(980)
Exchange movements on consolidation	(48)	(33)	(121)	(26)	(75)	(96)	-	(399)
At 31 December 2015	14,399	1,913	2,412	2,493	7,481	2,269	-	30,967
Net book value								
At 31 December 2015	14,123	692	735	1,757	4,632	1,463	515	23,917
At 31 December 2014	14,066	863	892	1,270	4,622	1,412	1,225	24,350

Notes to the financial statements for the year ended 31 December 2015

10 Fixed asset investments

	Note	Group		Company	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
Investment property	10a	240	259	240	259
Investment in subsidiaries	10b	-	-	3,459	3,470
Programme related investments	10c	-	-	-	196
Listed investments	10d	9,932	7,632	9,716	7,423
		10,172	7,891	13,415	11,348
a) Investment property		Group and Company			
		2015	2014		
		£'000	£'000		
Market value at beginning of the year		259	264		
Revaluation (2014)		-	(5)		
Exchange movement on consolidation		(19)	-		
Market value at end of the year		240	259		
b) Investment in subsidiaries		Company			
		2015	2014		
		£'000	£'000		
Investment in subsidiary undertakings at cost:					
At beginning of the year		3,470	3,415		
Capital withdrawn / invested		(11)	55		
At end of the year		3,459	3,470		
c) Programme related investments		Company			
		2015	2014		
		£'000	£'000		
At beginning of the year		196	476		
Capital repayment		(196)	(280)		
At end of the year		-	196		
d) Listed Investments		Group		Company	
		2015	2014	2015	2014
		£'000	£'000	£'000	£'000
Market value at beginning of the year		7,632	7,096	7,423	7,057
Additions		2,131	410	2,110	-
Disposals		-	(262)	-	(4)
Revaluation gain		183	370	183	370
Exchange movement on consolidation		(14)	18	-	-
Market value at end of the year		9,932	7,632	9,716	7,423
Investment portfolio allocation:					
Equities		5,232	4,033	5,186	4,033
Bonds		622	884	622	884
Multi-asset Funds		1,201	1,070	1,201	1,070
Alternatives		1,725	1,318	1,725	1,318
Cash		1,152	327	982	118
		9,932	7,632	9,716	7,423
Material holdings within the investment portfolio:		Group and Company			
		2015	2014		
		£'000	£'000		
Equities					
Artemis UK Special Situations Fund		-	405		
Vanguard S&P 500 UCITS ETF		538	518		
Bonds					
Schroder Emerging markets Debt Absolute Return fund		-	477		
Multi-asset Funds					
CF Ruffer Total Return Fund Shs Class I		582	530		
Trojan Fund		619	540		
Alternatives					
Henderson Gartmore UK Absolute Return fund		550	-		
Schroder Private Equity Funds IV		740	813		

In the opinion of the trustees, the carrying value of the investments is supported by the underlying net assets.

Notes to the financial statements for the year ended 31 December 2015

11 Receivables

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Trade receivables	15,320	16,499	5,772	6,299
Amounts owed by group undertakings	-	-	14,309	10,550
Corporation tax	186	126	13	-
Other receivables	3,338	2,112	1,015	433
Grants receivable	6,854	11,376	5,756	10,515
Prepayments and accrued income	22,762	15,469	15,147	13,728
	<u>48,460</u>	<u>45,582</u>	<u>42,012</u>	<u>41,525</u>

12 Creditors

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
a) Amounts falling due within one year				
Bank loans	419	1,627	396	1,614
Bank overdrafts	-	300	-	180
Trade creditors	11,147	9,265	2,421	2,563
Other taxation and social security	3,846	4,331	1,690	1,654
Accruals and provisions	16,832	16,371	10,940	9,467
Deferred income	46,015	47,614	38,553	41,907
	<u>78,259</u>	<u>79,508</u>	<u>54,000</u>	<u>57,385</u>

Deferred income brought forward balances at 1 January 2015 were released during the year. The closing balance represents new grant income received during 2015 where the contractual obligations of the grant are to be fulfilled in future periods

b) Amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Deferred income	<u>926</u>	<u>514</u>	<u>893</u>	<u>280</u>

13 Loans: amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Amounts repayable:				
One year or more - The David and Lucille Packard Foundation	-	398	-	347
One year or more - other	4,758	4,131	4,748	3,645
	<u>4,758</u>	<u>4,529</u>	<u>4,748</u>	<u>3,992</u>

In 2013 MSI entered into a long-term financing facility with Unity Trust for £4.0 million for a maximum term of 10 years with a fixed interest rate of 3.95% for five years. The loan is secured against the freehold property at 1 Conway Street, London at a ratio of approximately 40% as at 31 December 2015 with monthly repayments due under the loan totalling £0.4 million each year. Other loans consist of commercial and other loan facilities arranged by Marie Stopes International's branches and subsidiaries.

