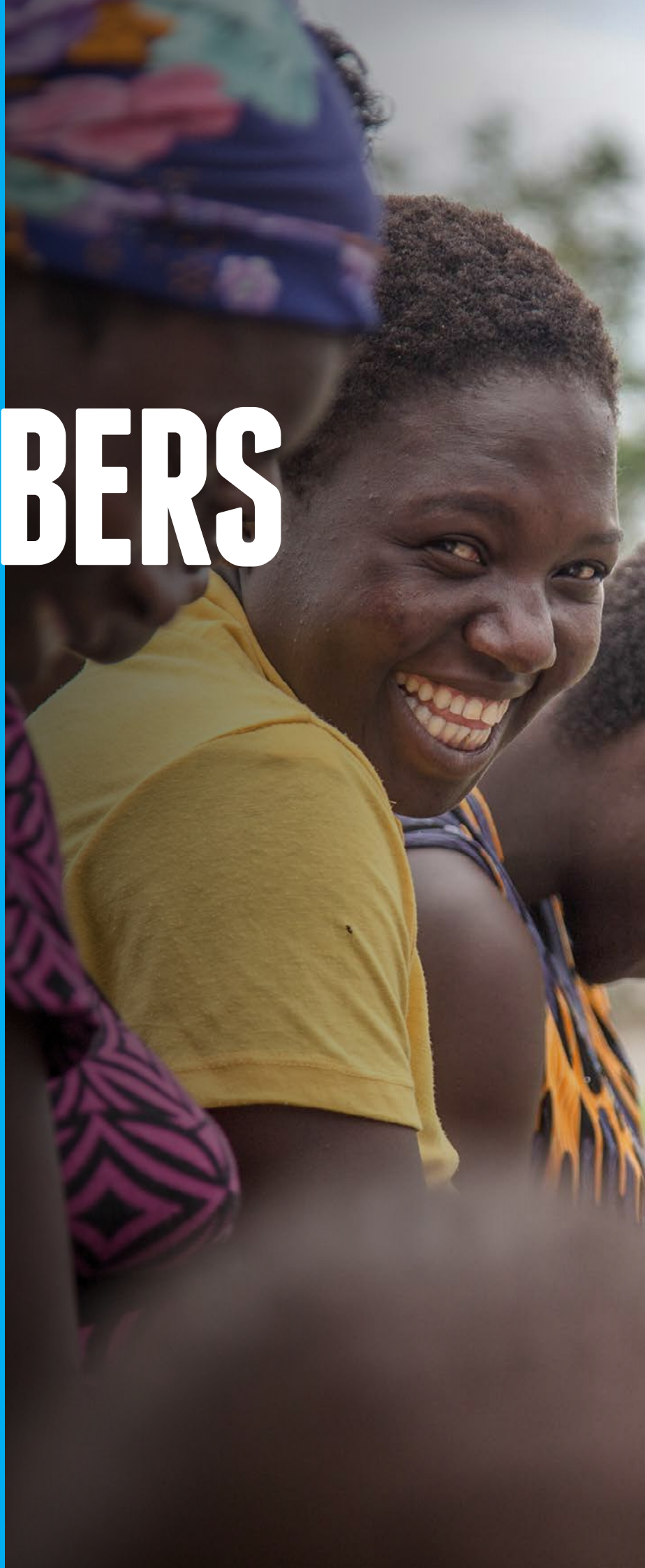


FINANCIAL STATEMENTS & ANNUAL REPORT 2018



2018 IN NUMBERS



30.2M

Women and men using
contraception provided by MSI

12.9M

Client visits

12.3M

Unintended
pregnancies averted

34.7M

CYPs*

6.4M

Unsafe abortions averted

32,000

Maternal deaths averted

37

Countries

11,000+

Team members

783

MS Ladies

2,682

Social franchisees

482

Outreach teams

485

Centres

***Couple years of protection (CYP): our key service delivery metric**

Couple years of protection (CYPs) is a measure that estimates the protection from pregnancy provided by contraceptive methods during a one-year period.

Different methods of contraception have different CYP values. It depends on how long they can be used for, the likelihood of wastage, and how effectively they prevent pregnancy. For instance, 120 condoms are needed to provide one CYP, while a five-year IUD provides 3.3 CYPs.

For a more detailed explanation of CYPs please visit: mariestopes.org/media/2188/msi-cyp-infographic.pdf.

Our impact figures

The impact figures shown in this document have been calculated using Impact 2, our innovative socio-demographic mathematical model that allows us to estimate the impact of our work, and the wider social and economic benefits of offering access to contraception and safe abortion. You can find out more about Impact 2 on our website: mariestopes.org/what-we-do/our-approach/our-technical-expertise/impact-2/

CHARITY 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.

Trustees

Timothy M Rutter FRCS (appointed as Chair 6 November 2018)
Suzanna Taverne (appointed as Chair 15 January 2018, resigned 6 November 2018)
Dr Mohsina Bilgrami (MSI staff representative)
Frank Braeken
Fiona Doby (appointed 23 May 2019)
Philip D Harvey
Claire Emma Morris
Dr Kristin Anne Rutter
Jess Search

Chief Executive Officer

Simon Cooke

Company Secretary

Amanda Couper (appointed 1 April 2018)

Independent Auditors

PricewaterhouseCoopers LLP
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London WC2N 6RH

Principal bankers

Standard Chartered Bank Plc
1 Aldermanbury Square
London EC2V 7SB

Barclays Bank Plc

1 Churchill Place
London E14 5HP

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CEO STATEMENT



In 1976, Marie Stopes International (MSI) was founded in pursuit of a single, vital mission: that a woman should always have the right to choose when and whether to have children, and a vision: that no birth should ever be unwanted.

More than 40 years on, our organisation has grown into one of the world's leading providers of contraception and safe abortion care, with over 11,000 team members working across 37 countries. Our original mission has not changed.

At this moment, all over the world, women and girls are receiving life-changing, life-saving healthcare from highly trained and compassionate MSI team members. Somewhere a girl may be receiving a contraceptive implant that will allow her to avoid the unplanned pregnancy that would put an end to her education. Elsewhere a woman may be leaving our care, comforted and free from judgment, following a safe abortion that means she can continue on her chosen path, whatever that path may be.

If 2017 was a year of immense challenge, stemming from US government policy to restrict reproductive choice and access, then 2018 told a different story: one of resilience and success.

In 2018 we were able to serve more women and girls than ever before. According to our impact figures, more than 30.2 million women, men and girls worldwide were using a method of contraception provided by MSI, while a further 4.8 million turned to us for safe abortion and post-abortion care services.

Our work prevented 12.3 million unintended pregnancies, averted 6.4 million unsafe abortions, 32,000 maternal deaths, and saved £451 million in direct healthcare costs. We delivered 34.7 million CYPs (couple years of protection, our key metric), saw our total income levels approach £300 million and exceeded more than 9.5 million additional users of contraception since the 2012 Family Planning Summit in London.

Our successes were myriad: from the landmark signing of the UK government's flagship Women's Integrated Sexual Health (WISH) programme, which launches integrated sexual healthcare services in 27 countries worldwide; through awards

for patient care in Australia; to the way we have revolutionised our offering to include some of the most underserved groups, including the under-20s. Over the last two years, MSI has served more than one million adolescents per year.

Heavy investment in clinical quality continues to be a key differentiator. We recently achieved 'Good' ratings for our UK clinics from the Care Quality Commission (the first such ratings for abortion providers) whilst in our overseas programmes we stepped up our stringent quality technical assessment tool (QTA) across all channels and embarked on a comprehensive provider competency assessment programme.

Marie Stopes UK also continued to drive momentum on the campaign for 'buffer zones' to protect women attending clinics from distressing opposition protests, and the UK's first buffer zone was introduced at our Ealing clinic in April 2018. We continue to support efforts to decriminalise women seeking abortion in the UK, Australia and across all our focus countries.

While we were sad to bid farewell to our Philippines country programme in May after 27 years of serving Filipina women and girls, we were delighted to launch Marie Stopes Democratic Republic of Congo in late 2018, and to commence services in a country where more than nine out of ten women and girls lack access to any method of modern contraception. Decisions to close programmes are never easy, but we must always focus our resources where the need is greatest, and in time we hope women in the DRC will see the same transformation in contraceptive access as that witnessed by those in the Philippines.

We were not immune to challenge and threat in 2018 as those opposing our mission, emboldened by the chilling effect of regressive US policies, sought to undermine our work. This was most notable in Kenya, Tanzania and Niger which suffered significant service interruptions due to political engagement by anti-choice groups, putting the lives of many women at risk.

Thanks to the efforts of our country and support office teams, and the support of donors and partners, we were able to continue vital services in all countries and ensure that women are not forced to seek out unsafe and unlicensed providers. Those opposed to women's reproductive rights will continue to spread misinformation to achieve their aims, but we will continue to ensure that no woman should ever have an unsafe abortion or be prevented from accessing contraceptive choice due to the views of others.

As we look ahead to 2020 and beyond, we are considering both the world in which we operate now, and that which awaits us. Whilst our 'Scaling-Up Excellence' strategy continues apace, we are beginning to explore how we can continue to increase our impact, and how we can eliminate all unsafe abortion and unmet contraceptive need by 2030. It's a big ambition, but we believe that MSI is well-placed to lead the way in achieving it.

If we do, then every woman, wherever she lives and whoever she is, will have the opportunity to take control of her own body and determine her own future.



Simon Cooke
CEO, Marie Stopes International

TRUSTEES' REPORT



The Board of Trustees presents its report and the audited consolidated financial statements for the year ended 31 December 2018 under the Charities Act 2011 and the Companies Act 2006, incorporating the Directors' Report. Pages 8 to 36 incorporate the requirements of the Strategic Report.

WHO WE ARE

Founded in 1976, Marie Stopes International (MSI) has grown from a single clinic in central London to become one of the world's largest providers of high quality, affordable contraception and safe abortion services. We exist to empower women and girls to determine their own futures. Because when a woman or girl can choose if and when she has children, she has the power to take control of her future.

Since day one, choice has been at the heart of everything that we do and our mission remains clear to this day: to empower women and girls to have children by choice, not chance. Because we know – from our many years of providing services all over the world – that contraception and safe abortion changes lives. To some, it

can be the determining factor to complete an education. To others it can mean more time to look after the family they already have. Whatever the reason, we are here to provide that choice.

Our services are delivered through an unwavering commitment to our clients, and we deliver them in some of the world's most hard-to-reach communities through innovative approaches to service delivery to ensure choice is given to as many people as possible. The way we work and the culture of our organisation is driven by our values. Our dedicated team members across the partnership embody our vision, never lose sight of our mission and deliver high-quality services aligned with our values:

Mission driven: With unwavering commitment, we exist to empower women and men to have children by choice, not chance.

Client centred: We are dedicated to our clients and work tirelessly to deliver high-quality, high-impact services that meet their individual needs.

Accountable: We are accountable for our actions and focus on results, ensuring long term sustainability and the impact of the partnership.

Courageous: We recruit and nurture talent, passionate and brave people who have the courage to push boundaries, make tough decisions and challenge others in line with our mission.

We know what difference being able to choose can make, so we will do whatever it takes to make sure that a woman can access the contraception and safe abortion services that gives her control over her fertility. It's why we provide our services in a whole range of different ways, from static centres in urban areas to mobile outreach teams who travel long distances to rural communities. Because we know that opening up access to sexual and reproductive health services reaches far beyond the individual; that it is a critical ingredient in tackling poverty and creating more equitable societies.





THE GLOBAL CHALLENGE

Right now, there are 214 million women around the world who want to use contraception but can't. Millions more don't have access to safe abortion and so resort to unsafe and life-threatening methods in a desperate attempt to end a pregnancy. The impact of this lack of contraceptive and safe abortion services is far-reaching – not just for the women concerned, but the communities they live in, and society as a whole.

While the combined efforts of our sector have dramatically increased the number of women using contraception in many developing countries, the need for contraception and safe abortion services continues to grow every year. The human cost of lack of services is staggering. Every day millions of women around the world consider an abortion but many don't have safe access, don't know what the law allows, or are too worried about the associated stigma to access services. Almost half of all abortions globally are unsafe: 25 million. Seven million women face complications, many resulting in a lifetime of poor health, disability or infertility. 22,800 women will die. This needs to change.

It is a critical, global issue and as demand for our services continues to rise, we must work together to go further, and do more to ensure that every woman who wants to choose her family size has that choice. We need to continue to focus our efforts to reach as many women as we can. And the only way to 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. Our 'Scaling-Up Excellence' strategy sets out how we do this up until 2020.

OUR STRATEGY

Through our strategy, 'Scaling-Up Excellence: universal access one woman at a time', we are challenging ourselves to provide services to even more of these women and girls who want to access contraception but are currently unable to do so.

Our strategy is deeply rooted in our values and recognises the success and challenges we have seen in recent years. It builds on lessons learned and approaches we have developed over more than 40 years of providing the services. By incorporating lessons learned from our country programmes' experiences in pioneering innovative service delivery models and radically transforming the provision of safe and affordable medical abortion, the strategy challenges us to continuously refine our models. We operate our services at scale without ever compromising our unwavering focus on clinical quality, client centred care and effective governance.

Our approach to delivering global impact is built on three interlinking pillars providing a clear framework that guides our work. The three pillars – Scale and Impact, Quality and Sustainability – demand that we keep a steady eye on operational efficiency, challenge us to continue our long-term focus of sustainability and leverage our client centred approach to deliver a game-changing level of impact.



INCREASED IMPACT

Giving women the ability to choose when they have children saves lives and prevents unnecessary harm.

SCALE AND IMPACT

Doubling our health impact through contraception and safe abortion service delivery at scale.

We will

Double the number of annual MSI contraceptive users from 20m to 40m

Target our services at high impact clients and correct imbalances in service provision including adolescents aged 15–19 years and the poor

Increase annual CYPs from 30m to 40m*

Provide contraception to 12m additional users by 2020, 10% of the global FP2020 commitment

Double provision of safe medical abortion (MA) and medical post-abortion family planning (PAFP) to 90% for all safe abortion/PAC clients

**In 2017, this goal was altered from 50m as a response to significantly changing funding landscape*

QUALITY

Setting the clinical, programmatic, and client care standards that other providers aspire to.

We will

Focus on clinical quality and client care so that our services are embedded as the preferred choice for women

Invest in the integrity of our data, so that we can ensure every dollar is spent effectively and all of our services can be validated

Grow and develop the talent within our organisation

Use the insights we gather from women to develop success models

SUSTAINABILITY

Using our expertise as a social business to build sustainable private sector models that go beyond donor support.

