

MARIE STOPES INTERNATIONAL GROUP
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1994
COMPANY NUMBER 1102208
CHARITY NUMBER 265543



MARIE STOPES INTERNATIONAL GROUP

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

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DIRECTORS

Mr E W Stanford
Mr P D Harvey
Baroness Seear
Baroness Robson
Sir Charles Pereira
Mr D Logan

SECRETARY

Dr T R L Black

GROUP COMPANIES

Holding company : Marie Stopes International
(Limited by Guarantee)
Company no. 1102208
Charity no. 265543

Subsidiaries : Marie Stopes Consultancy Limited
Company no. 2695347

Brown Street Nurses Limited
Company no. 1329204

All companies are incorporated and registered in England

REGISTERED AUDITORS

Somers Baker Prince Kurz
Chartered and Certified Accountants
45 Ealing Road
Wembley
Middlesex HA0 4BA

The directors present their report and the audited financial statements for the year ended 31 December 1994.

PRINCIPAL ACTIVITY

The principal activity of the company has continued to be the worldwide provision of reproductive healthcare services.

REVIEW OF THE BUSINESS

The directors consider that the results for the year under review are satisfactory and they are optimistic about future prospects.

FUTURE DEVELOPMENTS

The company will continue to use all available resources to pursue its Mission of ensuring an individual's fundamental right to have "Children by Choice not Chance" in developing countries.

RESULTS

The results for the year are set out on page 5.

MARKET VALUE OF FREEHOLD PROPERTIES

The freehold properties were revalued on 1 December 1994. However, the freehold property at Manstone Road, was also revalued on 6 June 1995 with a view to disposing of it. Full details are set out in note 10 on page 14 of the accounts. The total valuation of £6,505,000 which was £1,180,000 higher than the former net book value, has been incorporated in these financial statements.

FIXED ASSETS

The significant changes in tangible fixed assets during the year arose principally from the revaluation of freehold properties as detailed above. Other fixed assets acquired during the year amounted to £123,000 (group) and £119,000 (company), as detailed in note 10 to the financial statements.

DIRECTORS

The directors who served during the year were :-

Edgar W Stanford - Chairman
Philip D Harvey
Baroness Seear
Baroness Robson
Sir Charles Pereira
David Logan - appointed 8 February 1994

FOR THE YEAR ENDED 31 DECEMBER 1994

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

During the year the company purchased and maintained liability insurance for its directors and officers as permitted by Section 310(3) of the Companies Act 1985.

AUDITORS

In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of Somers Baker Prince Kurz (formerly Somers Baker), Chartered and Certified Accountants, as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board,



Dr T R L Black
Secretary

Registered office

108 Whitfield Street
London W1P 6BR

19 July 1995

AUDITORS' REPORT

TO THE MEMBERS OF

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MARIE STOPES INTERNATIONAL GROUP

We have audited the financial statements set out on pages 5 to 20 which have been prepared under the historical cost convention as modified by the revaluation of freehold properties and the accounting policies set out on pages 9 to 10.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

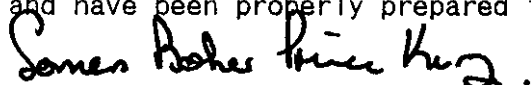
Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the group's state of affairs at 31 December 1994 and of its surplus for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



SOMERS BAKER PRINCE KURZ

CHARTERED AND CERTIFIED ACCOUNTANTS
AND REGISTERED AUDITORS

Premier House
45 Ealing Road
Wembley
Middlesex HA0 4BA

20 July 1995

MARIE STOPES INTERNATIONAL GROUP

INCOME AND EXPENDITURE ACCOUNT

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FOR THE YEAR ENDED 31 DECEMBER 1994