14 Analysis of net assets between funds

	Group			Company		
	Unrestricted	Restricted		Unrestricted	Restricted	
	funds	funds	Total	funds	funds	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Intangible fixed assets	733	7	740	731	-	731
Tangible fixed assets	30,393	9,280	39,673	23,917	-	23,917
Fixed asset investments	10,002	170	10,172	13,415	-	13,415
Net current assets	49,734	5,925	55,659	37,398	6,410	43,808
Long-term liabilities	(5,630)	(54)	(5,684)	(5,641)	-	(5,641)
	85,232	15,328	100,560	69,820	6,410	76,230

	Group					
	At 1 Jan 2015 £'000	Income £'000	Expenditure £'000	Other gains £'000	Transfers (note 22) £'000	At 31 Dec 2015 £'000
Donor funds	5,908	102,841	(100,174)	-	-	8,575
Restricted by constitution						
Africa	-	30,022	(30,876)	-	854	-
Asia	4,778	18,104	(17,746)	-	-	5,136
Pacific Asia	1,500	6,750	(6,633)	-	-	1,617
	12,186	157,717	(155,429)	-	854	15,328

Restricted funds represent the following:

- 45

Notes to the financial statements for the year ended 31 December 2015

16 Unrestricted income funds

	Group			Total
	General reserves £'000	Tangible fixed asset reserve £'000	Sustainability reserve £'000	unrestricted funds £'000
At 1 January 2015	39,449	31,634	7,423	78,506
Net income (including investment gains)	8,581	-	-	8,581
Transfers:				
- Transfer to restricted funds	(854)	-	-	(854)
- Movement in tangible fixed asset reserve	1,241	(1,241)	-	-
- Movement in sustainability reserve	(2,293)	-	2,293	-
- Net gains on revaluations and exchange on consolidation	(1,001)	-	-	(1,001)
At 31 December 2015	45,123	30,393	9,716	85,232

	Company			Total
	General reserves £'000	Tangible fixed asset reserve £'000	Sustainability reserve £'000	unrestricted funds £'000
At 1 January 2015	31,426	24,350	7,423	63,199
Net income (including investment gains)	6,725	-	-	6,725
Transfers:				
- Movement in tangible fixed asset reserve	433	(433)	-	-
- Movement in sustainability reserve	(2,293)	-	2,293	-
- Net gains on revaluations and exchange on consolidation	(104)	-	-	(104)
At 31 December 2015	36,187	23,917	9,716	69,820

Unrestricted and restricted funds represent reserves available to Marie Stopes International for a range of purposes dependent on their designation.

Unrestricted Funds:

General Reserve - this represents MSI's global working capital. General reserves aim to provide medium and long-term security for the Group.

Tangible Fixed Asset Reserve - represents the net book value of MSI's unrestricted tangible fixed assets. These are primarily clinic buildings.

Sustainability Reserve - this reserve is invested in a UK-managed investment fund. These funds are available on demand and form a core part of the group's free reserves.

17 Taxation

Marie Stopes International has no liability to UK corporation tax as the company is a charity registered in England and Wales 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 branches and subsidiary undertakings.

18 Financial commitments

a) Capital commitments

At 31 December 2015 there were capital commitments of £nil (2014: £nil).

b) Operating lease commitments

As at 31 December total future commitments under operating leases for land and buildings were as follows:

	Group	
	2015 £'000	2014 £'000
Within one year	594	412
Between two and five years	3,383	3,332
Leases expiring in five years or more	585	297
	4,562	4,041

19 Transactions involving Trustees and Company Secretary

During the year the charity reimbursed expenses of £13,161 (2014: £10,769) to five trustees (2014: five) for out-of-pocket expenses in respect of travel to partner programmes and to UK offices for Trustees meetings.

Marie Stopes International purchased and maintained throughout the year indemnity insurance in respect of its Trustees.

Notes to the financial statements for the year ended 31 December 2015

20. Marie Stopes International subsidiaries

Marie Stopes International is an international non-government organisation delivering family planning, sexual and reproductive health services in 37 countries worldwide. It delivers these services through its branches and subsidiaries and in partnership with affiliated partners.