We will

Build genuine sustainability by ensuring that every service has a funding source

Create sustainability models for all of our service delivery channels

Nurture relationships with donors, foundations, philanthropists and national governments

To deliver scale and impact we:

- » Use a balanced country portfolio approach to make deliberate choices about where to invest financial and technical resources. We choose service delivery models that correct gaps in service provision and deliver scale, impact and sustainability in each country to allow us to maximise the global impact of our partnership.
- » Increase access to medical abortion and medical post-abortion care, while ensuring a continuum of client care, including integrated call centres and post-abortion family planning.
- » Prioritise the needs of our clients, by providing quality counselling and a comprehensive choice of contraception and treating every woman who comes to us with respect. We demonstrate that the way we deliver long-acting and permanent methods of contraception is the most cost-effective way of increasing contraceptive prevalence and delivering lasting change in behavioural norms.
- » 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 drives our ability to achieve scale and impact. To achieve this, we:

- » Invest in governance and audit oversight, clinical quality standards and provider training.
- » Nurture our unique Marie Stopes International culture and grow our capacity by putting investment in people at the heart of our strategy.
- » Invest in insight so that we are led by the needs voiced by our clients as well as by women and girls with an unmet need. This allows 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, backed by funding sources.

- » Evolve a global network of self-sustaining centres, which 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 services are included in universal health care frameworks and funded through domestic financing.
- » Innovate and test sustainable contraceptive technologies and service delivery models, including safe obstetrics and post-partum family planning. 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.

By 2020 we commit to dramatically increase the number of services that we provide, by making effective choices about where we focus our time and resources, and consistently putting the client first.

OUR IMPACT IN 2018

We've made a promise to the women we serve, and we are not prepared to let them down – no matter where they are.

2018 saw continued challenges imposed by the re-enactment of the US administration's 'Mexico City Policy', more commonly known as the Global Gag Rule, and rising opposition to a woman's right to a safe abortion. Yet despite this, 2018 told a story of resilience and success. Throughout the year, we continued to deliver significant results for the millions of women who rely on our services to build the lives they want.

We reached more people with services, and went further than ever, over mountains, across rivers, on roads less travelled to provide high quality, safe services to women and girls, when and where they need them. Our programmes in sub-Saharan Africa alone clocked up nearly 12 million kilometres throughout the year, that's the equivalent of flying to the moon and back 15 times.

IN 2018, THE SERVICES WE PROVIDED ACROSS THE 37 COUNTRIES IN WHICH WE OPERATE RESULTED IN:

30.2 M

Women and men use contraception provided by us

12.3 M

Unintended pregnancies prevented

6.4 M

Unsafe abortions averted

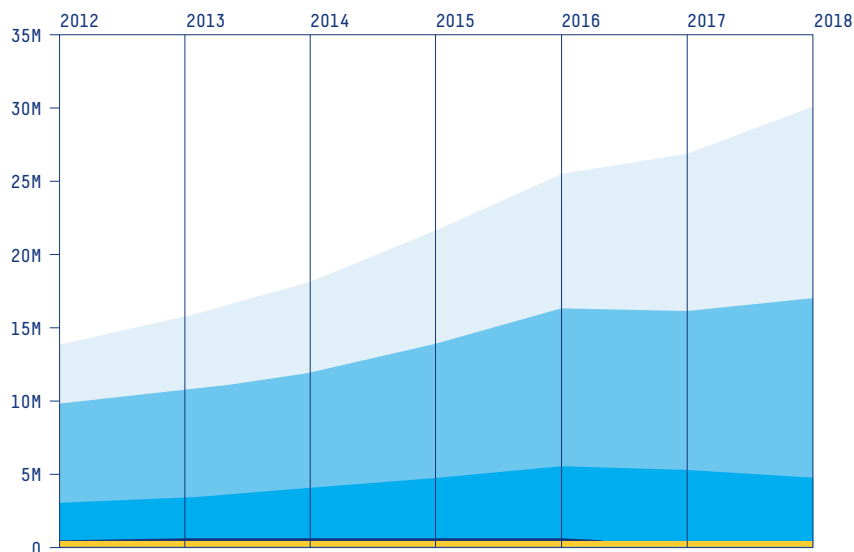
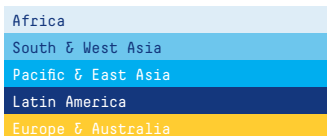
32,000

Maternal deaths averted

£451 M

In additional healthcare costs saved

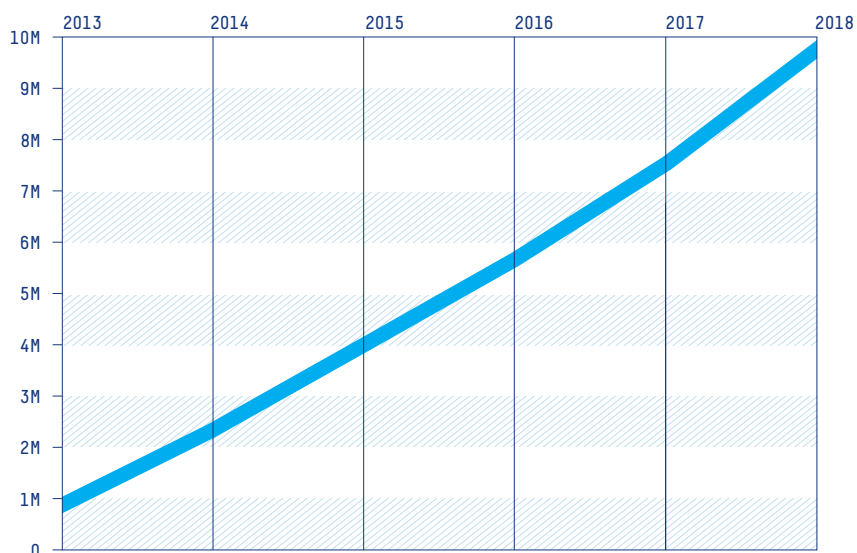
MSI ESTIMATED USERS BY REGION



ADDITIONAL USERS

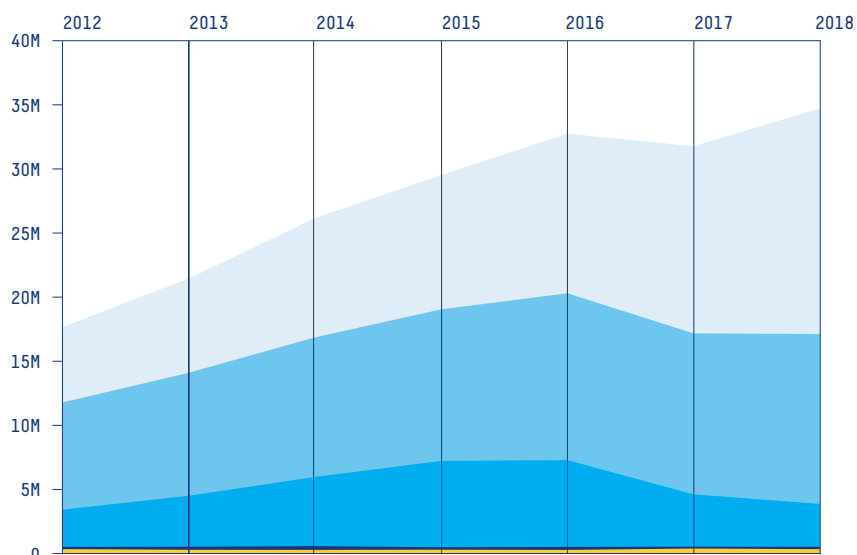
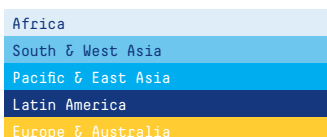
In 2012, the international community came together at the London Summit on Family Planning and pledged to reach 120 million additional users of contraception in 69 of the world's poorest communities by 2020. Based on strong performance against our initial pledge of 6 million additional users, MSI doubled our commitment, making our pledge of 12 million additional users a tenth of the international community's total pledge.

We estimate that, by the end of 2018, we had contributed 9.5 million additional users in FP2020 countries since 2012.



CYP GROWTH

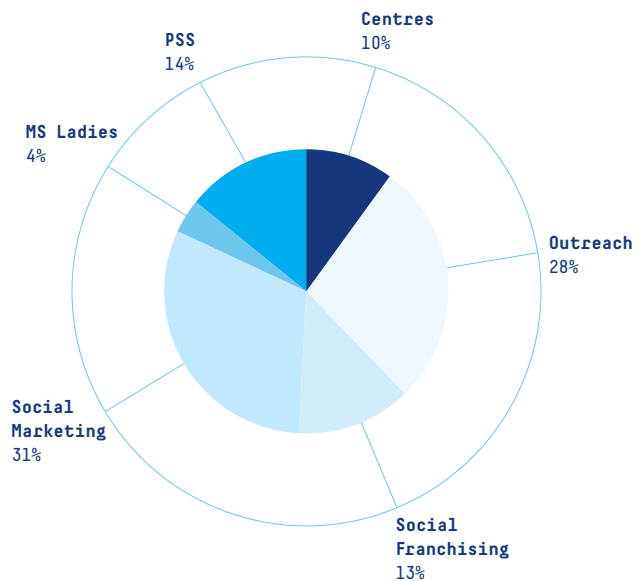
Like many in our field, we measure the output of our services using 'couple years of protection' (CYPs) to measure the scale of our services, and to compare progress over time. In 2018, we delivered 34.7 million CYPs across the partnership, making a significant progress towards our goal of 40 million CYPs by 2020 as set out in our strategy.



DELIVERY CHANNELS

We keep our clients at the centre, striving to understand their unique challenges, and tailoring our services and approach accordingly. Therefore, we use a number of channels to ensure that our services reach the women who need them most.

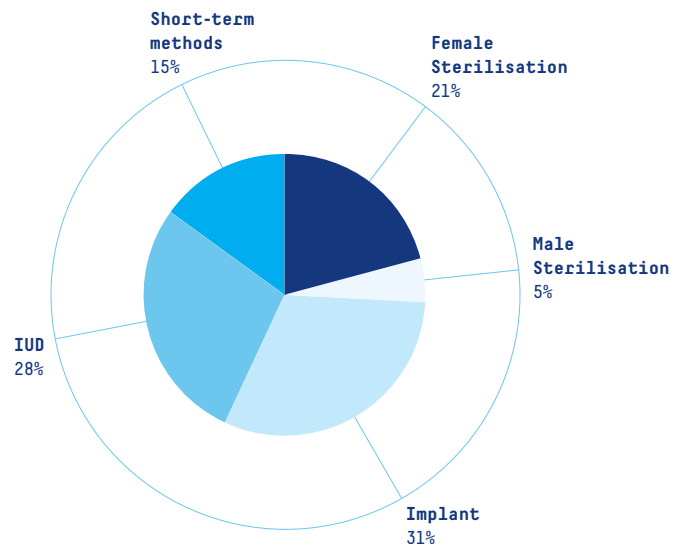
In 2018, our fastest growing channel was Public Sector Strengthening (PSS), which partners with governments to build the capacity of Ministry of Health providers to deliver high quality contraception and safe abortion care services at public facilities in rural and remote communities.



CONTRACEPTIVE METHODS

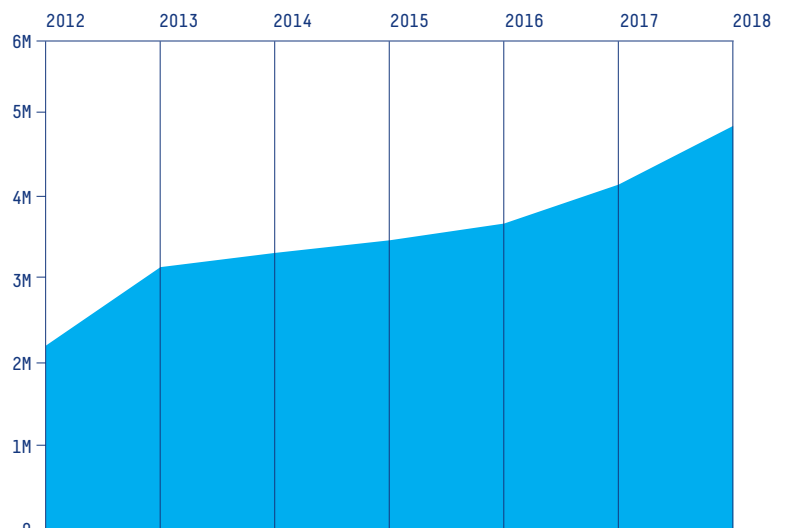
Choice is at the heart of everything we do, and we provide a full range of contraceptive methods so that every woman who walks through our doors can choose the method that is right for her. By offering the widest range of methods, including short-term, long-acting and permanent methods, we can ensure that women can choose the type of contraception that best suits her particular situation and her plans for the future.

The 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, we are the only provider of these methods. In 2018, 85% of those using contraception provided by us were using a long-acting or permanent method.



SAFE ABORTION AND POST-ABORTION CARE

Providing access to safe abortion and post-abortion care is at the core of our mission. In 2018, MSI provided more than 4.8 million services to women and girls who turned to us for safe abortion and post-abortion care services.



HIGH IMPACT CLIENTS

We are committed to reaching women, wherever they are, providing 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 that fall into at least one of four groups:

- » **Adopters:** Women not currently using contraception
- » **Women living in extreme poverty:** Defined as living on less than \$1.25 a day, and
- » **No availability:** women who would have no other option of receiving their service if it had not been for MSI
- » **Adolescents:** Women aged 15 – 19, a group that is underserved by contraceptive services and therefore at greater risk of unintended pregnancy.

IN 2018, A TOTAL OF 81% OF OUR CLIENTS WORLDWIDE WERE 'HIGH IMPACT CLIENTS'.

52%

Of our clients were adopters

24%

Of our clients were living in extreme poverty

55%

Of the clients had no other availability

8%

Of the clients we served were adolescents

WORKING IN PARTNERSHIP

In 2018, we began a new partnership with other Sexual and Reproductive Health and Rights (SRHR) organisations through the "Women's Integrated Sexual Health" (WISH) programme, funded by the UK Department for International Development (DFID). The programmes – led by MSI and International Planned Parenthood Federation (IPPF) consortia – will transform the lives of millions of women and girls across Africa and South Asia by delivering access to life-saving contraception for three million more women and men and will accelerate progress towards meeting global commitments on expanding access to contraception made by governments and civil society organisations through the Family Planning 2020 (FP2020) movement.

