

From awareness, the fuel for  
advocacy. From advocacy, a  
path to access. From access,  
**the freedom to choose.**



**From choice, a world of possibilities**

# IPPF Financial Statements

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**1** Frequently the services offered by the Mauritanian Member Association are the only affordable sexual and reproductive health services available to young women. IPPF/Chloe Hall

# Executive summary

## INCOME IN 2005 OF US\$92.9 MILLION

- Income received from governments, foundations and other sources has increased over the past six years by 27%.
- Donors continue to support unrestricted activities with over 74% being available for IPPF to allocate to Strategic Priority areas.

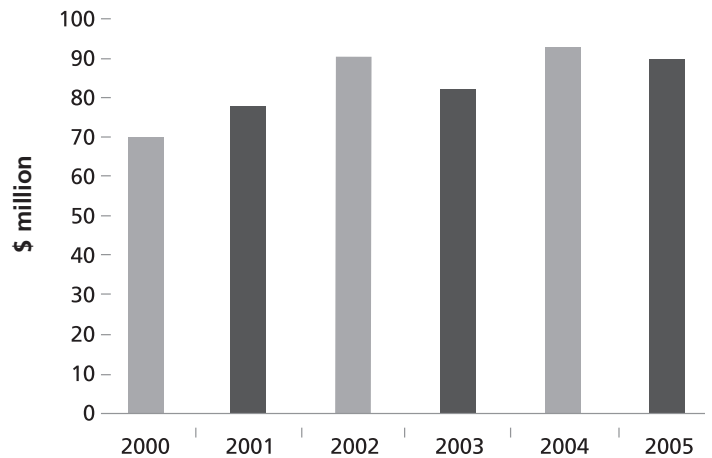
## EXPENDITURE IN 2005 OF US\$95.9 MILLION

- Expenditure on grants to Member Associations and partner organizations increased between 2004 and 2005 by 25%.
- The costs of our staff involved in raising resources continues to be below 3% of our expenditure.

## AUDIT OPINION

Our auditors, KPMG LLP have provided an unqualified audit opinion on our 2005 financial results.

IPPF Income 2000-2005



## IPPF 2005 Expenditure by category - US\$95.9 million

Grants to Member Associations 59 per cent \_\_\_\_\_

Programme activities 12 per cent \_\_\_\_\_

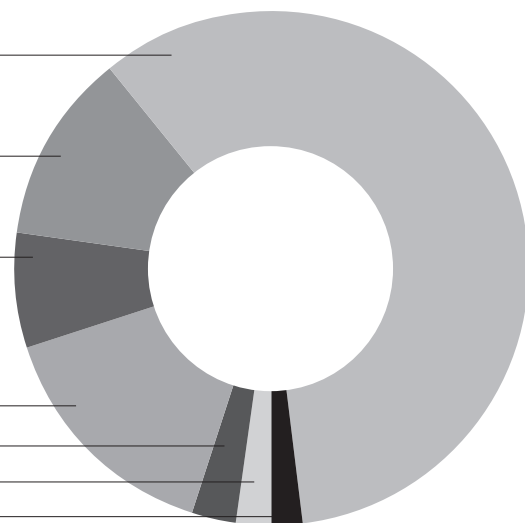
Programme support 7 per cent \_\_\_\_\_

Support 15 per cent \_\_\_\_\_

Fundraising 3 per cent \_\_\_\_\_

Governance 2 per cent \_\_\_\_\_

Trading company 2 per cent \_\_\_\_\_



# Annual report of the Governing Council

## 1. INTRODUCTION

The International Planned Parenthood Federation (IPPF) is a global network of member associations in 151 countries<sup>1</sup> and the world's foremost voluntary, non-governmental provider and advocate of sexual and reproductive health and rights.

The Member Associations of IPPF are autonomous and report independently, therefore their accounts are not presented here.

The accounts contained herein have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting by Charities as issued by the Charity Commissioners in 2005. Additionally, the provisions of FRS17 'Retirement Benefits' have been adopted for the first time. All prior year figures have been restated where necessary, to enable direct comparison of the results

## 2. CHARITY REGISTRATION NUMBER 229476

## Structure, governance and management

### 3. GOVERNING DOCUMENT

IPPF was formed in 1952 and incorporated in 1977 under a UK Act of Parliament: the International Planned Parenthood Federation Act 1977. The Governing Council confirm that the Strategic Framework is in alignment with the purposes stated in the Act.