The charity controls the following subsidiaries, the results of which have been consolidated within the financial statements.

Name of company	City and country of incorporation, company reg number	Share capital	Share-holding %	Member voting rights %	Income £'000	Expenditure £'000	Net income 2015 £'000	Net assets as at 31 Dec 2015 £'000
Options Consultancy Services	London, UK (2695347)	Ordinary	100	N/A	24,465	24,492	(27)	471
Options for International Health***	London, UK (9137405, charity no 1160066)	N/A	N/A	100	13	13	-	-
Options Consultancy Services Kenya Limited ***	Nairobi, Kenya (CPR/2014/147082)	Ordinary	100	N/A	401	381	20	20
Options Tanzania Limited***	Dar es Salaam, Tanzania (101779)	N/A	N/A	100	249	265	(16)	11
Afghan Maternal and Neonatal Health Organisation **	Afghanistan (NGO 2317)	N/A	N/A	N/A	-	-	-	(1)
MS Health Pty Ltd	Melbourne, Australia (ABN 33155 182586)	Ordinary	100	N/A	2,079	3,075	(996)	(2,598)
MSI Australia (including MSI Timor-Leste)	Melbourne, Australia (ABN 79082 496697)	N/A	N/A	100	3,179	2,762	417	887
Ambulatorium am Fleischmarkt Betriebs GmbH	Vienna, Austria (178377W)	Ordinary	100	N/A	765	764	1	73
MS Clinic Society (Bangladesh)	Dhaka, Bangladesh (Co no 6009384)	N/A	N/A	55	917	786	131	1,015
Marie Stopes Bangladesh	Dhaka, Bangladesh (C-584936, NGO 2033)	N/A	N/A	55	9,639	9,516	123	1,349
Triar Expertos en Salud	La Paz, Bolivia (0383/2010)	N/A	N/A	100	-	-	-	-
Marie Stopes Cambodia **	Phnom Penh, Cambodia	N/A	N/A	N/A	-	-	-	-
Chinese Provincial Clinics	China (099267)	N/A	N/A	100	513	501	12	234
Marie Stopes India	New Delhi, India (NGO reg: F04338)	Ordinary	99	N/A	3,869	3,267	602	519
ISM Corporation Private Limited	New Delhi, India (U51909 DL2012 FTC245603)	Ordinary	98	N/A	250	318	(68)	177
Population Health Services	New Delhi, India (55-99080)	Ordinary	99.71	N/A	5,824	5,399	425	2,314
Marie Stopes Kenya	Nairobi, Kenya (OP 218/051/93191/15)	N/A	N/A	100	7,677	6,693	984	(928)
Marie Stopes Madagascar	Antananarivo, Madagascar (Ord 60-133)	N/A	N/A	71	4,116	4,599	(483)	1,551
MS Properties Ltd (Madagascar)*	Antananarivo, Madagascar	N/A	N/A	49	2	5	(3)	(15)
Banja La Mtsogolo (Malawi)	Lilongwe, Malawi (Co no 6025)	N/A	N/A	100	5,103	5,451	(348)	4,163
MS Mexico (Mexico City)	Mexico City, Mexico (09020865)	N/A	N/A	100	2,540	2,921	(381)	243
Marie Stopes Mexico (Chiapas)	San Cristobal de las Casas, Mexico	N/A	N/A	100	227	232	(5)	(599)