The MSI and IPPF WISH consortia will ensure previously unreached people, especially young and poorer women, are able to access contraception and have the choice on whether, when and how often to have children.



OUR PERFORMANCE IN 2018 AGAINST OUR STRATEGIC OBJECTIVES

Throughout 2018, we continued to deliver in accordance with our **Scaling-Up Excellence strategy**, which guides our work and progress towards our mission up to 2020. How we performed against the strategic objectives that were set for 2018 is reported below.

STRATEGIC PILLAR 1: SCALE AND IMPACT

Grow CYP delivery in line with our 2020 target.

In 2018 we increased our reach and delivered 34.7m CYPs across the partnership, an increase of 3m versus the previous year. For more detailed information on individual country performance, please see pages 18 to 26.

Focus on high impact clients, with a specific focus on adolescent users. In 2018 we reached an additional 9.5 million users of contraception since 2012, keeping us on track to our 2020 target of 12 million additional users. With consolidated efforts to reach youth, and in particular adolescents (aged 15 – 19), the partnership saw 8% of clients served identifying as this age group and over the last two years, more than one million adolescents per year have come to MSI for services.

Provide 4.6 million safe abortion and post abortion care services across the partnership. In 2018, we exceeded the number of safe abortion and post abortion care services, and delivered a total of 4.8 million services. These services are as crucial as ever in a time when opposition to a woman's right to choose is rising and when information about rights on a national level might be difficult to find. Because when a woman can exercise her right to a safe abortion, she can determine her own future, contributing to a better, more sustainable future for everyone.

STRATEGIC PILLAR 2: QUALITY

Review of our global safe abortion and medical abortion strategy, especially the establishment of our 'continuum of care' model via social marketing with clinical oversight. In 2017 MSI developed a new safe abortion and post-abortion care strategy which was rolled out in 2018. The strategy formalises our approach to abortion quality, and responds to changes in the landscape for safe abortion care – such as increasing self-administration, new products, and the growing potential of mobile technologies. New quality standards for medical abortion and post-abortion care were introduced to place the continuum of care at the centre of social marketing. And a 'Success Model' for safe abortion and post-abortion care was developed and disseminated, to provide best practice guidelines and evidence-based case studies from country programmes showing what works (and what doesn't) for improving access to quality care.

Continue to improve our recruitment, selection, on-boarding and retention processes to drive better culture fit and engagement across the organisation. In 2018, we developed our HR processes to drive better engagement across the organisation. For example, we introduced a career framework, which includes a matrix of comprehensive competency, knowledge and experience requirements designed to improve transparency and encourage the career development of existing team members and continued to implement internal programmes to enhance opportunities for development. Please see page 33 for more detailed information.

STRATEGIC PILLAR 3: SUSTAINABILITY

Deliver a financial surplus across the global organisation. During 2018, we delivered an operational surplus of £7.0m, recovering from the 2017 deficit of £3.7m.

Improve financial resilience, through increased liquid free reserves by minimising excess cash held in country programmes, improving payment terms with donors, and pursuing alternative sources of working capital. We significantly improved our working capital position in 2018, finishing the year with liquid free reserves position of £34.3m, approximately six weeks' operating cash.

Implement a sustainability impact framework for our clinics to ensure they are independently financially viable while continuing to provide affordable service to the communities in which we operate. In 2018 we refreshed the sustainable impact framework, engaging all country programmes to understand the costs associated with running clinic networks in the countries using market assessments along with the costs of providing each service to price the services they offered.

Further develop the funding pipeline through strategic donor partnerships and private philanthropy while successfully closing out USAID programmes. In a world

when political and social change means that priorities for donors, national governments and multilateral organisations are evolving, MSI is responding by evolving its funding model. While relationships with our long-standing partners will remain key to our success, we will endeavour to form stronger, ever-more forward looking partnerships to deliver our mission. We increasingly work with advocacy, implementing and donor partners to help shape funding priorities, rather than responding to them, and are pleased to have found enormous support among philanthropists and private foundations who are keen to support the right of every girl and woman to determine her future. In 2018, we successfully maintained our total donor income level of £158m, even without USAID funding.

In May 2018, we held a Global Strategy Meeting with representatives from across the partnership to start thinking about the organisation's next strategic plan, beyond 2020 and up to 2030. The global strategy meeting in May 2018 marked the midpoint of our 'Scaling-Up Excellence' strategy and allowed us to assess what is needed to achieve our stretch goals by 2020.



COUNTRY PROGRAMME PERFORMANCE

In accordance with our strategy, we use a balanced country portfolio approach to make deliberate choices about where to invest financial and technical resources. We choose service delivery models that address gaps in service provision and deliver scale, impact and sustainability in each country to allow us to maximise the global impact of our Partnership.

A selection of our programmes and their individual performance in 2018, showcasing the diversity of the programmes, the challenges they face and their successes in overcoming them, can be found below.



NIGERIA

In 2018, Marie Stopes International Organisation in Nigeria (MSION) delivered over nine million family planning services across the country, including more than 1.2m implants and almost 250,000 IUDs. Throughout the year, the programme delivered almost 4.8m CYPs, a growth of 47% versus 2017, a rate at which the country has steadily been growing for the past five years. The programme also provided several thousand cervical cancer and STI screening, safe motherhood and other non-CYP generating services. The majority of services were provided through the public sector (64%) where the programme – alongside state health authorities – trains, accredits, supervises and supports quality inspections in over 2,000 public sector sites.

In addition to support to the public sector, the programme fielded 21 outreach teams, most of which were moved to support the countries northern states; 263 social franchises under the BlueStar brand; provided services out of three clinics; supported around 94 Marie Stopes Ladies under a sustainable self-employed model; and increased access to family planning branded products through social marketing. Excluding the public sector and social marketing channels, the programme clearly demonstrated that it is possible to improve access for adolescents. Starting the year at 8.1% of clients younger than 20 years old, towards the end of 2018, the programme had increased that figure to over 18%.

There were several challenges – such as difficulties sourcing commodities, particularly in the public sector. By helping to report stock-outs, locate family planning products and on occasion support with transportation from government warehouses to health posts, MSION was able to largely overcome this challenge. The team also provided more IUDs than previously, making sure providers were supported and more confident about counselling clients on this method.

MSION is by far the largest of MSI's programmes in West Africa and with its learning around the provision of quality services at scale and low cost, Nigeria has been sharing its expertise with neighbouring programmes.

INDIA

We have two programmes in India, Population Health Services India (PHSI) which offers sexual and reproductive healthcare in 12 clinics across 21 states, and Foundation for Reproductive Health Services India (FRHSI) which works to improve access, choice and quality of reproductive health services among poor and difficult to reach clients in the states of Rajasthan, Bihar and Uttar Pradesh.

In 2018, PHSI delivered 6.4 million CYPs, representing 19% of MSI's total CYPs, and a 26% increase on 2017. Safe abortion and post abortion care services totalled 2.3 million, representing 47% of MSI's total provision.

Throughout the year, PHSI focused on expanding the choice of contraceptive products in India through rapidly growing the salesforce, doubling over the year to a total of 850. Two new oral contraceptive brands were launched with plans for a subsidised condom launch underway. Sales coverage increased in India's most underserved empowered action group (EAG) states. Currently, 60% of the sales force are operating in EAG states, further consolidating PHSI's position as one of the leading Social Marketing businesses in India.

PHSI has continued to experiment with different business models to ensure products can be sold in more remote areas and to innovate in the way that the programme manages the sales force through new mobile based systems.

FRHSI delivered 1.4m CYPs in 2018, a 3% growth on 2017 CYPs, an impressive achievement when taken within the context of the programme's growth over the last five years, doubling its size from only 700k CYPs in 2013. Over 80% of CYPs were achieved through outreach, and of these 89% were provided to High Impact Clients.

This was achieved through significant gains in advocacy in 2018, with India's National Health Mission recognising FRSHI's Clinical Outreach Team (COT) model as a distinct service delivery model in its Private Partnership Policy. This enabled the opening of three new in-reach teams as well as six new COTs throughout the year, bringing the total team number to 39. This supported FRHSI's efforts in providing services, in conjunction with the Government of India, to the hardest to reach women in the northern regions of Rajasthan, Uttar Pradesh and Bihar.



UGANDA

2018 was a year of change for MSI in Uganda as its two existing entities were merged into one. The previous separation into two distinct organisations, a requirement to secure USAID funding, became obsolete after the US government ended its financial support in 2017. The resulting merger allowed the two entities to pool their expertise and cut down on administrative cost. Terms of employment were harmonised and a consultative process involving all staff members ensured that the former division did not hinder collaboration under the new setup. The successful start of a new DFID-funded project, awarded to MSI in June 2018, is proof of the harmonious transition.

2018 was also a remarkable year for the programme in terms of results. CYPs increased by 30% versus the previous year to 1.7m. Long-acting reversible methods of contraception ('LARC') accounted for 77% of the programme's CYPs. Although strong growth was seen across all channels, the MS Ladies channel stood out with an astonishing 434% growth to 88,495 CYPs. This is attributed to continued training and mentorship of the MS Ladies and to their increased mobility which allowed them to reach more girls and women. The largest contribution to the CYP performance was made by the Outreach channel which delivered 65,000 CYP and accounted for 51 % of the programme's overall CYP performance. The channel optimized its operations by data-driven selection of sites and ensuring stable FP commodities supply.


The most pressing challenges are posed by the programme's ageing vehicle fleet; and by the Ugandan Government's waning commitment to comprehensive Sexual and Reproductive Health. However, due to strong relationships with the Ministry of Health and other stakeholders, the organisation has so far managed to avoid interruptions in service delivery.

BANGLADESH

With donors shifting their focus away from Bangladesh and following an increased financial commitment to sexual and reproductive health services by the Government of Bangladesh, our programme in the country has had to scale back service delivery as a response. This led to a significant drop in CYPs which decreased by 46% compared to 2017, with 1.2m CYPs delivered in 2018. The reduction in donor income drove the closure of 92 of the 141 clinics across the country which led the team to undertake a deep dive into the clinic network's potential for future sustainability. Furthermore, the post-donor funding transition led to the significant downsizing of the support office with an associated restructure in 2018. Despite high levels of uncertainty during this transition, the team continued to deliver on their business plan with integrity and professionalism.

For other channels in the programme, 2018 was a year of consolidation and refining operational models, including outreach and public sector strengthening (PSS) after seeing significant drops in CYPs – 65% and 31% respectively. The programme worked in close collaboration with the Government to help them achieve the national Family Planning goals, and 2018 was no different. The programme directly filled gaps in service provision in rural areas by deploying outreach teams in hard to reach areas that lacked trained providers. For PSS, 2018 gave the opportunity to introduce thorough data validation processes and to reassess roles and responsibilities within the channel.





In Nepal, Marie Stopes Ladies spend days on end up in the mountains, walking from village to village, door to door, to enable women and girls in even the most rural areas to determine their own futures. Durga is one of them, trekking for up to ten days to reach women in the most rural communities.

"Sometimes it's hard. Some roads are steep, no water and risk of landslide so I need to walk carefully. Once I got injured from falling rocks... But I am also very proud of myself. Not everyone would walk seven hours straight, be away from home for days on end, to bring this service to poor remote communities.

"This job has also allowed me to become independent... It feels good to go to remote villages and I enjoy helping these people as they have no other options."

NEPAL

Our programme in Nepal continues to pursue innovative strategies to improve performance, some of which are unique across the partnership. The programme was the first at MSI to introduce 'premier centres', with features that include a different appointment booking system and enhanced client experience. The aim of these centres is to operate at a minimum of 200% income-to-cost to support other parts of the business.

Besides pioneering the premier centres, the programme delivered a strong CYP performance at 13% above performance in 2017, delivering 814,000 CYPs in 2018. Strong performance was visible across all channels, however the change in performance is primarily attributed to CYP growth from Social Marketing and the MS Ladies channel.

Despite growth in terms of CYPs, the MS Ladies channel struggled to provide medical abortion services, due to a significantly restricted environment with obstruction by government authorities that resulted in real life challenges to deliver safe abortion and post abortion care services when out in the field. To help address these challenges, MS Ladies engaged with pharmacies to deliver the services from fixed sites.

DEMOCRATIC REPUBLIC OF CONGO (DRC)

In 2018, our newest country programme was set up in the Democratic Republic of Congo (DRC) after support from DFID and two anonymous donors based in the US. Initially the programme faced many of the challenges expected from a new start up in terms of procurement, logistics, recruitment, establishing MoUs with district health authorities, gaining the last stage of registration, and training clinical staff. Nevertheless, the programme met the schedule to provide family planning services from November 2018, greatly supported by other MSI programmes in the region with seconded staff and technical assistance. Services were initially provided in Kinshasa by one clinical outreach team and five MS Ladies working in Kinshasa as well as two MS Ladies working 1,000 km away in Lokuto, Tshopo province.

The very first client that visited the team in Kinshasa was a 14-year-old girl who came to the clinic with her two-month-old baby. She had heard through word of mouth that MSI was initiating service delivery and after consultation chose a long-term method to protect her from further pregnancy. By the year end, the team had provided over 2,500 services, of which 61% were long term methods, together representing 3,154 CYPs in just a few months.

NIGER

Niger represents our second newest programme, established in 2014. Just a few years after services began, the programme grew by 39% over the previous year, providing 117,448 CYPs in 2018. This was the fifth year of operation for the programme and another year of strong growth over previous years.

Throughout the year, we were able to reach more women, largely through productivity gains in the outreach channel where the programme had six mobile teams operational who together delivered a 24% increase in CYPs compared to 2017. The MS Ladies channel also surpassed previous results and six MS Ladies operating in Niamey and Maradi delivered 30,000 CYPs in 2018, working mainly out of public health posts and youth centres. Through more focused targeting in the outreach and MS Ladies channels, the number of adolescent clients had risen from 14% to 22% through the course of the year. Despite the deep conservatism of Niger's society, outreach teams were welcomed by schools and communities and were able to provide services which were tailored to be accessible to young people as well as to older married women. For example, the teams learned to offer services after hours to adolescents who felt inhibited to come during the day.

The programme faced significant challenge with the closure of the MSI centres, first in Niamey and then in Maradi in November 2018, on the charge of contravening authorisations under the sexual and reproductive health law. The programme is negotiating re-registration as this report goes to print and is confident of being able to re-open the centres by mid-2019. In the meantime, the programme has re-deployed clinical staff into other service delivery channels, has referred centre clients to other service providers and has had to ask for donor patience and understanding while centre activities are on hold.