	NOTES	GROUP				COMPANY			
		1994		1993		1994		1993	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>INCOME - continuing operations</u>									
Services provided		8,777		7,992		8,004		7,603	
Less : Fees waived		(70)		(77)		(70)		(77)	
		-----		-----		-----		-----	
			8,707		7,915		7,934		7,526
Less : Cost of services			(4,251)		(3,973)		(3,727)		(3,733)
			-----		-----		-----		-----
			4,456		3,942		4,207		3,793
Donations received	(3)	6,734		5,013		6,734		5,013	
Disbursements for overseas projects	(4)	(6,145)		(4,424)		(6,145)		(4,424)	
			-----		-----		-----		-----
			589		589		589		589
			-----		-----		-----		-----
			5,045		4,531		4,796		4,382
<u>ADMINISTRATIVE EXPENSES</u>			(4,033)		(3,947)		(3,806)		(3,790)
			-----		-----		-----		-----
<u>OPERATING SURPLUS</u>									
- Continuing operations	(5)		1,012		584		990		592
Other income	(6)	96		86		105		92	
Interest payable	(7)	(155)		(188)		(155)		(188)	
		---		---		---		---	
			(59)		(102)		(50)		(96)
			-----		-----		-----		-----
<u>SURPLUS FOR THE FINANCIAL YEAR</u>			953		482		940		496
							-----		-----
Minority Interest	(15)		-		-				
			-----		-----				
<u>SURPLUS ATTRIBUTABLE TO THE PARENT COMPANY</u>			953		482				
			-----		-----				

The notes on pages 9 to 20 form part of these financial statements

MARIE STOPES INTERNATIONAL GROUP

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

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FOR THE YEAR ENDED 31 DECEMBER 1994

	NOTE	GROUP		COMPANY	
		1994 £'000	1993 £'000	1994 £'000	1993 £'000
Surplus on ordinary activities for the year		953	482	940	496
Unrealised surplus on revaluation of freehold properties		1,180	-	1,180	-
		-----	----	-----	----
<u>TOTAL RECOGNISED GAINS AND LOSSES</u>		2,133	482	2,120	496
		=====	===	=====	===

NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 1994

		GROUP		COMPANY	
		1994 £'000	1993 £'000	1994 £'000	1993 £'000
Surplus on ordinary activities for the year		953	482	940	496
Difference between the historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	(2h)	(173)	118	(173)	118
		----	----	----	----
<u>HISTORICAL COST SURPLUS ON ORDINARY ACTIVITIES FOR THE YEAR</u>		780	600	767	614
		===	===	===	===

The notes on pages 9 to 20 form part of these financial statements

MARIE STOPES INTERNATIONAL GROUP

BALANCE SHEET

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AS AT 31 DECEMBER 1994

	NOTES	GROUP				COMPANY			
		1994		1993		1994		1993	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
FIXED ASSETS									
Tangible assets	(10)		6,922		5,722		6,914		5,716
Investments	(11)		-		-		35		35
			-----		-----		-----		-----
			6,922		5,722		6,949		5,751
CURRENT ASSETS									
Stocks		60		92		49		55	
Debtors	(12)	1,332		1,465		1,262		1,447	
Short term investments	(11)	5		5		5		5	
Cash at bank and in hand		2,242		1,682		2,233		1,676	
			-----		-----		-----		-----
			3,639		3,244		3,549		3,183
			=====		=====		=====		=====
CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR									
Loans	(13)	278		327		278		327	
Bank overdraft		35		220		30		220	
Trade creditors		331		370		280		336	
Other creditors	(14)	378		407		324		349	
			-----		-----		-----		-----
			1,022		1,324		912		1,232
			=====		=====		=====		=====
NET CURRENT ASSETS			2,617		1,920		2,637		1,951
			-----		-----		-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			9,539		7,642		9,586		7,702
CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR									
	(13)		(1,547)		(1,853)		(1,547)		(1,853)
			-----		-----		-----		-----
Minority Interest	(15)		7,992		5,789		8,039		5,849
			-		-		-----		-----
			-----		-----		-----		-----
			7,992		5,789		-----		-----
			=====		=====		-----		-----
RESERVES	(16)								
Revaluation reserves			3,052		1,872		3,052		1,872
Specific reserves			1,415		1,450		1,415		1,450
Contingency reserves			171		100		171		100
General reserves			3,354		2,367		3,401		2,427
			-----		-----		-----		-----
			7,992		5,789		8,039		5,849
			=====		=====		=====		=====

These financial statements were approved by the board of directors on 19 July 1995 and were signed on its behalf by :

E W Stanford

E W STANFORD
Director

The notes on pages 9 to 20 form part of these financial statements.