### 4. GOVERNANCE

IPPF is governed by a Governing Council composed of 30 volunteers from the governing bodies of the membership organizations, and appoints a Director-General as its chief executive officer responsible for managing the affairs of the Federation as determined by the Governing Council. Governing Council members are elected for a period of three years. Each Regional Council elects five members to serve as Governing Council members. Each member association has a volunteer Board of Directors (elected by the membership of the Association) and sends one or more as a delegate to one of six Regional Councils.

The Governing Council meets twice per year, for three days at a time. This Council has two sub-committees; the Membership Committee and the Audit Committee which meet twice per year for one day at a time.

Following the election of a new Governing Council, members receive a comprehensive induction pack outlining their responsibilities as UK charity trustees. In addition, an interactive session is held where members are provided with background in relation to strategy, policies and finances as well as practical elements concerning the role distinctions between volunteers and staff.

**2** Monitoring newborn health in Kyrgyzstan. IPPF/Chloe Hall.

**3** Women waiting for the market day clinic in Ticho, Ethiopia. IPPF/Chloe Hall.

<sup>1</sup>Including the Caribbean Affiliation which has an additional 18 country members. In addition, IPPF is active in a further 15 countries where there is not currently a Member Association. This brings the total number of countries in which IPPF is working to 184.

## 5. MEMBERS OF THE GOVERNING COUNCIL ENTITLED TO VOTE AT ITS MAY 2005 MEETING

### Africa Region

Dr Mamadi Condé	Guinea Conakry
Mrs Hannatu L Ibrahim	Nigeria
Miss Catherine Kamau	Kenya
Mrs Naomi Seboni	Botswana
Mrs Tamaro Touré	Senegal

### Arab World Region

Mrs Mariam Mint Ahmed Aicha	Mauritania
Mrs Kawthar Al-Khaier	Syria
Dr Moncef Ben Brahim	Tunisia
Prof Said Badri Kabouya	Algeria
Ms Lina Sabra	Lebanon

### East, South East Asia & Oceania Region

Ms. Hang Can	China
Prof Ho Pak Chung	Hong Kong
Ms Aiko Iijima	Japan
Dr Sea Baick Lee	Republic of Korea
Dr Zhao Baige	China

### Europe Region

Mr Gert-Inge Brander	Sweden
Ms Gunta Lazdane	Latvia
Ms Velimira Mladenova	Bulgaria
Mr Paul Soemer	Germany
Ms Carine Vrancken	Belgium

### South Asia Region

Mr Chhatra Bahadur Giri	Nepal
Mr Syed Munir Husain	Pakistan
Dr (Mrs) Nina Puri (President)	India
Dr Safieh Shahriari	Iran
Ms Roshni Motha	Sri Lanka

### Western Hemisphere Region

Ms Blanca Esponda	Mexico
Mr Monty Eustace (Treasurer)	St Vincent
Ms Jacintha Dundas	Suriname
Dr Jacqueline Sharpe	Trinidad and Tobago
Ms Esther Vicente	Puerto Rico

## MEMBERS OF THE GOVERNING COUNCIL ENTITLED TO VOTE AT ITS NOVEMBER 2005 MEETING

### Africa Region

Ms Aku Xornam Adzraku	Ghana
Mr Bebe Fidaly	Madagascar
Mrs Hannatu L Ibrahim	Nigeria
Dr Malefestane Ngatane	South Africa
Mrs Naomi Seboni	Botswana

### Arab World Region

Mrs Mariam Mint Ahmed Aicha	Mauritania
Mrs Kawthar Al-Khaier	Syria
Dr Moncef Ben Brahim	Tunisia
Prof Said Badri Kabouya	Algeria
Ms Abeer Abdul Waddoud	Yemen

### East, South East Asia & Oceania Region

Mrs Sally Betham	Samoa
Mrs Helen Eskett (Treasurer)	New Zealand
Prof Ho Pak Chung	Hong Kong
Prof Dr Mary Huang Soo Lee	Malaysia
Mr Tang Kun	China

### Europe Region

Mr Gert-Inge Brander	Sweden
Ms Elena Dmitrieva	Russia
Ms Eva Palasthy	Switzerland
Mr Paul Soemer	Germany
Ms Lene Stavngaard	Denmark