Niger is one of the world's poorest countries and with an average of almost seven children per woman it has the highest fertility rate in the world. Family planning and contraceptive services are considered largely taboo and women often lack access to accurate information. Marie Stopes Niger has been operating in the country since 2014, and Amina has been a Marie Stopes Lady since 2015.

One of many community-based mobile midwives in Niger, Amina is fighting myths and rumours to provide a range of family planning and sexual and reproductive health services. As a trusted member of the communities where she works, she is known for offering discreet and confidential services, and is trained on non-judgmental youth friendly service provision. Asked why she decided to become a Marie Stopes Lady Amina simply replies: "Because I like working in family planning and I like helping women".

Watching Amina's dedication to her clients, the way in which she interacts with them, restoring their right to choose if and when to get pregnant, one can't help but feel optimistic.



PAPUA NEW GUINEA

Marie Stopes Papua New Guinea is the largest of MSI's programmes in the Pacific Asia region, delivering services across 21 of the country's 22 provinces. It is estimated that 1 in 4 family planning users in the country have received their method from MSI, and 96% of clients were high impact. Throughout 2018, CYP delivery across the programme grew, but fell short of the ambitious targets set at the beginning of the year, delivering 137,000 CYPs in 2018.

While grant income grew significantly due to funds received, service income remained stagnant in 2018. This resulted in the decision to restructure the organisation from a regional management framework to a channel management framework, to enable adoption of operational best practice and a new Country Director was recruited in the last quarter of the year to lead the organisational change.

Despite challenges across the programme, the outreach channel saw an increase due to an expansion in its approach of having nurses available in post-natal wards of regional hospitals to increase the availability of post-partum family planning. The programme also doubled its provision of permanent methods across the country, following an effort to increase the number of certified providers.



REGIONAL PERFORMANCE

	Income 2018 £'000	Income 2017 £'000	CYPs 2018 (000s)	CYPs 2017 (000s)
East and Southern Africa				
Ethiopia	10,325	9,329	1,126	988
Kenya	11,519	12,277	1,408	1,344
Madagascar	6,304	7,865	1,239	1,278
Malawi	8,454	8,302	971	644
Uganda	13,756	15,952	1,761	1,350
Tanzania	13,709	12,188	2,833	2,473
Zambia	3,045	3,650	341	367
Zimbabwe	4,897	4,074	457	450
	72,009	73,635	10,136	8,894
West Africa				
Ghana	5,329	5,726	487	500
Nigeria	11,777	13,034	4,764	3,245
Sierra Leone	3,359	3,269	509	412
Burkina Faso	4,011	4,039	364	359
Mali	5,572	5,338	625	563
Niger	2,241	2,384	117	84
DRC	528	-	3	-
Senegal	4,070	4,414	445	431
	36,887	38,204	7,314	5,595
South and East Asia				
Bangladesh	8,556	11,554	1,287	2,376
China	1,163	1,150	63	44
India FRHS	4,164	4,244	1,368	1,325
Mongolia	942	883	154	138
Myanmar	5,770	5,644	471	477
Philippines	445	2,328	42	756
Vietnam	5,727	6,261	2,360	2,432
	26,767	32,063	5,745	7,547
West Asia				
Afghanistan	2,926	3,232	817	710
Nepal	5,317	5,065	814	722
Pakistan	7,931	9,327	1,566	1,630
Yemen	5,461	7,739	349	366
Sri Lanka	648	614	58	92
	22,283	25,978	3,604	3,519
Pacific Asia				
Cambodia	1,839	2,455	55	75
Papua New Guinea	5,419	2,362	137	102
Timor Leste	1,909	1,630	59	48
Australia Programmes	1,577	910	-	-
	10,744	7,357	251	224
India Social Marketing				
India PHS	10,848	6,904	6,488	5,157
India ISM	1,073	318	481	156
	11,921	7,222	6,969	5,313
Total Country Programmes	180,611	184,459	34,019	31,094
Self-Sustaining				
UK & Europe clinics	32,805	31,174	223	212
Options	17,641	22,879	-	-
Australia	21,648	19,997	144	123
Other Self-Sustaining	11,256	10,615	269	309
	83,350	84,666	636	644
Global Support Office	21,793	22,291	-	-
Sub-grants to partners	9,211	13,248	-	-
Group Consolidation Adjustments	1,884	(8,540)	-	-
Total	296,849	296,124	34,655	31,738



LOOKING TO THE FUTURE

MSI was founded to support every woman, wherever she may be, to determine her own future. We are proud of our work over the last 40 years, but we recognise that the world in which we all work is changing. As our current strategy – **Scaling up Excellence** – is coming to an end in **December 2020**, we are provided with an **exciting opportunity to evaluate what we do well and what we can do better to achieve our mission.**

The world in which we work will continue to change over the next 10 years as government, donor and NGO objectives evolve to meet the Sustainable Development Goals, and to respond to other global agendas such as universal healthcare and climate change. We need to understand these changes and what's driving them, so we can build on our achievements, address upcoming challenges, and take advantage of the many opportunities ahead.

In 2019, we have embarked on a 12-month strategic review designed to help frame our future strategy, informing and defining how we will deliver our mission over the next decade and empowering more women and girls to take control of their bodies and their futures.

The work of this review will focus on defining the goals and the strategies we need to take to deliver our objectives and how we will measure success, and we will work hard during 2019 and 2020 to develop a strategy that is fit for purpose for the years to come.

PLANS FOR 2019

While the planning and building of our next strategy will continue throughout the year, our focus will remain on service delivery for our clients. Our plans for the year have been guided by our **Scaling-Up Excellence** strategy and the learnings and experience we bring forward from recent years.

- » Continue strong CYP performance and deliver a minimum of 36.2m CYPs, a 4% increase versus 2018. Our hope is to exceed this target but we remain realistic about what can be achieved. To hit the revised target of 40m CYPs in 2020, an annual growth rate of 7.4% is needed over the next two years.
- » Continue our focus on reaching additional users and high-impact clients, steadily moving towards our FP2020 target of 12 million additional users.
- » Provide 5 million safe abortion and post abortion care services across the partnership.
- » Continue to diversify our donor funding base with a 5% growth in total income and an ambitious 12% growth in clinic service income.
- » Continue to raise the profile of safeguarding throughout the organisation with training for all staff and streamlined reporting processes.
- » Improve our recruitment, selection, on-boarding and retention processes to drive better culture fit and engagement.
- » Look ahead to the next strategic round with the strategic review considering what MSI will look like in 2030 and the changes needed.

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 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.

OUR BOARD

Marie Stopes International's Board of Trustees is made up of individuals committed to the organisation's mission and leaders in their field. They bring skill, energy, and experience to Marie Stopes International. Their backgrounds include senior level experience, both within the UK and abroad, 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 review the skills and experience necessary for the Board to be effective. When the trustees identify the need for a new trustee, the trustees identify potential candidates; interview the potential trustee(s) to establish their suitability and commitment; and check references. The potential trustee is 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.

New trustees are inducted to Marie Stopes International through formal and informal exchanges with other trustees and senior team members. They receive a comprehensive trustee induction covering their role, responsibilities, and introducing Marie Stopes International's mission, goal, finances, strategy, and health service portfolio. Trustees attend anti-fraud and bribery training and safeguarding training, and often visit a Marie Stopes International overseas programme, or one of the organisation's centres in the UK.

These visits support their understanding of the health service mix, challenges, opportunities, and impact that Marie Stopes International makes to women, men, couples, communities, and countries around the world.

The Trustees serving in the year ended 31 December 2018 and up to the date of signing this report are noted on page 4.

ORGANISATIONAL STRUCTURE

Marie Stopes International is a global organisation providing contraception and safe abortion services (where legal) across 37 countries. 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 abortion and family planning clinics and the Global Support Office) and Marie Stopes International's 20 international branch offices. The Global Support Office provides support and technical assistance to programme operations in 37 countries worldwide.

Marie Stopes International (the Group) refers to the Charity and subsidiary entities. The Group is also referred to as the Marie Stopes International Partnership or the Partnership. Unless otherwise stated all references to Marie Stopes International refer to Marie Stopes International (the Group).

The Charity's material subsidiaries are listed in note 20 and Marie Stopes International's investment in subsidiaries is contained in note 10b.



OUR GOVERNANCE

The Board of Trustees provides Marie Stopes International (the Charity) with governance, strategic oversight and direction and meets three times a year as a minimum.

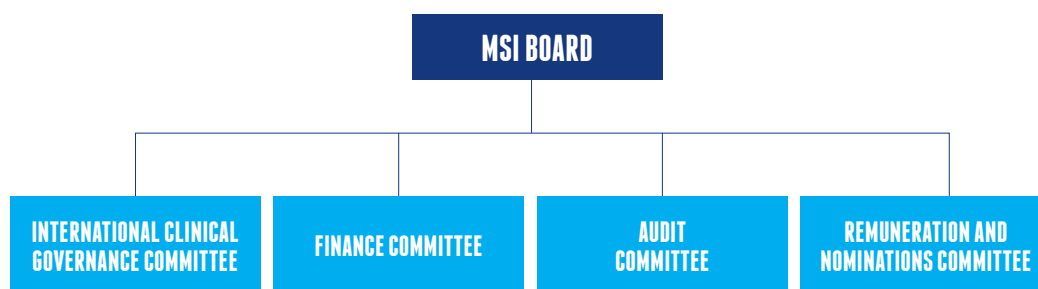
The Board delegates specific responsibilities and activities to four sub-committees. These are the International Clinical Governance Committee, the Finance Committee, the Audit Committee, and the Remuneration and Nominations Committee. Membership of these Committees is appointed by the Board, and

the chair of each committee reports back to the Board at each trustee meeting.

Suzanna Taverne stepped down as Chair of the MSI Board of Trustees in November 2018. Suzanna contributed a huge amount of enthusiasm and expertise to MSI's mission and we were grateful for her contribution. Tim Rutter is serving as Interim Chair while the Board undertakes a search for a new Chair. MSI benefits from strong governance structures, including the MSI Members who exist to protect the mission and uphold the articles of association.

In 2018 the Board reviewed its articles of incorporation, scheme of reserved matters and delegation and committee terms of reference, updating and making changes to all of them. The updated articles were adopted by special resolution of the Members on 12 February 2019. Trustee terms of appointment were adopted of up to three terms of 3 years, in the terms of reference of the Remuneration and Nominations Committee who monitor the terms on behalf of the Board

The roles and responsibilities may be summarised as follows:



Members	Required attendees	Purpose
The International Clinical Governance Committee		
Claire Morris (Chair)	CEO	To oversee client safety
Tim Rutter	COO	To review the clinical performance of international programmes
	Global Medical Director	To review the results of clinical quality audits
		To ensure MSI responds to clinical issues raised in client surveys, serious untoward incidents and clinical incident reports
Finance Committee		
Frank Braeken (Chair)	CEO	To provide oversight of the financial performance and position of the group including annual business plan, results, major business cases and investment decisions.
Phil Harvey	CFO	
	COO	
Audit Committee		
Kristin Anne Rutter (Chair)	CEO	To oversee the group's Strategic Risk Register and sources of assurance
Fiona Duby	CFO	To ensure an effective group audit function is in place
	COO	To assist in formulating the assurance needs of the Board
	Director of Internal Audit	
	External auditor	
Remuneration and Nominations Committee		
Phil Harvey (Chair)		To approve remuneration arrangements for the CEO
Tim Rutter		To oversee group remuneration policies
Frank Braeken		To identify and make recommendations to the Board on candidates for appointment as trustees

The Executive Team based mainly in London, led by the Chief Executive Officer, is responsible for the implementation of the strategic direction and for the group's operational management. The Executive Team report via the CEO to the Board of Trustees as required.

Marie Stopes International's subsidiaries have their own Boards of Trustees (or Directors), which fulfil local statutory and regulatory requirements, and provide a further layer of robust governance.

Operationally each branch and subsidiary has a senior management team headed by a Country Director who reports into the Global Support Office. Marie Stopes UK, a division of the parent charity, Marie Stopes International, reports to the MSI Board of Trustees through the group CEO who chairs the UK Divisional Board.

BEING ACCOUNTABLE

Marie Stopes is committed to our culture of 'speaking up' as key in maintaining a safe and ethical workplace, and holding the organisation accountable to our clients and our team members. In all 37 countries, any concerns of fraud, bribery or corruption, safeguarding, breaches of the law or other incidents that make team members feel uncomfortable can be confidentially reported in person, via telephone or online. The organisation uses an independent whistleblowing hotline, Safecall, to provide an all-hours service, toll-free wherever possible. All staff are trained in 'speaking up' and the communication channels are advertised in all MSI sites. All reported incidents are documented and managed by the appropriate MSI lead, depending on the nature of the report. Reporting is reviewed by the Audit Committee and the Board.

MSI worked to strengthen our policy suite and implementation of safeguarding practice globally throughout 2018. The UK Safeguarding Charity 'Keeping Children Safe' conducted a capacity assessment of MSI on behalf of DfID, and MSI was rated satisfactory across all the standards, with some excellent examples of good practice. MSI was recognised as having a strong organisational safeguarding culture grounded in our values. MSI will continue to reflect on our practice to improve both the policy framework and implementation, learning from our experience. With the increased attention to the issues and a renewed focus on safeguarding across the partnership we have seen an increase in reporting during 2018. In the five year period leading up to 2018, MSI received and investigated a total of 16 incidents, and 19 in the last ten years. In 2018 we received and investigated 18 incidents, reporting to authorities as appropriate.

In 2019, MSI joined the UN Global Compact, confirming our support for the Compact's 10 principles. We pledged to participate in and engage with the Compact, to continue strengthening our worldwide global policies relating to human rights, labour, anti-fraud, corruption and bribery, and to maintain appropriate systems to minimise environmental damage.

As an organisation that promotes the rights of women and girls, Marie Stopes International is absolutely opposed to modern slavery and human trafficking in all its forms. Through its Anti Modern Slavery Policy, the Charity is committed to enhancing and enforcing systems and controls to ensure that no modern slavery or human trafficking is present in our supply chains or anywhere in the organisation.

In 2019, the MSI Gender Working Group was formalised to bring together team members from across the partnership to focus on how MSI can promote diversity to strengthen our global impact. Composed of individuals representing teams and departments from across the organisation, the Gender Working Group provides input to the development of MSI's organisational policies and approaches from a gender perspective. It also provides support and guidance to country programmes on gender responsive programming, including delivering training, sharing resources and lessons learnt.