MARIE STOPES INTERNATIONAL GROUP

CASH FLOW STATEMENT

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FOR THE YEAR ENDED 31 DECEMBER 1994

	NOTES	GROUP				COMPANY			
		1994		1993		1994		1993	
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	(17)		1,183		101		1,172		89
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>									
Interest receivable		96		62		105		68	
Interest paid		(155)		(188)		(155)		(188)	
Management fees		-		2		-		2	
Sundry income		-		22		-		22	
		---		---		---		---	
<u>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>			(59)		(102)		(50)		(96)
<u>INVESTING ACTIVITIES</u>									
Payments to acquire fixed assets		(123)		(232)		(119)		(232)	
		---		---		---		---	
<u>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</u>			(123)		(232)		(119)		(232)
			----		---		----		---
<u>NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING</u>			1,001		(233)		1,003		(239)
<u>FINANCING</u>	(20)								
Repayment of loans		(326)		(314)		(326)		(314)	
Increase/(decrease) in general reserves		34		50		34		50	
Increase/(decrease) in specific reserves		(35)		805		(35)		805	
Increase/(decrease) in contingency reserves		71		(60)		71		(60)	
		---		---		---		---	
<u>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</u>			(256)		481		(256)		481
			----		---		----		---
<u>INCREASE IN CASH AND CASH EQUIVALENTS</u>	(18)(19)		745		248		747		242
			=====		===		=====		---

The notes on pages 9 to 20 form part of these financial statements

1. GROUP

a) Marie Stopes International

Marie Stopes International is the ultimate holding company and the parent undertaking of Marie Stopes Consultancy Limited and Brown Street Nurses Limited. It is a company limited by guarantee, the liability of the members being limited to £1 each. The company is also registered as a charity and is exempt from direct taxation.

b) Marie Stopes Consultancy Limited

As disclosed in Note 11(a), Marie Stopes Consultancy Limited is a wholly owned subsidiary undertaking of Marie Stopes International.

c) Brown Street Nurses Limited

As disclosed in Note 11(a), Brown Street Nurses Limited is a 99% owned subsidiary undertaking of Marie Stopes International.

2. ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties. The financial statements have been prepared in accordance with applicable accounting standards and on an accruals basis, with the exception of general grants and donations which are included as income as and when received.

b) Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 December 1994. The profits and losses of subsidiary undertakings are consolidated from the date of acquisition. The difference between the cost of acquisition of shares in subsidiaries and the fair value of the separable net assets is written off (or credited) to reserves in the year.

c) Income

Income comprises the gross amounts receivable from clients for family planning services and receipts of grants and donations.

d) Specific reserves

Funds received in respect of specific projects are credited direct to the individual specific project accounts. The specific project accounts are then debited with payments made in respect of the projects.

e) Foreign currency

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

Monetary assets and liabilities in foreign currencies are translated into sterling at the exchange rate ruling at the balance sheet date, except where the company has entered into forward exchange contracts, in which case the foreign currency balances covered are converted at the forward contract rate. Exchange differences are taken into account in arriving at the operating surplus.

FOR THE YEAR ENDED 31 DECEMBER 1994

2. ACCOUNTING POLICIES (CONTINUED)

f) Pension costs

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the income and expenditure account.