### South Asia Region

Mr Dinidu De Alwis	Sri Lanka
Mr Syed Munir Husain	Pakistan
Ms Fathimath Shafeega	Maldives
Dr Safieh Shahriari	Iran
Dr Nozer Seriar	India

### Western Hemisphere Region

Ms Diana Barco	Colombia
Ms Blanca Esponda	Mexico
Mr Moisés Russo	Chile
Dr Jacqueline Sharpe (President)	Trinidad and Tobago
Ms Esther Vicente	Puerto Rico

## 6. THE RESPONSIBILITIES OF THE GOVERNING COUNCIL

Under charity law, the members of the Governing Council are responsible for preparing the Trustee's Report and the financial statements for each financial year which show a true and fair view of the state of affairs of IPPF and the result for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Governing Council members:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the recommendations of the Statements of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- State whether the financial statements comply with the International Planned Parenthood Act 1977, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue its activities; and
- Safeguard the assets of IPPF and hence take reasonable steps for the prevention and detection of fraud and other irregularities.

The Governing Council members are required to act in accordance with the International Planned Parenthood Act 1977, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable Governing Council members to ensure that, where any statements of accounts are prepared by them under section 42(1) of the Charities Act 1993, those statements of accounts comply with the requirements of regulations under that provision.

The Governing Council members are responsible for the maintenance and integrity of the financial and other information included on the IPPF website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## 7. ORGANIZATION

IPPF has a Secretariat that carries out the policies and functions as approved by the Governing Council. The Secretariat has its headquarters in London and is divided into Central and Regional functional units.

There are six Regional Offices: Africa (Nairobi, Kenya), Arab World (Tunis, Tunisia), Europe (Brussels, Belgium), East, South East Asia and Oceania (Kuala Lumpur, Malaysia), South Asia (New Delhi, India) and Western Hemisphere (New York, USA).

These regional offices all act as branches of IPPF and in accordance with the IPPF Act 1977 constitute IPPF as the entity.

The Director General and Deputy Director General are based in Central Office, London. There are six Regional Directors who report to the Director-General together with four Central Office Directors.

IPPF has a trading subsidiary, ICON Ltd, based in Central Office, London. The company primarily engages in commodity supply services and with the social marketing of contraceptives in conjunction with Member Associations.

## 8. RISK MANAGEMENT

Whilst no system of internal control can provide absolute assurance against material misstatement or loss, the IPPF risk management system has been developed to provide reasonable assurance to the Governing Council that there are proper procedures in place and that they are operating effectively. The key elements of the system of internal control are:

- Delegation: there is a clear organizational structure with lines of authority and responsibility for control; and procedures for reporting decisions, actions and issues;
- Reporting: the Governing Council approves and reviews the annual work programme budget and income predictions and monitors actual and forecast income and expenditure on a regular basis;
- Risk management: there are processes in place for identifying, evaluating and managing significant risks faced by IPPF. The Governing Council believe that all the major risks to which IPPF is exposed have been identified and reviewed and that systems have been established to mitigate those risks;
- Internal audit: an internal audit function assesses risks and reviews controls within IPPF. The position of internal auditor was vacant throughout 2005 due to difficulties sourcing a suitably qualified candidate. This was resolved from January 2006; and
- Review: the Audit Committee is comprised of four members elected by Governing Council from a list of persons who are either volunteer members of a member organization but who are not members of Governing Council as well as the President and Treasurer. The Committee oversees the adequacy of the system of internal control, and IPPF compliance with relevant statutory and other finance regulations and advises the Governing Council of any relevant matters.

# Objectives and activities

## 9. VISION AND MISSION STATEMENT

### Our Vision

IPPF envisages a world in which every woman, man and young person has access to the information and services they need; in which sexuality is recognized both as a natural and precious aspect of life and as a fundamental human right; a world in which choices are fully respected and where stigma and discrimination have no place.