Marie Stopes International is committed to upholding good data privacy standards across its operations. Following the new General Data Protection Regulation that came into force in 2018, MSI implemented a global Data Privacy Programme, training accountable information leads within each country of operation. The Data Privacy Programme sets the MSI standards of data privacy and puts in place organisational measures and safeguards to ensure that privacy is incorporated by design. Through this, the Charity is accountable, transparent and fair in the way that it processes and protects personal data.

Although Marie Stopes undertakes limited activities designed to fundraise from individuals in the UK, MSI is a member of the Fundraising Regulator, and complies with the requirements of the Code of Fundraising Practice for the UK. No third party fundraisers were engaged in 2018, nor did MSI engage in any door-to-door or street fundraising. No complaints were received.

PUBLIC BENEFIT

Marie Stopes International provides choices in reproductive healthcare to enable women to have children by choice, not chance. The organisation's charitable objectives, aims and strategy provide public benefit through:

- » The prevention or relief of poverty
- » Advancing health and saving lives
- » Advancing human rights

The trustees confirm they have given due consideration to the Charity Commission's published guidance on public benefit and have taken it into account in reviewing the organisation's future plans and strategy. The Board is satisfied MSI's activities are carried out wholly in pursuit of its charitable objectives.

RISK MANAGEMENT

Risk management is key to the delivery of Marie Stopes International's strategic objectives, ensuring significant risks are identified and monitored, allowing informed decision making and timely action. Risk management ensures the organisation confidently makes the most of opportunities, improving forward planning and service delivery. The MSI risk management policy, approved by the Board, underpins the importance of risk management to MSI as one of the primary means by which effective corporate governance is achieved.

MSI seeks to reduce risks that are a threat to the delivery of objectives and put in place actions that address the likelihood and impact of each risk to an acceptable level. MSI is committed to establishing an organisational culture where risk management is an integral part of every activity and all staff understand they have an important role to play in ensuring risks are managed effectively. Risk management performance is monitored by the Audit Committee, and during 2018 this included introducing the use of Key Risk Indicators for each of the risks described in the Strategic Risk Register.

The Executive Team review the Strategic Risk Register at a dedicated meeting every two months. The Audit Committee and then the Board review the risk management process once per year and the Strategic Risk Register three times per year.

Group Internal Audit provides independent, objective assurance on the effectiveness of MSI's risk management, internal controls and risk governance processes.

All functional and operational risk registers must be reviewed at least quarterly, or more frequently as required. Review of risks are undertaken by the appropriate owners who ensure that all controls are in place and any actions necessary are properly recorded and met.

Principal risks and uncertainties in 2018

Risk	Controls and Mitigations
Lack of financial resilience as evidenced by free cash balances and unrestricted balance sheet reserves	<ul style="list-style-type: none"> » Increase liquid free reserves to reserves policy target (£30m - £35m) » Minimise cash holdings in country programmes » Pursue alternative sources of financing (in progress) » Monitor and mitigate financial risks arising from UK exit from the EU
Loss of key donor funding exacerbated by concentrated donor portfolio	<ul style="list-style-type: none"> » Quantify the financial and service delivery impact of losing key donors and develop mitigating strategies. » Proactively review and manage the donor funding pipeline » Invest in resources to diversify income via new donor relationships and domestic health financing sources
Adverse clinical outcomes, including client death	<ul style="list-style-type: none"> » Global clinical quality assurance programme » Global clinical incident reporting framework » Global tracking of provider competency and assessments » Additional obstetrics guidelines and targeted support
Non-compliance with statutory and other regulatory requirements	<ul style="list-style-type: none"> » Independent reviews of UK and global corporate governance » Country programme governance review (in progress)
Fraud, corruption, theft, risk of overstating results and unethical practices	<ul style="list-style-type: none"> » Embed and promote 'Speaking Up' culture and the use of Safecall » Revision of our policy suite on Safeguarding, Equality & Diversity, Sexual Harassment, Code of Conduct » Mandatory basic safeguarding training for all team members, enhanced training for senior leaders » Comprehensive global Anti-Fraud and Bribery programme » Roll out updated Global Due Diligence policy, including third party vetting
Lack of sustainable access to quality commodities	<ul style="list-style-type: none"> » Quarterly commodity security review, supply gap analysis and demand forecasting » Maintain donor relationships supporting granted commodities in developing countries » Register core MSI branded products in key country markets (in progress)
Faulty products/inadequate product quality	<ul style="list-style-type: none"> » In-house pharmaceutical expertise; quality, testing and recall policies » Mandate suppliers of key products and approve sources of ancillary drugs » Quality Management System and assurance tool » Launch field testing of abortifacients (in progress)
Risks posed by complex geo-political situations	<ul style="list-style-type: none"> » Global Security Framework and Crisis Protocols » Contract external expertise for advice and team member training
Major breach of donor compliance	<ul style="list-style-type: none"> » Internal technical and compliance monitoring by Donor Teams » Train key staff on donor requirements » Annual audits of donor compliance processes
Inability to recruit or retain talent for critical roles	<ul style="list-style-type: none"> » Global Recruitment strategy » Succession planning for critical roles » New career framework and global leadership training programme » Regular compensation review to position MSI competitively
Major cyber-attack or leak of confidential information	<ul style="list-style-type: none"> » Roll out Global Data Privacy Programme and training (in progress) » Global cyber security policy, software and monitoring » Regular system "penetration" tests » Training and awareness raising among global team members to ensure adherence to global information systems policies and procedures
Failure to comply with UK clinical governance and other regulatory requirements	<ul style="list-style-type: none"> » Specialised UK Divisional Board and Integrated Governance Committee with independent experts » UK risk management system, and governance structure with clear reporting lines from "ward to Board"

QUALITY

Quality forms the central pillar of MSI's Scaling Up Excellence Strategy. As such, clinical quality remains critical for both operational and clinical teams within the organisation. Performance expectations for clinical quality are formalised as a key personal target for each Country Director, with 2019 being the third year of the practice.

MSI's Medical Development Team (MDT) sets the clinical standards for all MSI core services and maintains MSI's clinical training cascade and the quality of medical products and pharmaceuticals used across the organisation. MDT covers 34 of MSI's 37 country programmes, excluding the UK, Romania and Australia programmes.

MSI uses Quality Technical Assistance (QTA) as one of the organisation's core systems for measuring and maintaining clinical quality standards. Senior clinical assessors conducted 116 QTA assessments in 2018, assessing providers and services in 544 clinical service sites and support offices across 34 country programmes. The QTA indicators for 2018 showed healthy improvements compared to 2017. The assessments are carried out by trained clinicians from the MDT or trained senior clinical (peer) assessors from country programmes. The 'peer assessor' system gives those clinicians much valued international exposure and fosters cross-learning.

Six Regional Medical Advisors (RMAs), each a senior clinician with international

experience, provide clinical support to the 34 MSI country programmes to maintain the clinical quality of their service delivery. They are managed by MSI's Head of Clinical Support, who oversees the quality of the clinical support received by the 34 country programmes. All seven are members of the MDT.

MSI maintained its clinical incident management system throughout 2018. Its acceptance by providers continued to rise, as evidenced by 767 red incidents being reported across the country programmes. Clinical incidents are reviewed at both programme and MDT level, with lessons learned being shared, and action plans implemented. MSI set incident benchmarks for riskier core services in 2018. The benchmarks are based on clinical evidence and allows MSI to see gaps in incident reporting across the partnership.

MSI's clinical risk profiling system was maintained throughout 2018. The system provides visibility of where residual clinical risks lie and where risk mitigation is weak. This allows us to prioritise its efforts and finite resources. The RAG-rated clinical quality scorecard based on risk profiling is created quarterly, allowing clinical and operational teams to identify strengths and areas that need improvement.

The clinical competency framework was fully implemented across 34 countries. The clinical competency and training database is now in use across country programmes, and the MDT reviews each database twice a year to identify countries that have

strong (and weak) implementation. The reviews allow MSI to monitor the number and competency levels of clinical service providers for each channel and service. This highlights training areas that need prioritising in each country and channel, to continue safe service provision to MSI clients.

Clinical quality in the remaining programmes, notably the UK and Australia clinics operations, is highly regulated. In those programmes, clinical quality and governance report into the local governing body and from there directly to the MSI main board. The clinical governance teams in those programmes can draw upon the group's MDT as necessary for technical support and guidance.

2018 saw further strengthening of MSI's systems for assuring pharmaceutical and medical product quality across the partnership. MSI identified new sources of high-quality pharmaceutical products and assessed the quality of sources already in use. The Q-Trak, system monitoring the quality of key reproductive health products was maintained, and a field-testing protocol was introduced to test samples of abortifacient medication collected from service delivery points.

The Medical Development Team, together with the MSI leadership, will continue to improve our clinical quality assurance systems through 2019 and beyond in a pragmatic manner that keeps MSI clients safe at scale.





OUR PEOPLE

The successful delivery of our mission is dependent on the commitment and hard work of our team members across the partnership. As part of our current strategy, we are committed to invest in our people and to nurture the talent that exists in the organisation. In 2018 we continued to make good progress towards our aim of growing and nurturing more talent from within the organisation to ensure effective delivery against our objectives.

Recognising the need to understand the level of engagement from employees across the partnership, 2018 saw the implementation of an employee engagement survey and subsequent departmental strategy planning sessions. The result assisted the identification of key themes regarding culture, working practices and the reality of our current employee value proposition.

To nurture and recognise the talent already existing within the organisation, 2018 saw a focus on career development. Firstly, we introduced a career framework, which includes a matrix of comprehensive competency, knowledge and experience requirements designed to improve transparency and encourage the career development of existing team members. We continued to implement internal programmes to enhance opportunities for development and in May we introduced a new learning management system that holds over 300 e-learning courses available across the organisation. We provided a robust approach to coaching and mentoring, including guidelines and training for mentors which was well received across the partnership.

Following safeguarding concerns raised within the sector, we continued to prioritise our systems and processes to ensure the safety of our clients and our team members, and we recently launched a detailed Sexual Harassment Policy, which supports our existing Safeguarding initiatives and initiates a positive culture shift in terms of gender considerations across the globe.

Equality for women is at the heart of everything we do and we welcomed another year of gender pay gap reporting. Our organisational ambition is to close the mean gender pay gap in our global support office and halve the mean gender pay gap in our UK clinic network. In 2018, we reported that 75% of staff in our global support office were women, the equivalent number in UK clinics were 91%. In the last year, we have strengthened the processes we have in place to ensure fair remuneration, and the mean gender pay gap in our global support office has narrowed from 7.9% to 4.8%. However, the gender pay gap in our UK clinic network remains persistently high. In 2018 we reported a total mean gender pay gap at 44.7%, while the UK reported 59.9%, reflecting a structural under-representation of women in senior clinical roles in abortion care. This challenge requires longer-term change within institutions across the healthcare sector. We are committed to reducing the gap and will therefore continue to examine the underlying data to understand what is driving our gender pay gap in order to meet our ambitions in this area.

We believe it is important to be transparent regarding remuneration for senior team members balanced with realism about attracting talent to our organisation. Our approach to remuneration centres on two key 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 using 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. The remuneration arrangements for the CEO and Executive Team are approved by the Remuneration & Nomination Committee. The Global Remuneration Policy was approved by the Board in 2018, setting the expectations of the processes and controls for pay for all our country programmes.

Finally, we work in some challenging political and security environments, and we place particular emphasis on how we can support our team members in times of crisis. We have a 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 safety and security, and business continuity.

FINANCIAL REVIEW

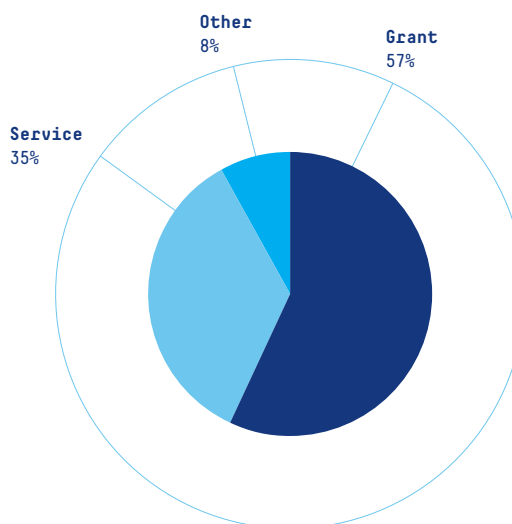
Income

The financial year began with optimism, that despite the loss of our significant USAID funding we could still pursue our strategic targets through resilient financial results and delivering more for women with less. We achieved a small growth in total income to £296.8m from £296.1m.

Donor income was maintained at £158.0m excluding granted stock and equipment. Efforts to diversify our funding were rewarded as several new donors supported MSI programmes for the first time. The second half of the year saw the beginning of 'WISH' (Women's Integrated Sexual Health), a major new DfID programme to bring quality sexual and reproductive healthcare services to millions of women and girls, with MSI providing service delivery across 15 different countries.

In 2018, there was a small increase in service income, from £116.8m to £117.1m. However, foreign exchange fluctuations in the pound sterling depressed the growth underlying the reported numbers. In our programme's local currencies, the growth in service income in our international programmes was high, at an average of 12%. MSI continues to ambitiously plan to deliver growing service income: this is key to progress against the sustainability pillar of MSI's strategy. Despite our goal to attain financial sustainability, MSI recognises that we work in challenging environments where there are women who cannot afford the full price of our services. Under these circumstances, our service providers never turn a woman away for services, and in 2018 we waived £5.0m (2017 - £5.8m) of service fees, with the price supported either by donors or by the local programmes' own reserves. These waivers supported approximately 220,000 more women to receive access to high quality services.

2018 income by type



Expenditure and surplus

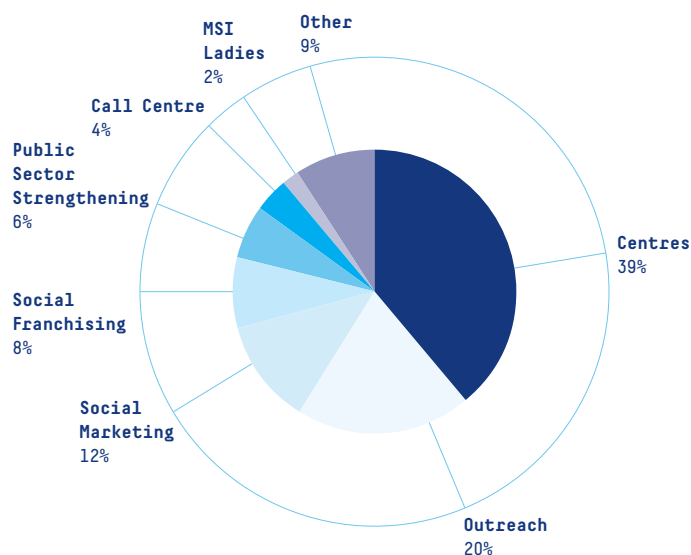
Expenditure decreased by 4% to £289.1m from £300.9m, with some programmes needing to restructure their activities as their donor funding reduced.