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 income and expenditure account as incurred.

h) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation has been provided at rates calculated to write off the cost or valuation of fixed assets less their estimated residual value, over their expected useful economic lives on the following bases :-

Freehold Properties	:	Straight line basis over the estimated useful life but none in year of revaluation.
Leasehold Properties	:	Straight line basis over the lease period.
Fixtures, Fittings and Equipment	:	20% per annum on the reducing balance basis.
Motor Vehicles	:	25% per annum on the reducing balance basis

i) Stocks and work in progress

Medical supplies, drugs and family planning requisites for resale are stated at the lower of cost and net realisable value.

Medical supplies and drugs used in the course of treatment are valued at cost.

Work in progress represents costs incurred, not yet invoiced at the year end and is valued at the lower of cost and net realisable value.

j) Investments

The current asset investments are shown in the financial statements at market value. Any material increase or decrease in the value is taken to the income and expenditure account.

k) Goodwill

Goodwill is written off against general reserves in the year of acquisition.

3. DONATIONS RECEIVED (GROUP AND COMPANY)

Donations received during the year include the following :-

	<u>1994</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>
(i) Grants from ODA realised in the year from specific reserves	2,018 =====	1,322 =====
(ii) Legacy from the estate of H H Dale	- =====	16 =====

FOR THE YEAR ENDED 31 DECEMBER 1994

4. DISBURSEMENTS FOR OVERSEAS PROJECTS FUNDED BY THE ODA (GROUP AND COMPANY)

	<u>1994</u>	<u>1993</u>
ODA grants disbursed on overseas projects were as follows :-	<u>£'000</u>	<u>£'000</u>
The Ethiopia Project	101	71
The Kenya Project	141	129
The Malawi Project - 4 Clinics	139	242
The Malawi Project - Refugees	120	28
The Malawi Project - Male Awareness	113	160
The Malawi Project - Clinics	111	-
The Sierra Leone Project	81	76
The Zimbabwe Project	-	4
The Bosnia Project - Reproductive Healthcare	177	-
The Bosnia Project- Counselling	448	-
The Bangladesh Project	38	79
The India Project - WPFP	70	79
The India Project - CSM	77	128
The India Project - Brass Tacks	-	95
The Nepal Project	56	69
The Pakistan Project	33	-
The Sri Lanka Project - Mahaweli Clinic	144	15
The Mexico Project	29	33
The Nicaragua Project	102	23
The Vietnam Project	38	91
	<u>2,018</u>	<u>1,322</u>
	<u>=====</u>	<u>=====</u>

5. OPERATING SURPLUS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
The surplus is arrived at after charging/ (crediting) :-				
Auditors' remuneration				
- audit	25	29	19	23
- other services	4	4	3	3
Depreciation	103	389	101	388
Exchange differences	(29)	28	(29)	28
Hire of equipment	5	10	5	10
Operating lease rentals	4	5	4	5
	<u>===</u>	<u>===</u>	<u>===</u>	<u>===</u>

6. OTHER INCOME

Bank interest received	96	62	96	62
Management fees	-	2	-	2
Sundry income	-	22	-	22
Interest receivable from Marie Stopes Consultancy Limited	-	-	9	6
	<u>96</u>	<u>86</u>	<u>105</u>	<u>92</u>
	<u>===</u>	<u>===</u>	<u>===</u>	<u>===</u>

FOR THE YEAR ENDED 31 DECEMBER 1994

	GROUP		COMPANY	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
7. <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>				
Interest on loans repayable :				
Within 5 years by instalments	15	25	15	25
After 5 years	140	163	140	163
	----	----	----	----
	155	188	155	188
	===	===	===	===

8. EMPLOYEES

Average number of people employed by the company during the year (including directors)

	Number of employees			
	GROUP		COMPANY	
	1994	1993	1994	1993
Directors	7	6	6	5
Overseas programme support	32	31	30	29
Medical	79	83	79	83
UK programme support	99	103	99	103
	----	----	----	----
	217	223	214	220
	===	===	===	===