Notes to the financial statements for the year ended 31 December 2015

20. Marie Stopes International subsidiaries (continued)

Name of company	City and country of incorporation, company reg number	Share capital	Share-holding %	Member voting rights %	Income £'000	Expenditure £'000	Net Income 2015 £'000	Net assets as at 31 Dec 2015 £'000
Fundacion Marie Stopes Mexico	Mexico City, Mexico	N/A	N/A	100	52	67	(15)	562
MS Contraceptive Social Marketing Company	Ulaanbaatar, Mongolia (9019022046 / 2881756)	Ordinary	100	N/A	858	834	24	344
Marie Stopes Services Pvt Ltd	Kathmandu, Nepal (PL 18437/058/59)	Ordinary Preference	100	N/A	504	468	36	339
Sunaulo Parivar Nepal*	Kupondol, Nepal (NGO 420/051/52)	N/A	N/A	N/A	1,493	1,260	233	701
MSI Organisation Nigeria	Abuja, Nigeria (RC: 27391)	N/A	N/A	100	8,041	7,533	508	963
Marie Stopes Society Pakistan	Lahore, Pakistan (RP374)	N/A	N/A	60	16,425	15,831	594	3,938
Pakistan CSM (Guarantee) Ltd	Karachi, Pakistan (K09269)	N/A	N/A	100	800	847	(47)	16
Marie Stopes PNG	Port Moresby, Papua New Guinea (5-2456)	N/A	N/A	100	2,720	2,684	36	414
Population Services Pilipinas, Inc.	Pasay City, Philippines (178967)	N/A	N/A	80	3,836	3,798	38	1,159
MSI Romania Foundation	Bucharest, Romania (397289)	Ordinary	100	100	410	259	151	331
Marie Stopes Sierra Leone	Freetown, Sierra Leone (C.F. 83/1986)	N/A	N/A	100	6,438	6,109	329	896
Marie Stopes Health Solutions***	Freetown, Sierra Leone	N/A	N/A	100	210	94	116	116
Marie Stopes South Africa	Cape Town, South Africa (1991/004592/08)	N/A	N/A	100	2,547	2,532	15	(453)
MS Clinic Services Lanka	Colombo, Sri Lanka (N(A)34)	N/A	N/A	100	12	1	11	(143)
Population Services Lanka	Colombo, Sri Lanka (N(A)27)	N/A	N/A	100	449	720	(271)	949
Marie Stopes Tanzania Ltd	Dar es Salaam, Tanzania (27539)	N/A	N/A	67	5,706	6,172	(466)	668
Marie Stopes Uganda Ltd	Kampala, Uganda (5.5914/480)	N/A	N/A	60	3,828	4,690	(862)	(1,397)
MSI-US	Washington DC, USA (NFP 05-27-55)	N/A	N/A	57	40,796	40,803	(7)	550
Vietnam Centre for Community Reproductive Health	Hanoi, Vietnam (Estab reg no 335/QD-TWH)	N/A	N/A	N/A	2,461	2,243	218	1,360
Population Health Viet (Vietpop)	Hanoi, Vietnam (Cert no 011043001496)	Ordinary	100	N/A	172	209	(37)	209
Yamaan Foundation for Health & Social Development*	Sana'a, Yemen (295/80)	N/A	N/A	20	2,327	1,872	455	2,465
MSI Zambia Ltd	Lusaka, Zambia (66871)	N/A	N/A	100	1,938	2,103	(165)	669
Population Services Zimbabwe	Harare, Zimbabwe (W013/87)	N/A	N/A	51	3,622	4,026	(404)	(214)

* Consolidated on the basis of operational control

** Dormant entities

*** New entities in 2015

For entities which have no share capital, e.g. companies limited by guarantee, holdings are shown on the basis of member voting rights. Further information on the activities of the subsidiary undertakings is given in the Trustees' Report. A full list of subsidiaries is available from Marie Stopes International, 1 Conway Street, London W1T 6LP.

Notes to the financial statements for the year ended 31 December 2015

21. Related parties transactions

The Group has taken advantage of the exemption available under FRS 8 "Related Party Transactions" that permits non-disclosure of transactions with group undertakings that are eliminated on consolidation.

Philip D Harvey, a trustee of Marie Stopes International, is President of DKT International (DKT). Marie Stopes International is party to several agreements with the DKT group of companies.

Marie Stopes International has sub-contracted service delivery to DKT with a value of £236,000 (2014: £283,000). DKT has subcontracted service delivery to Marie Stopes International, in connection with an agreement between DKT and the Netherlands Ministry of Foreign Affairs, for a value of £113,000 in the year (2014: £128,000). DKT also donated supplies to Marie Stopes International with a value of £204,000 in 2015 (2014: £623,000).

Two members of Marie Stopes International staff are co-opted to the Board of Trustees on a rotational basis. These staff are not part of the group's Executive Team.

22. Transfers between funds

At the year end a transfer was made from Group general reserves of £854,000 to cover the deficits accumulated within Marie Stopes Uganda Ltd.