### Our Mission

- IPPF aims to improve the quality of life of individuals by campaigning for sexual and reproductive health and rights through advocacy and services, especially for poor and vulnerable people
- We defend the right of all young people to enjoy their sexual lives free from ill-health, unwanted pregnancy, violence and discrimination
- We support a woman's right to choose to terminate her pregnancy legally and safely
- We strive to eliminate STIs and reduce the spread and impact of HIV/AIDS

## 10. OUR CORE VALUES

- IPPF believes that sexual and reproductive rights should be guaranteed for everyone because they are internationally recognized basic human rights
- We are committed to gender equality, and to eliminating the discrimination which threatens individual well-being and leads to the widespread violation of health and human rights, particularly those of young women
- We value diversity and especially emphasise the participation of young people and people living with HIV/AIDS in our governance and in our programmes
- We consider the spirit of volunteerism to be central to achieving our mandate and advancing our cause
- We are committed to working in partnership with communities, governments, other organizations and donors.



## 11. STRATEGIC FRAMEWORK

The November 2003 Governing Council approved the IPPF Strategic Framework, 2005-2015. This framework is built around five priority focus areas called the 'Five A's':

**Adolescents/Young People** Providing youth friendly services to meet the needs and rights of young people.

**HIV/AIDS** Increasing access to prevention care, support and treatment globally, and to reduce barriers that make people vulnerable to infection.

**Abortion** To advocate for the right to safe abortion services and provide them to the fullest extent permitted by law.

**Access** Ensuring access to information and services to improve sexual and reproductive health with particular focus on marginalized communities.

**Advocacy** To strengthen recognition of the importance of sexual and reproductive health within the context of international development and to increase resources in support of SRH services.

The *Strategic Framework* is not intended to impose a rigid set of rules or constraints. Rather, it embraces the diversity of situations member associations and regions face. Whilst providing this flexibility, the framework unites the Federation in a common vision on which we are compelled to act if we are to meet the needs of women, men and young people throughout the world.

Underpinning the Five A's is an overarching commitment to mainstreaming gender and rights approaches and a commitment to organizational accountability, efficiency and effectiveness. A new accreditation system is dedicated to ensuring that Member Associations are well governed and managed and that they provide relevant up-to-date information and high quality training and clinical services. Accreditation will help IPPF to meet the ultimate challenge – to ensure that vulnerable populations are, and continue to be, serviced to a high standard all over the world. Accreditation is achieved through a rigorous review process once every five years. There is also an emphasis on building Member Associations' capacity and the Federation as a whole to develop the skills and technical knowledge needed to implement and resource the new framework.

A crucial element of this Framework is the measurement of its implementation and impact. For this we have developed a series of Global Indicators for each of the five priority areas. Gathered across the Federation, these indicators will enable us to review, monitor and evaluate our performance against the key goals as a more effective way of reporting on our successes, measuring progress, and assessing the human impact of our work.

4 Teaching women how to monitor their menstrual cycle in the Thai Member Association. IPPF/Christian Schwetz



## 12. GRANT MAKING PROCEDURES

IPPF revised the system of resource allocation which up to 2004 had been based on the UNFPA's (United Nations Fund for Population Assistance) classification list of global unmet needs for sexual and reproductive health services. The revised system incorporates criteria relating to the level of need in each of the five strategic priority areas, using internationally recognized data to assess these needs and then assigning a specific core grant to each Member Association. This system is used to allocate the unrestricted grants each year. The Governing Council have established the level of unrestricted funding which should be allocated to each Region. The Regions then make decisions on the individual funding to their Member Associations.

Unrestricted grants are awarded on an annual basis with Member Associations submitting an Annual Programme Budget which outlines the activities and funding in relation to the Strategic Framework. This process is undertaken by many Associations using the electronic Integrated Management System (eIMS). Once approved, Member Associations receive funding in five instalments during the year based on satisfactory submission of half yearly and annual reports, audited financial statements and management letters. The Regional Offices act as the main agents in monitoring individual Member Associations and providing technical assistance as required.

In relation to restricted grants, these are organized for a diverse range of donors and project activities and the Secretariat acts as the implementing partner and reporting mechanism for Member Associations receiving the funding. The specific procedures in relation to issuing grants are guided by the donor funding agreement.

## 13. AREAS OF IPPF'S WORK

The following provides a brief overview of some IPPF activities and achievements in 2005. Further information is available from our web-site ([www.ippf.org](http://www.ippf.org)) and in our *Annual Programme Review* which has more extensive information regarding policy areas in which our Member Associations work. All documents referred to are available to download on our web-site.