	GROUP		COMPANY	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Employees costs (excluding directors)				
Wages and salaries	2,823	2,714	2,737	2,658
Social security costs	314	296	309	293
Employer's pension contributions	24	23	24	23
	-----	-----	-----	-----
	3,161	3,033	3,070	2,974
	=====	=====	=====	=====

Allocated as follows :-

Cost of services provided	1,351	1,470	1,351	1,470
Administrative expenses - wages and salaries	1,786	1,540	1,695	1,481
- pensions	24	23	24	23
	-----	-----	-----	-----
	3,161	3,033	3,070	2,974
	=====	=====	=====	=====

9. DIRECTORS EMOLUMENTS

None of the directors of Marie Stopes International received any emoluments for their services to the company during the year (1993 : nil).

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At 31.12.1994	6,505	9	170	76	149	5	6,914
	=====	===	===	===	===	===	=====
At 31.12.1993	5,325	10	177	71	127	6	5,716
	=====	===	===	===	===	===	=====

FOR THE YEAR ENDED 31 DECEMBER 1994

10. TANGIBLE ASSETS (CONTINUED)

The freehold properties are revalued in alternate years. The latest revaluation was at 1 December 1994 by Nelson Bakewell, Chartered Surveyors, on the basis of the open market value for existing use.

The freehold property at Manstone Road, was subsequently revalued on 6 June 1995 by Nelson Bakewell, Chartered Surveyors, on the basis of the open market value for disposal of the property.

The financial statements do not differentiate between the value of land and the value of freehold properties because, in the opinion of the directors, the difference is not material.

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

	<u>GROUP AND COMPANY</u>	
	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Cost	4,321	4,321
Accumulated depreciation	(1,108)	(935)
	-----	-----
Net Book Value	3,213	3,386
	=====	=====

11. INVESTMENTS

	<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
a) <u>Fixed Asset Investments</u>		
Investment in subsidiary companies at cost :-		
99 Ordinary Shares - Brown Street Nurses Ltd	35.0	35.0
100 Ordinary Shares - Marie Stopes Consultancy Ltd	0.1	0.1
	-----	-----
	35.1	35.1
	=====	=====

The company owns :-

- (i) 99% of the issued share capital of Brown Street Nurses Limited, a company registered in the UK whose principal activity is the provision of medical assistance.
- (ii) 100% of the issued share capital of Marie Stopes Consultancy Limited, a company registered in the UK whose principal activity is the provision of consultancy services in the field of population, family planning and public health.

Under the equity method of valuation, the investment of the company in the shares of subsidiary undertakings is as follows:

	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Brown Street Nurses Limited	5	(3)
Marie Stopes Consultancy Limited	(17)	(22)
	===	===

FOR THE YEAR ENDED 31 DECEMBER 1994

11. INVESTMENTS (CONTINUED)

The aggregate amounts of capital and reserves and profit/(loss) for the subsidiaries is as follows :

	1994		1993	
	Capital & Reserves/ (Deficiency) in shareholders funds £'000	Profit/ (Loss) for the year £'000	Capital & Reserves/ (Deficiency) in shareholders funds £'000	Profit/ (Loss) for the year £'000
Brown Street Nurses Ltd	5 =====	8 =====	(3) =====	6 =====
Marie Stopes Consultancy Ltd	(17) =====	5 =====	(22) =====	(20) =====

b) Current Asset Investments

Listed investments :-

Cost/ValuationGROUP AND COMPANY

	1994 £'000	1993 £'000
At 1.1.1994 and at 31.12.1994	5 =====	5 =====

The market value of the investments listed on the Stock Exchange at 31 December 1994 was not materially different from the above valuation (1993 : same).