23. Financial instruments

At 31 December the company held the following financial instruments

	Group		Company	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
<u>Listed investments measured at fair value</u>				
Equities	5,232	4,033	5,186	4,033
Bonds	622	884	622	884
Multi-asset Funds	1,201	1,070	1,201	1,070
Alternatives	1,725	1,318	1,725	1,318
Cash	1,152	327	982	118
	<u>9,932</u>	<u>7,632</u>	<u>9,716</u>	<u>7,423</u>
<u>Investments measured at amortised cost</u>				
Investment in subsidiaries	-	-	3,459	3,470
<u>Debt instruments measured at amortised cost</u>				
Trade and other receivables (analysed in note 11)	48,460	45,582	42,012	41,525
<u>Loans and creditors measured at amortised cost</u>				
Trade and other short-term creditors	14,993	13,596	4,111	4,217
Bank loans and overdrafts	419	1,927	396	1,794
Loans falling due after more than one year	4,758	4,529	4,748	3,992
	<u>20,170</u>	<u>20,052</u>	<u>9,255</u>	<u>10,003</u>

24. Contingent liabilities

In the course of the charity's ordinary activities, the risk can arise of potential legal action against Marie Stopes International. Where deemed necessary, the charity will seek counsel of its lawyers and other relevant professionals, and make financial provisions as appropriate.

At 31 December 2015, ten subsidiaries reported net liabilities totalling £6.4m. The group plans to continue providing support to these entities as necessary for their continued operations in pursuit of the Charity's mission.

Notes to the financial statements for the year ended 31 December 2015

25. Donor funding

The following grants information is disclosed separately in accordance with the specific reporting requirements of the donor.

	Income recognised 2015 £'000	Cash receipts 2015 £'000
Department for International Development		
Programme Partnership Arrangement (PPA)	1,076	3,265
Programme of Work II 2009-2015, Malawi	777	1,455
Urban Health: Strengthening Care for Poor Mothers and Newborns in Bangladesh	3,059	3,587
Call Down Contract for Tanzania Family Planning Outreach Phase II - Lot 1 (DFID Framework Agreement)	2,853	3,231
Provision of Reproductive Health Services through Social Franchising in Pakistan	4,353	5,115
Provision of Family Planning Services in Malawi (PFPS)	4,481	1,431
Improving Reproductive, Maternal and Newborn Health Programme in Sierra Leone in the private and non-governmental sectors	2,639	2,224
Reducing Maternal and Neonatal Death in Kenya	2,387	2,674
	21,625	22,982
Bill and Melinda Gates Foundation (funded by Department for International Development)		
African Health Markets for Equity	8,269	3,909
Future Group Europe (funded by Department for International Development)		
Futures RMNCH Consortium- Public Sector Capacity Building in Northern Nigeria	781	-
Netherlands Ministry of Foreign Affairs		
Strengthening the Delivery of SRH Services through Private Provider Networks in Ethiopia	2,144	966
EmNOC Diploma Training	136	135
Increasing Access to Quality Family Planning and Reproductive Health for Women and Youth in Yemen	1,519	1,421
Sustainable Health Innovations for Equity (SHINE)	184	323
Combating Unintended Pregnancy and Improving SRH Services and Rights in Bangladesh	265	-
	4,248	2,845
International HIV/AIDS Alliance		
Link Up Programme	2,202	3,225
DKT International (funded by Netherlands Ministry of Foreign Affairs)		
Improving Youth Reproductive Health in Ghana	1,083	289
Agency for Danish International Development Assistance		
Empowering Women to Exercise their Sexual and Reproductive Rights through MSI's Power-of-Ten Strategy	256	-
Development Engagement Support for MST	338	1,155
Results-based Advocacy for Sexual and Reproductive Health and Rights	3,419	2,927
	4,013	4,082
Norwegian Agency for Development Cooperation		
Building Capacity for Results-based Advocacy for Sexual and Reproductive Health and Rights	485	305
Programme of Work II 2009-2015, Malawi	246	226
	731	531
Save the Children International (funded by Norwegian Agency for Development Cooperation)		
More Educated Girls - Less Teenage Pregnancies	200	99
Ministry for Foreign Affairs of Finland		
Government Grant to Integrated Reproductive and Maternal Health Programme Phase VI	396	502
Increasing Access to Quality Family Planning and Sexual and Reproductive Health for Women and Marginalized Groups in Yemen	46	-
Meeting Urban Women's Unmet Need for Quality Family Planning and Reproductive Health Services	56	-
	498	502
The Children's Investment Fund Foundation		
Transforming Adolescent Access to Contraception through Comprehensive Choices- the Unrealised Potential for Long-Acting Methods	448	2,214

The annual financial statements are prepared in accordance with UK GAAP and Charities SORP and as a result are likely to differ from financial reports submitted to donors. Incoming resources recognised in the financial statements is likely to differ from the cash received from donors during the year. For statutory reporting purposes, donor funds used to purchase assets, e.g. fixed assets or stocks, will initially be recorded on the balance sheet rather than being recognised as expenditure in the Statement of Financial Activities.