### Strategic Planning

2005 was the first year in which our Member Associations were asked to prepare their funding and reporting in line with the IPPF Strategic Framework. All Regional Offices have been working extensively with their Member Associations to assist in the development of revised individual strategic plans. This process is greatly assisted by the electronic Integrated Management System (eIMS) which over 110 Associations are using after extensive training. The system allows the electronic submission of annual programme budgets, half-year and annual reports. The system is available in Arabic, English, French and Spanish.

### Adolescents and Young People

IPPF has a long history of working with young people. In the past youth participation was largely in the implementation of projects, often as passive subjects of needs assessments and as peer educators. In recent times there has been a move towards building the skills of young people and involving them at all levels of the Federation. With this in mind, within the Africa region in July 2005, 14 Youth Action Movements were established. These provide an effective forum through which young people can participate and be recognized as equal partners in programmatic decision making and resource allocation.

One other area requiring attention was identifying and addressing the needs of disabled and vulnerable young people. Vulnerable groups were defined in particular as being juvenile offenders, young people with different sexual orientation, young people in war-torn zones, young people who are HIV-infected, street children and orphans (due to HIV or other causes). These were areas which received particular focus by the Secretariat in 2005 and will be developed in the years ahead into meaningful tools and resources which our Member Associations can utilize.

Prompted by the realization that IPPF volunteers and staff may be working with, or in contact with, children and young people who are being abused or at risk of abuse, IPPF develop a policy on the protection of children and young people. This policy was discussed and endorsed at the Governing Council in May 2005.

5 Young volunteer in the Kaedi Youth Centre, Mauritanian discussing a community drama project. IPPF/Chloe Hall



### HIV/AIDS

The international fight against HIV/AIDS has turned a corner in recent years. Political commitment and grassroots mobilization are stronger, funding has increased, and treatment and prevention programmes continue to expand. It is within this cautiously optimistic environment that IPPF continues to focus its knowledge and global network on the fight against the ever-growing and increasingly dynamic HIV/AIDS epidemic.

IPPF Secretariat efforts are particularly focused on programmes based in 17 target countries; over the next 5 years a compendium of lessons learnt will be developed from this work. The countries are South Africa, Russia, Estonia, Cambodia, Cameroon, China, Dominican Republic, India, Indonesia, Kenya, Malawi, Mexico, Morocco, Nepal, Rwanda, Sudan and Thailand.

IPPF, as one of the convening agencies, is playing a central role in the UNAIDS led initiative, the Global Coalition for Women and AIDS. The Coalition works at global and national levels to highlight the effects of AIDS on women and girls and to stimulate concrete and effective action to prevent the spread of HIV. In collaboration with UNFPA and Young Positives we are specifically looking at issues related to the prevention of HIV, with specific emphasis on positive prevention – prevention activities that focus on those who are HIV+. The Coalition looks at issues related to prevention, promoting equal access to care and treatment, access to education, addressing legal inequalities and reducing violence and valuing women's work within communities.

IPPF continues to play a leading role in the development of an index to measure and chart the rights, stigma and discrimination faced by those living with HIV. The index is

intended to broaden our understanding of the stigma and discrimination faced by PLWA (People Living With AIDS) in different countries, and consequently act as a national and global advocacy tool for campaigning to fight for improved rights for and by PLWAs.

### Abortion

In the 2006 publication *'Death and Denial: Unsafe Abortion and Poverty'*, IPPF demonstrates that unsafe abortion is one of the most neglected public health and human rights issues facing women throughout the developing world. This preventable human tragedy is an epidemic, one which highlights the failure of national governments and the international community to address a public health issue that perpetuates one of the greatest social injustices separating rich and poor nations. The report suggests that it is time for a reasoned discussion on maternal mortality; it is time for world leaders to translate their commitments to reducing maternal mortality and improving women's health into a currency that will guarantee the successful achievement of the Millennium Development Goal on maternal health. In response to this report, the UK Government established a Global Abortion Fund in early 2006. The Global Safe Abortion Fund will support initiatives and programmes that are focused on increasing access to safe abortion care within a comprehensive package of reproductive health services. It will work with organizations who like IPPF have been denied access to USAID funding since 2001, following the re-instatement of the Global Gag Rule.

A key resource which the Secretariat produce is a weekly E-newsletter **'Abortion abstracts'** which is distributed to the Federation and other interested parties to disseminate the latest news and research relating to abortion. This initiative, started in September 2004 has received much positive feedback and has generated valuable discussions on abortion.