12. DEBTORS

	GROUP		COMPANY	
	1994 £'000	1993 £'000	1994 £'000	1993 £'000
Trade debtors	1,155	1,302	1,034	1,248
Amounts owed by group undertakings*	-	-	79	61
Other debtors	78	59	59	43
Prepayments and accrued income	99	104	90	95
	----- 1,332 =====	----- 1,465 =====	----- 1,262 =====	----- 1,447 =====

* Amounts owed by group undertakings (company)

Brown Street Nurses Limited	1	4
Marie Stopes Consultancy Limited	78	57
	--	--
	79	61
	=	=

FOR THE YEAR ENDED 31 DECEMBER 1994

13. LOANS

	<u>GROUP AND COMPANY</u>	
	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>
Bank loans	1,264	1,528
Other loans	561	652
	-----	-----
	1,825	2,180
	=====	=====
Amounts due within one year	278	327
	===	===
Amounts due after more than one year		
Repayable by monthly instalments :		
Within 2-5 years	1,023	1,092
Over 5 years	524	761
	-----	-----
	1,547	1,853
	=====	=====

Bank loans of £793,000 (1993 : £973,000) outstanding at the year end carry an interest rate of 1.5% above the bank base rate. Bank loans of £471,000 (1993 : £555,000) outstanding at the year end carry an interest rate of 1.75% above the bank base rate.

The bank loans are secured on the company's freehold properties and by way of a floating charge over the assets.

Other loans consist of £108,000 (1993 : £133,000) at a fixed rate of 9.5% per annum, and £453,000 (1993 : £519,000) at a fixed rate of 9% per annum.

The other loans are unsecured loans from DKT International, a company incorporated in the USA, in which Mr P D Harvey and Dr T R L Black are directors.

14. OTHER CREDITORS

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Other taxes and social security	91	100	89	97
Accruals and deferred income	287	307	235	252
	---	---	---	---
	378	407	324	349
	===	===	===	===

15. MINORITY INTEREST

1% of the issued share capital of Brown Street Nurses Limited, being 1 ordinary share of £1 is held by Dalreagh Private Nursing Home Limited. At 31 December 1994, the minority interest amounted to £47 (1993 : £(29)).

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16. RESERVES

Statement of policy on reservesGeneral reserves

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

Revaluation reserves

The revaluation reserve represents the difference between the written down book value of freehold properties and professional valuations of such properties calculated at the time of the professional valuation.

Contingency reserves

The contingency reserves represent provisions made by the company to cover commitments on European Union co-funded projects.

Specific reserves

The specific reserves represent funds made available to the company to be expended in accordance with the wishes of the donor. All such funds are credited to the specific reserves upon receipt and held until expenditure is made which complies with the wishes of the original donor.

	GROUP				COMPANY			
	Revaluation	Specific	Contingency	General	Revaluation	Specific	Contingency	General
	Reserves	Reserves	Reserves	Reserves	Reserves	Reserves	Reserves	Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 1994	1,872	1,450	100	2,367	1,872	1,450	100	2,427
Surplus on ordinary activities				953				940
Transfer to general and contingency reserves from specific reserves		(105)	71	34		(105)	71	34
Specific donations: received		5,770				5,770		
receivable		241				241		
Disbursements for overseas projects		(5,941)				(5,941)		
Revaluation of freehold properties	1,180				1,180			
	-----	-----	---	-----	-----	---	---	-----
At 31 December 1994	3,052	1,415	171	3,354	3,052	1,415	171	3,401
	-----	-----	---	-----	-----	-----	---	-----

a) Revaluation reserves

Included in the revaluation reserves is a deficit of £358,000 (1993 : £314,000) relating to one freehold property. The directors are of the opinion that, in the fullness of time, the revaluation surplus in respect of this property will be restored and in the circumstances they do not consider it necessary to make a provision for this deficit through general reserves.

FOR THE YEAR ENDED 31 DECEMBER 1994

b) Specific reserves

The transfer from specific reserves to general reserves is in respect of a provision for internally designated funds no longer required.