Investment losses of £0.7m (2017 – £1.1m gain) for the year reflect poor market performance in December 2018, leading to an overall group operating surplus of £7.0m compared with a prior year loss of £3.7m.

The group result reflects global foreign exchange movements. During the year, depreciating soft currencies overseas led to net unrealised exchange losses of £2.6m in the year, a smaller loss than 2017 when £6.5m of consolidation loss arose as the sterling recovered from Brexit losses.

Overall net movement in funds increased by £4.4m compared with a decrease of £10.2m in the previous year. This growth takes total balance sheet reserves to £111.7m.

2018 expenditure by channel



Cash

Cash increased in 2018 by £19.8m to £96.4m. Most of these funds are cash received in advance for donor projects and obligated against specific activities. Of the total cash balance, £67.5m is restricted, and the unrestricted cash held in the UK parent charity at the end of the year was £24.2m, representing approximately 30 days of expenditure. An analysis of cash balances by region is shown in the table below:

Cash balances by Region	2018 £m	2017 £m
East & Southern Africa	3.5	2.9
West & Central Africa	1.3	2.4
South & East Asia	4.9	4.4
West Asia	5.7	2.7
Pacific Asia	4.5	7.5
Rest of the World	3.0	1.6
UK, including restricted funds	73.5	55.1
	96.4	76.6

Reserves

The purpose of the Group reserve is to provide an unencumbered resource for the pursuit of Marie Stopes International's charitable mission of children by choice, not chance. Reserves can be used to ensure the organisation can operate in times of substantial income fluctuations and where expenditure on charitable activities could not or should not be scaled back in the short to medium term. At the same time, the reserves policy is designed to ensure that income is not retained for longer than is required.

The term 'reserves' is used throughout the group's annual report and accounts. There is a technical definition of restricted and unrestricted reserves, driven by accounting standards. However, MSI places utmost importance on holding the necessary level of liquid reserves that any business, but especially a charity, must prudently retain, and has set a reserves target for liquid assets held in the UK.

The Trustees review the reserves policy annually through the Finance Committee, to ensure it remains consistent with the Group's strategic plan. The Trustees consider the Group's reserves requirements from both a long and short term perspective and, based on this review, the trustees established a target range for free liquid reserves of between £30m and £35m, with £20m to be held in accessible assets in an investment

fund, the Sustainability Fund. The target was set taking account of the scale of the group's operations, the likely impact of the strategic risks facing the group, and monthly operating costs of approximately £24m. The strategic risks facing the group are summarised on pages 30 to 31 of this report. In 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 also monitor other liquid assets and the potential to procure medium term secured financing against the group's tangible fixed assets.

At 31 December 2018, MSI had liquid free reserves of £34.3m (2017: £15.2m). This metric is carefully monitored and managed monthly, with £11.6m of the balance held in the sustainability fund at the end of the year. The significant improvement during 2018 was achieved through a targeted improvement plan, that included reducing fund balances held overseas and negotiating fair payment terms on donor projects. We continue to work with donors to ensure that the sustainability of the partnership is not jeopardised by inappropriate payment profiles. The closing liquid reserves were within the target set by the Board.

At 31 December 2018, the Group accounts show the following unrestricted reserves:

- » A designated sustainability reserve of £11.6m (2017: £12.2m), 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 and liquid reserves.
- » General unrestricted reserves of £40.9m (2017: £35.1m). This is made up primarily of global working capital and is therefore not highly liquid.
- » A designated tangible fixed assets reserve of £14.3m (2017: £16.4m) which represents the net book value of MSI's unrestricted tangible fixed assets – primarily clinic buildings. Of its nature, these assets are illiquid and are therefore excluded from the determination of our liquid reserves position.

This gives total unrestricted reserves of £66.8m (2017: £63.7m) in the financial statements. Marie Stopes International's unrestricted funds represent the cumulative surpluses from the group's worldwide operations, particularly the commercial operations. The Trustees endorse the use of

surpluses from these operations to support family planning and sexual and reproductive health services around the world.

Marie Stopes International had restricted funds at 31 December 2018 of £44.9m (2017: £43.6m). These restricted funds are from two sources:

- » Income received from donors to directly support charitable activities.
- » Net assets held in overseas programmes which are restricted for use within the country where the surplus accumulated

Going concern

The trustees have reviewed the annual business plan, the current strategic plan, the financial position and reserves, and have considered the principal financial risks facing the organisation. The trustees consider there is reasonable expectation that both the Company and the Group have sufficient resources to continue operating for the foreseeable future and therefore the financial statements have been prepared on a going concern basis.

Investments

The purpose of MSI's investments are to support the reserves target of increasing the sustainability fund to £20.0m held in accessible assets. Marie Stopes International's investment policy is:

- » To maintain a liquid medium risk diversified portfolio which acts as the core reserve of the organisation
- » To manage the fund at arm's length through half-yearly review meetings with the investment manager

At the end of the financial year, the Charity held £11.6m in this fund through both capital additions and portfolio growth, however 2018 was a tough year for investors globally across all asset classes. On an absolute return basis, the MSI fund total value reduced by 5.1% across the full year (prior year growth of 10%), most of this loss arose in the last quarter when the equities in the MSI portfolio fell by 7.1%. This position has substantially recovered subsequent to the year-end.

MSI's portfolio is benchmarked against two funds, and while 2018 performance was in line with the equity benchmarked fund, it was behind the balanced index. Marie Stopes International's current investment fund manager is GAM, and performance is reviewed half-yearly by the Charity management, while the Finance Committee scrutinises the portfolio mix and performance annually.

INDEPENDENT AUDITOR

There is no mandatory requirement to rotate auditors, however Marie Stopes International's internal policy is to tender at least every five years. Therefore during 2019 the Audit Committee will direct a competitive formal process for the appointment of an external auditor.

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 regulation.

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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- » make judgments and estimates that are reasonable and prudent;
- » state whether applicable UK Accounting Standards, comprising FRS 102, have 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 Trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report of the Trustees, under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Trustees on 23 May 2019, including approving in their capacity as company Directors the Strategic Report contained therein, and is signed as authorised on its behalf by:

Kristin Anne Rutter
Trustee
23 May 2019

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MARIE STOPES INTERNATIONAL

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

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 2018 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- » have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements and Annual Report (the "Annual Report"), which comprise: the group and company balance sheets as at 31 December 2018; the consolidated statement of financial activities (incorporating the income and expenditure account), the consolidated cash flow statement for the year then ended; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- » the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- » the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and parent charitable company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the charity's activities, beneficiaries, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Trustees' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Trustees' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Trustees' Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities set out on page 36, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group and parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the charity's members 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.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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
- » certain disclosures of trustees' remuneration specified by law are not made; 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.

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

29 May 2019

FINANCIAL STATEMENTS





CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 December 2018

	Note	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
INCOME FROM					
Donations	3a	4,012	-	4,012	3,721
Charitable activities	3b	133,940	152,588	286,528	286,779
Investments	3c	1,012	-	1,012	777
Other income		5,219	78	5,297	4,847
Total income		144,183	152,666	296,849	296,124
EXPENDITURE ON					
Raising funds	4	(1,373)	-	(1,373)	(1,495)
Charitable activities	4	(130,990)	(156,782)	(287,772)	(299,393)
Total expenditure		(132,363)	(156,782)	(289,145)	(300,888)
Net (losses)/gains on investments	10c	(730)	-	(730)	1,106
Net income/(expense)		11,090	(4,116)	6,974	(3,658)
Transfers between funds	15/22	(5,420)	5,420	-	-
Other recognised gains / (losses)					
Unrealised exchange losses		(2,555)	-	(2,555)	(6,531)
Net movement in funds	7	3,115	1,304	4,419	(10,189)
Fund balances brought forward	15/16	63,727	43,581	107,308	117,497
Fund balances carried forward	15/16	66,842	44,885	111,727	107,308

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 notes on pages 45 to 63 form part of these financial statements.

BALANCE SHEET

as at 31 December 2018

	Note	Group		Company	
		Total 2018 £'000	Total 2017 £'000	Total 2018 £'000	Total 2017 £'000
Fixed assets					
Intangible assets	8	1,251	631	1,251	631
Tangible assets	9	34,620	37,565	17,320	19,293
Investments	10	11,986	12,586	12,676	13,292
Total fixed assets		47,857	50,782	31,247	33,216
Current assets					
Stock		14,928	14,050	4,898	4,458
Receivables	11	43,896	51,125	37,517	43,952
Short-term deposits		8,566	5,863	1,205	1,526
Cash at bank and in hand		96,439	76,602	74,951	55,816
Total current assets		163,829	147,640	118,571	105,752
Payables: amounts falling due within one year	12a	(93,765)	(84,130)	(61,167)	(53,158)
Net current assets		70,064	63,510	57,404	52,594
Total assets less current liabilities		117,921	114,292	88,561	85,810
Payables: amounts falling due after more than one year	12b	(2,882)	(2,803)	(1,943)	(2,296)
Loans: amounts falling due after more than one year	13	(3,312)	(4,181)	(3,300)	(4,168)
Net assets		111,727	107,308	83,408	79,346
The funds of the charity:					
Unrestricted funds					
General funds	16	40,916	35,144	40,460	34,085
Designated funds - tangible fixed asset reserve	16	14,344	16,383	13,045	14,870
Designated funds - sustainability reserve	16	11,582	12,200	11,582	12,200
Total unrestricted funds	16	66,842	63,727	65,087	61,155
Restricted funds	15	44,885	43,581	18,321	18,191
Total charity funds		111,727	107,308	83,408	79,346

The parent company had total income in the year of £136.8m (2017: £141.1m) and total expenditure of £132.7m (2017: £148.7m) giving a net gain for the year of £4.1m (2017: net loss of £7.6m). The net movement in funds, after investment gains/losses was a gain of £4.1m (2017: loss of £7.5m).

The notes on pages 45 to 63 form part of these financial statements.

The financial statements on pages 42 to 63 were approved by the Board of Trustees on 23 May 2019 and signed on its behalf by

Kristin Anne Rutter
Trustee
23 May 2019

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 December 2018

	2018		2017	
	£'000	£'000	£'000	£'000
Net cash provided by operating activities		27,537		5,250
Cash flows from financing activities				
Dividends, interest and rents from investments	1,012		777	
Proceeds from sale of tangible fixed assets	2,068		1,630	
Proceeds from sale of fixed asset investments	4		3	
Purchase of tangible fixed assets	(6,086)		(7,084)	
Purchase of intangible assets	(674)		-	
Purchase of fixed asset investments	(138)		-	
On receipt of gifted assets	-		373	
Net cash used in investing activities		(3,814)		(4,301)
Cash flows from financing activities				
Decrease in bank and unsecured loans	(314)		(154)	
Decrease in long term loans	(869)		(464)	
Net cash generated from / (used in) financing activities		(1,183)		(618)
Net increase in cash and cash equivalents		22,540		331
Cash and cash equivalents at 1 January		82,465		82,134
Cash and cash equivalents at 31 December		105,005		82,465
Cash and cash equivalents consists of:				
Cash at bank and in hand		96,439		76,602
Short-term deposits		8,566		5,863
Total cash and cash equivalents		105,005		82,465

Notes	2008		2007	
	£'000	£'000	£'000	£'000
a) Reconciliation of net income to net cash inflow from operating activities				
Net income/(expense) for the year	6,974		(3,658)	
Gifted assets	-		(373)	
Investment income	(1,012)		(777)	
Depreciation of tangible fixed assets	7,002		8,017	
Amortisation & impairment of intangible fixed assets	54		51	
Gain on disposal of tangible fixed assets	(450)		(528)	
Loss/(gain) on revaluation of investments	730		(1,106)	
(Increase)/decrease in stocks	(878)		3,118	
Decrease in receivables	7,229		2,451	
Increase in payables & provisions	10,028		1,589	
Exchange movements	(2,140)		(3,534)	
Net cash inflow from operating activities		27,537		5,250
b) Reconciliation of movement in net funds				
Total cash and cash equivalents		105,005		82,465
Bank loans falling due within one year		(114)		(428)
Other loans falling due after more than one year		(3,312)		(4,181)
Cash and cash equivalents less borrowings		101,579		77,856
Increase in cash		22,540		331
Cash (inflow)/outflow from financing activities		1,183		618
Net funds at 1 January		77,856		76,907
Net funds at 31 December		101,579		77,856

The notes on pages 45 to 63 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2018

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. Marie Stopes International constitutes a public benefit entity as defined by FRS102.

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 financial statements 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 charity'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 (p) 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 income in the year of £136.8 million (2017: £141.1 million) and total expenditure of £132.7 million (2017: £148.7 million) giving a net gain for the year of £4.1 million (2017: net loss of £7.6 million). The net movement in funds, after investment gains/losses was a gain of £4.1million (2017: loss of £7.5 million).

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

b) Company status

Marie Stopes International is registered as a company limited by guarantee and a charity. The Trustees are named on page 4. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per Member.

c) 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 ceases, the gain or loss is recognised in the consolidated Statement of Financial Activities. 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.

d) 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).

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.

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).

e) Income

Donations

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

Charitable activities

Income 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.

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 payables 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 receivables.

Granted supplies and equipment

Where the charity receives grants of goods and services in kind and where there is a measurable value to the charity, which can be ascertained with reliability, the grant is included as both income and expenditure. Both the income and expenditure elements are recognised in the Statement of Financial Activities when the granted stock has been used by the charity.

Service income

Service income comprises income received and receivable from clients for sexual and reproductive health services and products provided during the period. Service income is recognised when the service is provided or the product is sold.

Investments

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

Other income

All other items of income are recognised within the other income category. Income is recognised when there is entitlement to the income, receipt is probable and the amount can be measured reliably.

f) 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

Raising funds comprises costs relating to the raising of grant income.