The transfer from specific reserves to contingency reserves is in respect of a provision for the company's commitment on European Union co-funded projects previously included in specific reserves.

c) Contingency reserves

The balance on the contingency reserves represents provisions for the company's commitment on European Union co-funded projects.

d) General reserves

General reserves at 1 January 1994 are stated after writing off goodwill on consolidation of £43,000. The goodwill on consolidation had arisen on the acquisition of Brown Street Nurses Limited and has been written off against consolidated general reserves.

17. RECONCILIATION OF OPERATING SURPLUS TO
NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>GROUP</u>		<u>COMPANY</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Operating surplus	1,012	584	990	592
Depreciation charges	103	389	101	388
Adjustment for exchange differences	(29)	28	(29)	28
Decrease/(increase) in stock	32	(29)	6	-
Decrease/(increase) in debtors	133	(955)	185	(945)
Increase/(decrease) in creditors	(68)	84	(81)	26
	-----	---	-----	---
	1,183	101	1,172	89
	=====	===	=====	===

18. ANALYSIS OF CHANGES IN CASH AND CASH
EQUIVALENTS DURING THE YEAR

Balance at 1 January 1994	1,467	1,219	1,461	1,219
Net cash inflow	745	248	747	242
	-----	-----	-----	-----
Balance at 31 December 1994	2,212	1,467	2,208	1,461
	=====	=====	=====	=====

FOR THE YEAR ENDED 31 DECEMBER 1994

19. ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	GROUP				COMPANY			
	1994	1993	1994	1993	1994	1993	1994	1993
			Change	Change			Change	Change
	1994	1993	in year	in year	1994	1993	in year	in year
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cash at bank and in hand	2,242	1,682	560	252	2,233	1,676	557	248
Short term investments	5	5	-	-	5	5	-	-
Bank overdrafts	(35)	(220)	185	(4)	(30)	(220)	190	(6)
	-----	-----	---	---	-----	-----	---	---
	2,212	1,467	745	248	2,208	1,461	747	242
	=====	=====	---	---	=====	=====	---	---

20. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	GROUP				COMPANY			
	Specific	Contingency	General		Specific	Contingency	General	
	Reserves	Reserves	Reserves	Loans	Reserves	Reserves	Reserves	Loans
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 1994	1,450	100	2,367	2,180	1,450	100	2,427	2,180
Surplus for the year			953				940	
Cash inflows/(outflows) from financing	(35)	71	34	(326)	(35)	71	34	(326)
Currency movements				(29)				(29)
	-----	---	-----	-----	-----	---	-----	-----
Balance at 31 December 1994	1,415	171	3,354	1,825	1,415	171	3,354	1,825
	=====	---	=====	=====	=====	---	=====	=====

21. TAXATION - GROUP

There is no liability to UK corporation tax :-

- a) Marie Stopes International is a charity (1993 : nil).
- b) Marie Stopes Consultancy Limited and Brown Street Nurses Limited have tax losses brought forward from previous years (1993 : nil).

22. CAPITAL COMMITMENTS - GROUP AND COMPANY

There were no capital commitments as at 31 December 1994 (1993 : nil).

23. OTHER FINANCIAL COMMITMENTS - GROUP AND COMPANY

At 31 December 1994 annual commitments under non-cancellable operating leases are as set out below :

	1994	1993
	£'000	£'000
Fixtures, Fittings & Office Equipment		
Operating leases which expire :		
Within one year	-	2
Within two to five years	-	1
	-----	---
	-	3
	=====	---

24. CONTINGENT LIABILITIES - GROUP AND COMPANY

At 31 December 1994 the company had an outstanding liability of £19,000 (1993 : nil) on a forward foreign exchange contract.

25. TRANSACTIONS INVOLVING DIRECTORS AND COMPANY SECRETARY

The charity receives an annual donation of £391,000 from DKT International, a company incorporated in United States of America in which Mr P D Harvey (director) and Dr T R L Black (secretary) are directors.

The charity also received loans from DKT International as detailed in Note 13 to the financial statements.