Charitable activities

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

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

g) 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.

h) 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.

i) 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.

j) 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).

k) 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
» Short leasehold properties	Over period of the lease
» Office equipment	20% to 50% per annum
» Medical equipment	20% to 50% per annum
» Computer equipment and software	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.

l) 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.

m) Programme related investments

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

n) 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.

o) 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.

p) Areas of judgement and estimate

The charity makes judgements and estimates concerning the future. Those judgements and estimates 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 the following:

i) Areas of judgement

- » **Grant income recognition.** The majority of grant income is recognised in line with expenditure against the grant contract, as this is deemed the most accurate proxy for the performance conditions within the grant being met. Where such grants are received in advance of delivering the goods or services required, the income is not recognised. Instead it is recognised as a liability (deferred income) until performance can be measured (based on spend).
- » **Restricted funds.** MSI operates in overseas territories where the local government expects surpluses achieved on non-service activities to be used in-country and not passed back to the parent company. During 2017, management performed a full review across all countries and identified a need for reclassification of 'restricted by constitution' countries to a wider country base. During 2018 no further reclassifications were required.

ii) Areas of estimate

- » **Provisions** such as bad debts and terminal grants involve assumptions and estimation techniques. These are based on the experience and knowledge of management and evidence from past experience.
- » **Cost allocation.** The cost allocation methodology requires a judgement as to what are the most appropriate bases to use to apportion support costs; these are reviewed annually for reasonableness.

q) 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 publicly 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.

2. Comparative information for the consolidated statement of financial activities (incorporating the income and expenditure account) for the year ended 31 December 2018

	2018			2017		
	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Unrestricted funds £'000	Restricted funds £'000	Total 2017 £'000
INCOME FROM						
Donations	4,012	-	4,012	1,482	2,239	3,721
Charitable activities	133,940	152,588	286,528	138,725	148,054	286,779
Investments	1,012	-	1,012	742	35	777
Other income	5,219	78	5,297	4,689	158	4,847
Total income	144,183	152,666	296,849	145,638	150,486	296,124
EXPENDITURE ON						
Raising funds	(1,373)	-	(1,373)	(1,495)	-	(1,495)
Charitable activities	(130,990)	(156,782)	(287,772)	(141,763)	(157,630)	(299,393)
Total expenditure	(132,363)	(156,782)	(289,145)	(143,258)	(157,630)	(300,888)
Net gains/(losses) on investments	(730)	-	(730)	1,106	-	1,106
Net income	11,090	(4,116)	6,974	3,486	(7,144)	(3,658)
Transfers between funds	(5,420)	5,420	-	1,530	(1,530)	-
Other recognised gains / (losses)						
Unrealised exchange losses	(2,555)	-	(2,555)	(6,947)	416	(6,531)
Net movement in funds	3,115	1,304	4,419	(1,931)	(8,258)	(10,189)
Fund balances brought forward at 1 January	63,727	43,581	107,308	65,658	51,839	117,497
Fund balances carried forward at 31 December	66,842	44,885	111,727	63,727	43,581	(107,308)

3. Income from

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
a) Donations				
Monetary donations	4,012	-	4,012	3,362
Gifted assets	-	-	-	359
Total Donations	4,012	-	4,012	3,721
b) Charitable activities				
Grant income				
Department for International Development	-	48,173	48,173	44,067
United States Agency for International Development	-	9,723	9,723	19,725
The Bill and Melinda Gates Foundation	-	9,533	9,533	8,429
United Nations	-	5,550	5,550	3,306
Netherlands Ministry of Foreign Affairs	1,135	5,987	7,122	8,618
ABT Associates PTE Ltd (JTA)	-	6,772	6,772	3,365
Children's Investment Fund Foundation	-	6,116	6,116	5,952
William and Flora Hewlett Foundation	-	3,370	3,370	773
Ministry of Foreign Affairs of Denmark	2,970	586	3,556	2,892
Global Affairs Canada	-	3,225	3,225	-
Australian Dept for Foreign Affairs & Trade	-	2,621	2,621	1,572
Norwegian Agency for Development Cooperation	-	2,619	2,619	249
Swedish International Development Agency	-	2,068	2,068	1,603
Kreditanstalt für Wiederaufbau	-	1,516	1,516	891
Ministry for Foreign Affairs of Finland	-	1,167	1,167	1,403
Anonymous	-	25,613	25,613	36,002
Other	-	19,210	19,210	18,845
	4,105	153,849	157,954	157,692
Reallocation of fees earned on restricted grants	12,734	(12,734)	-	-
	16,839	141,115	157,954	157,692
Granted supplies and equipment	-	11,473	11,473	12,322
Service income				
Sexual and reproductive healthcare services	122,113	-	122,113	122,584
Fees waived	(5,012)	-	(5,012)	(5,819)
	117,101	-	117,101	116,765
Total income from charitable activities	133,940	152,588	286,528	286,779

Grant income is recognised in accordance with the Charities SORP and as a result may differ from cash received; please see note 1e 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.

A geographical split of this income is shown on page 26 of the Trustees' Report.

	Unrestricted funds £'000	Restricted funds £'000	Total 2018 £'000	Total 2017 £'000
c) Investments				
Bank interest receivable	686	-	686	542
Distributions receivable	153	-	153	128
Rent receivable	173	-	173	107
	1,012	-	1,012	777

4. Expenditure on

a) Total expenditure	Direct costs	Staff costs (note 5)	Other costs	Support costs (4c)	Total 2018	Total 2017
	£'000	£'000	£'000	£'000	£'000	£'000
Raising funds	187	1,077	1	108	1,373	1,495
Charitable activities	139,328	128,819	6,759	12,866	287,772	299,393
Subtotal	139,515	129,896	6,760	12,974	289,145	300,888
Support costs reallocation	2,954	9,093	927	(12,974)	-	-
Total	142,469	138,989	7,687	-	289,145	300,888

b) Direct costs of charitable activities

Direct expenditure on charitable activities includes subcontracts awarded to external partners of £14,006,000 (2017: £14,203,000). Details are available from Marie Stopes International, 1 Conway Street, London W1T 6LP.

c) Support costs	2018	2017
	£'000	£'000
Management and office services	1,904	2,147
Finance and information technology	5,427	5,437
Programme support	2,021	1,826
People and development	852	772
External relations	1,475	1,690
Governance costs	1,295	1,445
Total support costs	12,974	13,317

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.

Governance costs include expenditure on internal and external audit, Trustee meetings and non-audit services. Cost of the group audit for 2018 was £188,424 (2017: £182,928), inclusive of VAT. In addition, fees for the audit of country programmes totalled £503,000 (2017: £304,000). Of these, £68,000 relates to audits conducted by the group auditor (Company: £29,000)

Non-audit fees paid to the current auditors in the year was £10,700 (2017: £3,000)

5. Staff costs

Staff costs:	2018	2017
	£'000	£'000
- Wages and salaries	102,303	103,120
- Social security costs	5,925	4,966
- Other pension costs	3,776	3,506
	112,004	111,592
Sessional fees and contractors, staff benefits and training	26,985	29,963
Total staff costs	138,989	141,555

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 automatically enrolls its UK staff into its defined contribution pension scheme where certain criteria are met.

Redundancy and termination payments totalled £409,000 in 2018 (2017: £320,000).

6. Staff numbers

The average monthly number of staff analysed by function was:	2018 number	2017 number
- Raising funds	14	16
- Charitable activities	10,498	11,596
	10,512	11,612

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

	2018 number	2017 number
£60,001 - £70,000	36	39
£70,001 - £80,000	19	22
£80,001 - £90,000	10	5
£90,001 - £100,000	6	7
£100,001 - £110,000	11	6
£110,001 - £120,000	5	5
£120,001 - £130,000	3	4
£130,001 - £140,000	2	4
£140,001 - £150,000	3	2
£150,001 - £160,000	1	1
£160,001 - £170,000	1	3
£170,001 - £180,000	1	2
£180,001 - £190,000	5	4
£190,001 - £200,000	2	1
£200,001 - £210,000	1	-
£210,001 - £220,000	1	-
£230,001 - £240,000	-	2
£250,001 - £260,000	1	1
£300,001 - £310,000	-	1
£430,001 - £440,000	1	-

Employee numbers disclosed above include staff from all entities in the group.

The remuneration of the highest paid employee was split between base salary of £217,250 (2017: £173,067) and performance-based bonus of £217,250 (2017: £127,465). The total paid to 6 key management personnel in 2018 was £1,266,000 (2017: £1,134,000: 6 persons).

Retirement benefits were accrued under a defined contribution scheme for 77 higher paid employees (2017: 88).

Total employer contributions for these employees were £533,000 (2017: £288,000).

7. Net movement in funds

Net movement in funds is stated after charging:	2018	2017
	£'000	£'000
Amortisation of intangible fixed assets	54	51
Depreciation of tangible fixed assets	7,002	8,017
Operating lease rentals	6,250	6,657

8. Intangible assets

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Cost or valuation				
At 1 January	987	1,007	997	997
Additions	674	-	674	-
Disposals	(72)	(20)	(87)	-
At 31 December	1,589	987	1,584	997
Accumulated amortisation				
At 1 January	356	319	366	315
Charge for the year	54	51	54	51
Disposals	(72)	(14)	(87)	-
At 31 December	338	356	333	366
Net book value at 31 December	1,251	631	1,251	631

9. Tangible assets

Group	Freehold properties £'000	Short leasehold £'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 2018	40,119	4,265	7,554	10,868	18,270	16,161	701	97,938
Additions	133	607	236	423	438	2,926	1,323	6,086
Transfers between asset classes	504	119	98	164	95	-	(980)	-
Disposals	(810)	(143)	(961)	(945)	(1,565)	(1,686)	-	(6,110)
Exchange movements on consolidation	(244)	(16)	(198)	(62)	(387)	27	(82)	(962)
At 31 December 2018	39,702	4,832	6,729	10,448	16,851	17,428	962	96,952
Accumulated depreciation								
At 1 January 2018	18,670	2,338	5,667	7,717	14,564	11,417	-	60,373
Charge for the year	950	348	662	1,068	1,900	2,074	-	7,002
Disposals	(109)	(137)	(795)	(718)	(1,400)	(1,333)	-	(4,492)
Exchange movements on consolidation	(27)	(27)	(141)	(51)	(313)	8	-	(551)
At 31 December 2018	19,484	2,522	5,393	8,016	14,751	12,166	-	62,332
Net book value								
At 31 December 2018	20,218	2,310	1,336	2,432	2,100	5,262	962	34,620
At 31 December 2017	21,449	1,927	1,887	3,151	3,706	4,744	701	37,565
Company								
At 1 January 2018	28,997	2,378	3,555	5,623	13,449	4,872	121	58,995
Additions	20	-	27	265	111	777	946	2,146
Transfers between asset classes	176	98	79	164	91	-	(608)	-
Disposals	-	(89)	(283)	(148)	(930)	(821)	-	(2,271)
Exchange movements on consolidation	(92)	(46)	(102)	(114)	(149)	(5)	1	(507)
At 31 December 2018	29,101	2,341	3,276	5,790	12,572	4,823	460	58,363
Accumulated depreciation								
At 1 January 2018	16,451	1,876	2,950	3,838	11,080	3,507	-	39,702
Charge for the year	678	144	223	630	1,287	598	-	3,560
Disposals	-	(89)	(242)	(105)	(876)	(564)	-	(1,876)
Exchange movements on consolidation	(29)	(39)	(76)	(86)	(115)	2	-	(343)
At 31 December 2018	17,100	1,892	2,855	4,277	11,376	3,543	-	41,043
Net book value								
At 31 December 2018	12,001	449	421	1,513	1,196	1,280	460	17,320
At 31 December 2017	12,546	502	605	1,785	2,369	1,365	121	19,293

10. Investments

	Note	Group		Company	
		2018 £'000	2017 £'000	2018 £'000	2017 £'000
Investment property	10a	278	278	278	278
Investment in subsidiaries	10b	-	-	813	812
Listed investments	10c	11,708	12,308	11,585	12,202
		11,986	12,586	12,676	13,292

a) Investment property

	Group and Company	
	2018 £'000	2017 £'000
Market value at beginning of the year	278	278
Exchange movement on consolidation	-	-
Market value at end of the year	278	278

b) Market value at end of the year

	Company	
	2018 £'000	2017 £'000
Investment in subsidiary undertakings at cost:		
At beginning of the year	812	787
Additions	-	230
Disposals	-	(203)
Exchange movement on consolidation	1	(2)
At end of the year	813	812

c) Listed investments

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Market value at beginning of the year	12,308	11,261	12,202	11,097
Additions	138	-	-	-
Disposals	(4)	(3)	-	-
Revaluation (loss)/gain	(730)	1,106	(618)	1,106
Exchange movement on consolidation	(4)	(56)	1	(1)
Market value at end of the year	11,708	12,308	11,585	12,202
Investment portfolio allocation:				
Equities	6,042	6,609	6,042	6,607
Bonds	1,778	2,544	1,778	2,544
Multi-asset funds and Alternatives	1,624	1,689	1,624	1,689
Private equity	705	1,047	705	1,047
Cash	1,559	419	1,436	315
	11,708	12,308	11,585	12,202

10. Investments (continued)

Material holdings within the investment portfolio:

	Group and Company	
	2018	2017
	£'000	£'000
Equities	-	1,246
GAM Star Global Quality GBP fund	-	403
GAM Star Capital Appreciation US Equity fund	1,068	1,048
Loomis Sayles US Equity Leaders fund	998	1,017
Vanguard S&P 500 ETF	-	348
SIG Lyrical Fund Class	598	-
iShares Edge MSCI USA Quality Factor	622	-
GAM Emerging Markets Equity GBP	-	719
JB Multistock Emerging Equity	-	-
Bonds	-	778
GAM Star Absolute Return Bond Plus fund	-	778
GAM Star Credit Opportunities GBP Institutional Account	583	-
Multi-asset funds, Alternatives and Private Equity	-	-
CF Ruffer Total Return Fund	604	653
Trojan Fund	694	718
Schroder Private Equity Funds IV	705	719

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

11. Receivables

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade receivables	17,441	16,175	5,183	7,034
Grants receivable	6,991	3,219	6,902	3,465
Accrued income	10,585	22,046	7,655	15,799
Prepayments	5,393	3,367	2,495	1,663
Corporation tax	198	185	34	-
Amounts owed by group undertakings	-	-	13,341	13,987
Other receivables	3,288	6,133	1,907	2,004
	43,896	51,125	37,517	43,952

All trade receivables are due within one year.

12. Payables

a) Amounts falling due within one year

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Trade payables	9,250	8,026	3,906	2,088
Accruals and provisions	18,138	19,512	12,481	12,578
Taxation and social security	4,437	5,358	1,689	1,813
Deferred income	59,203	49,878	40,991	35,379
Bank loans	114	428	111	133
Other payables	2,623	928	1,989	1,167
	93,765	84,130	61,167	53,158

Analysis of deferred income

	Group £'000	Company £'000
At 1 January 2018	49,878	35,379
Amounts credited to deferred income during the year	178,752	80,763
Amounts released to income in the year	(169,427)	(75,151)
At 31 December 2018	59,203	40,991

The closing balance of deferred income represents new grant income received during 2018 where the contractual obligations of the grant are to be fulfilled in future years.

b) Amounts falling due after more than one year

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Provisions	2,882	2,803	1,943	2,296

13. Loans

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Amounts falling due after more than one year	3,312	4,181	3,300	4,168

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 20% as at 31 December 2018 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

Fund balances at 31 December 2018 are represented by:

	Group			Company		
	Unrestricted funds £'000	Restricted funds £'000	Total £'000	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Intangible fixed assets	1,246	5	1,251	1,246	5	1,251
Tangible fixed assets	14,344	20,276	34,620	13,045	4,275	17,320
Fixed asset investments	11,128	858	11,986	12,673	3	12,676
Bank and cash	37,515	67,490	105,005	28,385	47,771	76,156
Other net current assets	7,143	(42,084)	(34,941)	14,247	(32,999)	(18,752)
Long-term liabilities	(4,534)	(1,660)	(6,194)	(4,509)	(734)	(5,243)
	66,842	44,885	111,727	65,087	18,321	83,408

Unrestricted cash held in the UK parent charity at the year-end was £24.2m (2017: £10.9m).

15. Restricted funds

	Group				At 31 Dec 2018 £'000
	At 1 Jan 2018 £'000	Income £'000	Expenditure £'000	Transfers (note 22) £'000	
Donor funds	4,207	152,666	(156,782)	-	91
Restricted by constitution					
Africa	15,556	-	-	3,966	19,522
Asia	19,619	-	-	(2,495)	17,124
Pacific Asia	2,181	-	-	1,745	3,926
Commercial	2,018	-	-	2,204	4,222
	43,581	152,666	(156,782)	5,420	44,885

	Company				At 31 Dec 2018 £'000
	At 1 Jan 2018 £'000	Income £'000	Expenditure £'000	Transfers (note 22) £'000	
Donor funds	1,951	71,278	(73,138)	-	91
Restricted by constitution					
Africa	9,374	-	-	1,512	10,886
Asia	5,398	-	-	499	5,897
Pacific Asia	201	-	-	30	231
Commercial	1,267	-	-	(51)	1,216
	18,191	71,278	(73,138)	1,990	18,321

Restricted funds represent the following:

a) Donor funds unspent at the end of the financial year, which will be expended in the future in line with the contractual and geographical conditions imposed by the donor.

b) Funds restricted by constitution represent the accumulated surpluses from those group entities where the funds have been generated locally and the future use is restricted to that location.

16. Unrestricted funds

	Group			
	General reserves	Tangible fixed asset reserve	Sustainability reserve	Total unrestricted funds
	£'000	£'000	£'000	£'000
At 1 January 2018	35,144	16,383	12,200	63,727
Net income (including investment gains)	11,090	-	-	11,090
Transfers:				
- Transfer to restricted funds	(5,420)	-	-	(5,420)
- Movement in tangible fixed asset reserve	2,039	(2,039)	-	-
- Movement in sustainability reserve	618	-	(618)	-
- Net losses on revaluations and exchange on consolidation	(2,555)	-	-	(2,555)
At 31 December 2018	40,916	14,344	11,582	66,842

	Company			
	General reserves	Tangible fixed asset reserve	Sustainability reserve	Total unrestricted funds
	£'000	£'000	£'000	£'000
At 1 January 2018	34,085	14,870	12,200	61,155
Net income (including investment gains)	6,645	-	-	6,645
Transfers:				
- Transfer to restricted funds	(1,990)	-	-	(1,990)
- Movement in tangible fixed asset reserve	1,825	(1,825)	-	-
- Movement in sustainability reserve	618	-	(618)	-
- Net gains on revaluations and exchange on consolidation	(723)	-	-	(723)
At 31 December 2018	40,460	13,045	11,582	65,087

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 2018 there were capital commitments of £nil (2017: £nil).

b) Operating lease commitments

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

	Group	
	2018 £'000	2017 £'000
Within one year	2,317	2,559
Between two and five years	5,509	3,788
Leases expiring in five years or more	595	241
	8,421	6,588

19. Transactions involving Trustees

During the year the charity reimbursed expenses of £1,750 (2017: £2,932) to 3 trustees (2017: three) 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.

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 material 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	Expend-iture £'000	Net income 2018 £'000	Net assets as at 31 Dec 2018 £'000
Options Consultancy Services	London, UK (2695347)	Ordinary	100	N/A	13,286	13,392	(106)	334
Options for International Health	London, UK (9137405, charity no 1160066)	N/A	N/A	100	2,570	2,570	-	-
Options Consultancy Services Kenya Limited	Nairobi, Kenya (CPR/2014/147082)	Ordinary	100	N/A	3,043	2,986	57	91
MS Health Pty Ltd	Melbourne, Australia (ABN 33155 182586)	Ordinary	100	N/A	4,592	4,045	547	(1,373)
MSI Australia (including MSI Timor-Leste) *	Melbourne, Australia (ABN 79082 496697)	N/A	N/A	29	3,889	3,176	713	2,251
Marie Stopes Bangladesh	Dhaka, Bangladesh (C-584936, NGO 2033)	N/A	N/A	55	7,565	7,441	124	1,747
Foundation for Reproductive Health Services India	New Delhi, India (NGO reg: F04338)	Ordinary	99	N/A	4,163	4,173	(10)	437
ISM Corporation Private Limited	New Delhi, India (U51909 DL2012 FTC245603)	Ordinary	98	N/A	1,072	962	110	516
Population Health Services	New Delhi, India (55-99080)	Ordinary	100	N/A	10,840	10,321	519	2,818
Marie Stopes Kenya	Nairobi, Kenya (OP 218/051/93191/15)	N/A	N/A	100	11,666	12,171	(505)	(1,382)
Marie Stopes Madagascar	Antananarivo, Madagascar (Ord 60-133)	N/A	N/A	71	6,297	6,342	(45)	1,374
Banja La Mtsogolo (Malawi)	Lilongwe, Malawi (Co no 6025)	N/A	N/A	100	8,384	9,298	(914)	3,072
MS Mexico (Mexico City)	Mexico City, Mexico (09020865)	N/A	N/A	100	1,376	1,694	(318)	(877)

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	Expend-iture £'000	Net income 2018 £'000	Net assets as at 31 Dec 2018 £'000
Fundacion Marie Stopes Mexico	Mexico City, Mexico	N/A	N/A	100	2,269	1,888	381	1,038
Sunaulo Parivar Nepal*	Kupondol, Nepal (NGO 420/051/52)	N/A	N/A	N/A	4,144	4,295	(151)	709
MSI Organisation Nigeria	Abuja, Nigeria (RC: 27391)	N/A	N/A	100	11,772	11,564	208	1,770
Marie Stopes Society Pakistan	Lahore, Pakistan (RP374)	N/A	N/A	60	7,979	7,909	70	3,262
Marie Stopes PNG	Port Moresby, Papua New Guinea (5-2456)	N/A	N/A	100	5,264	5,300	(36)	505
Population Services Pilipinas, Inc.	Pasay City, Philippines (178967)	N/A	N/A	80	445	1,034	(589)	256
Marie Stopes Sierra Leone	Freetown, Sierra Leone (C.F. 83/1986)	N/A	N/A	100	3,482	3,362	120	1,041
Marie Stopes South Africa	Cape Town, South Africa (1991/004592/08)	N/A	N/A	100	5,012	4,203	809	122
Population Services Lanka	Colombo, Sri Lanka (N(A)27)	N/A	N/A	100	510	707	(197)	415
Marie Stopes Tanzania Ltd	Dar es Salaam, Tanzania (27539)	N/A	N/A	67	13,748	14,713	(965)	(214)
Marie Stopes Uganda Ltd	Kampala, Uganda (S.5914/480)	N/A	N/A	60	3,745	2,909	836	(169)
Marie Stopes Limited (Uganda)	Kampala Uganda (41190)	NA	NA	56	6,803	7,612	(809)	(814)
MSI-US	Washington DC, USA (NFP 05-27-55)	N/A	N/A	57	41,034	40,979	55	675
Vietnam Centre for Community Reproductive Health	Hanoi, Vietnam (Estab reg no 335/QD-TWH)	N/A	N/A	N/A	2,061	2,094	(33)	1,728
Bach Khang Vietnam Co Ltd *	Hanoi, Vietnam (Cert no 0105931817)	N/A	N/A	N/A	2,418	2,202	216	764
Yamaan Foundation for Health & Social Development *	Sana'a, Yemen (295/80)	N/A	N/A	20	3,133	2,187	946	2,080
MSI Zambia Ltd	Lusaka, Zambia (66871)	N/A	N/A	100	3,106	3,134	(28)	563
Population Services Zimbabwe	Harare, Zimbabwe (W013/87)	N/A	N/A	51	4,897	4,654	243	(745)

*Consolidated on the basis of operational control

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.

21. Related parties transactions

The Group has taken advantage of the exemption available under FRS 102 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. The charity has sub-contracted service delivery to DKT with a value of £921,000 in 2018 (2017: £536,000). DKT also granted supplies to Marie Stopes International, of which £505,000 were utilised in 2018 (2017: £472,000).

WomanCare, a wholly owned subsidiary of DKT, supplied goods to MSI totalling £162,000 in 2018 (2017: £nil), of which £162,000 was owed to WomanCare at the year end (2017: £nil).

Marjorie Newman Williams, an Executive Team member of MSI, was a Board member of the Safe Abortion Action Fund (SAAF) until March 2018. SAAF granted funds to MSI to the value of £nil in 2018 (2017: £4,000), via International Planned Parenthood Federation (IPPF).

The total value of donations received from related parties without conditions was £38,000 (2017 :£78,000)

Up to 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 of £5.4m was made from unrestricted to restricted funds (2017: £1.5m from restricted to unrestricted funds) to match the movement in net assets of the group entities considered to be restricted by constitution.

23. Financial instruments

At 31 December the company held the following financial instruments

	Group		Company	
	2018 £'000	2017 £'000	2018 £'000	2017 £'000
Listed investments measured at fair value				
Equities	6,042	6,609	6,042	6,607
Bonds	1,778	2,544	1,778	2,544
Multi-asset funds and Alternatives	1,624	1,689	1,624	1,689
Private equity	705	1,047	705	1,047
Cash	1,559	419	1,436	315
	11,708	12,308	11,585	12,202
Investments measured at amortised cost				
Investment in subsidiaries	-	-	813	812
Debt instruments measured at amortised cost				
Trade and other receivables (analysed in note 11)	43,896	51,125	37,517	43,952
Cash and cash equivalents, valued at balance sheet date				
Short-term deposits	8,566	5,863	1,205	1,526
Cash at bank and in hand	96,439	76,602	74,951	55,816
Loans and creditors measured at amortised cost				
Trade and other short-term creditors	13,687	14,312	5,595	5,068
Bank loans and overdrafts	114	428	111	133
Loans falling due after more than one year	3,312	4,181	3,300	4,168
	17,113	18,921	9,006	9,369

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 2018, eleven subsidiaries reported net liabilities totalling £6.6m (2017: nine subsidiaries totalling £6.9m). The group plans to continue providing support to these entities as necessary for their continued operations in pursuit of the Charity's mission.

25. Donor funding

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

	Income recognised 2018 £'000	Cash receipts 2018 £'000
Agency for Danish International Development Assistance		
Development Engagement Support for MST	553	1,190
Strategy for Danish Engagement of MSI (2018-2022)	2,970	-
	3,523	1,190
Bill and Melinda Gates Foundation (funded by Department for International Development)		
African Health Markets for Equity	4,310	892
Department for International Development		
Addressing Unmet Need for Family Planning among Excluded and Vulnerable Women in Nepal	772	784
Call Down Contract for Tanzania Family Planning Outreach Phase II - Lot 1 (DFID Framework Agreement)	4,181	5,066
Delivering Accelerated Family Planning in Pakistan (DAFPAK)	2,768	1,237
Family Planning by Choice (FPbC) in Ethiopia	1,082	1,593
Preventing Maternal Deaths (14 countries)	24,982	33,708
Provision of Family Planning Services in Malawi (PFPS)	2,623	5,022
Reducing High Fertility Rates and Improving Secular Reproductive Health Outcomes In Uganda (RISE)	629	204
Reducing Maternal and Neonatal Death in Kenya	2,072	5,893
'Tsologo Langa' Family Planning and Sexual and Reproductive Rights Programme	1,619	1,500
Urban health: Strengthening care for poor mothers and new-borns in Bangladesh	1,342	649
WISH- Women's Integrated Sexual Health (Lot 1)	7,378	6,688
	49,448	62,344
Netherlands Ministry of Foreign Affairs		
Bangé Kolossi Nyèta ("Promotion of Family Planning")	1,744	621
Combating Unintended Pregnancy and Improving SRH Services and Rights in Bangladesh	1,222	587
Fit-for-work programme	502	435
Increasing Access to Quality Family Planning and Reproductive Health for women and youth in Yemen	1,742	555
Scaling Up Excellence - Core Funding	1,135	1,135
	6,345	3,333
Bangladesh Legal Aid and Services Trust (funded by the Netherlands Ministry of Foreign Affairs)		
Project on Womens health rights and choices	19	-
Norwegian Agency for Development Cooperation		
Breaking down barriers to Safe Abortion and Post-Abortion Care (SA/PAC) for all women and girls (expansion)	2,612	3,588
Ministry for Foreign Affairs of Finland		
Government Grant to Integrated Reproductive and Maternal Health Programme Phase VI	33	-
Increasing Access to Quality Family Planning and Sexual and Reproductive Health for women and marginalized groups in Yemen	55	-
Integrated Reproductive and Maternal Health Programme Phase VII (2018-2020)	1,049	435
	1,137	435
The Children's Investment Fund Foundation		
In Their Hands – A teen-centered movement to normalize adolescent sexual health, reduce pregnancy and end unsafe abortion among Kenyan Adolescents	476	1,287
Transforming Adolescent Access to Contraception through Comprehensive Choices- the Unrealised Potential for Long-Acting Methods	793	1,035
Catalyzing Sayana Press Introduction	-	970
	1,269	3,292
Crown Agents (funded by The Children's Investment Fund Foundation)		
Sayana Press Scale-up- Madagascar- New Phase	259	188
Sayana Press Scale-up (Burkina Faso)	28	98
	287	286

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. Income 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 stocks, will initially be recorded on the balance sheet rather than being recognised as expenditure in the Statement of Financial Activities.

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