**6** Young people in Colombia can access a range of HIV/AIDS services through the Member Associations clinics and youth centres. IPPF/Jon Spaul

**7** Women in Nepal can access safe and confidential abortion services through the Member Association. IPPF/Jenny Matthews

## Access

The devastating tsunami that hit Asia on 26 December 2004 killed over 220,000 people and left five million other people homeless, without clean drinking water or access to medical and social services. IPPF Member Associations in the region initiated a series of actions to address the sexual and health concerns of those affected.

At least 150,000 women, who were pregnant, faced complications and/or needed urgent medical and nutritional support in the aftermath of the tsunami. IPPF staff and volunteers in India, Indonesia, the Maldives, Thailand and Sri Lanka quickly set up and organized emergency medical services including trauma counselling with an emphasis on sexual abuse, sexually transmitted infections and access to emergency contraception. Some Member Associations in these countries lost staff, and at least two clinics in the stricken province of Aceh were washed away.

In India, the Member Association worked in the worst-affected states of Tamil Nadu and Andhra Pradesh to set up two units at refugee camps providing first aid, emergency contraception, general medical assistance and safe delivery services for pregnant women. An IPPF report, **'Tsunami supporting communities and rebuilding lives'** published in January 2006 outlines the progress made helping communities rebuild and individuals rebuild one year on. This work was made possible through the very generous support of funding from the William and Flora Hewlett Foundation, the Embassy of Japan and the Government of the Republic of Korea.

Universal access to information for health professionals is an essential part of high quality service delivery. The IPPF Medical and Service Delivery guidelines were updated after seven years and re-issued in English, Arabic, French and Spanish in 2005. The up-dated version includes new chapters on normal menstrual cycle; reproductive health screening for well women; safe abortions; and sexually transmitted infections and HIV/AIDS.

## Advocacy

IPPF plays an important role in raising the profile of sexual and reproductive health on the poverty and international development agendas, and in protecting legislation and policies that support sexual and reproductive health and rights. IPPF has increased public, political and financial commitment to and support for sexual and reproductive health and rights at national and international levels.

IPPF had a presence at number of international high level meetings and conferences including the UN's Commission on the Status of Women (CSW), the World Health Assembly, African Union Session of the Conference of African Ministers of Health and many more. IPPF ensured that all of its Member Associations were in a position to lobby their respective governments in support of the inclusion of reproductive health

within the Millennium Review Summit's outcome document, in the run up to the UN World Summit, by providing a comprehensive advocacy tool kit for all Member Associations. The tool kit was a highly effective, and numerous mentions of reproductive health were contained in Member State Summit speeches and two references were made (paragraphs 57 & 58) in the outcome document.

IPPF also participated at and hosted a reception at the G-8 International Parliamentarians' Conference on Development in Africa which brought together members of Parliament and other key decision makers from G-8, African, and European nations to discuss the development challenges facing the African continent. Amongst the outcomes of the G-8 was a commitment to boost investment in health and education, and to take action to combat HIV/AIDS, Malaria, TB and other killer diseases. IPPF also lobbied successfully for the inclusion of SRHR language within the General and External Affairs Council (GAERC) of the European Union.

To ensure that IPPF remains at the forefront of the development agenda at a public and policy level, we have undertaken a comprehensive rebranding exercise to update our global brand in line with the changes that have taken place within IPPF, its work and the wider development community. A new global brand to unite the IPPF's federation of 151, country-based Member Associations will be launched in summer, 2006.

## Accreditation

IPPF launched a systematic and comprehensive accreditation system during 2003. This scheme reviews and measures the extent to which all Member Associations comply with IPPF's 65 essential standards of membership. These standards cover issues of governance, management, programming and service delivery. The accreditation reviews continued during 2005 and covered 25 Member Associations in all six regions. This brings the total number of reviews since 2003 to 71. At the end of 2005, 23 Member Associations had received IPPF Accreditation. The Secretariat staff continue to work with the remainder in order to resolve outstanding issues.

# Achievements and performance

## 14. ANNUAL PERFORMANCE REVIEW

IPPF is aware of the increasing need to demonstrate to donors and other stakeholders our collective achievements and performance. On an annual basis we hold a Donor's Meeting with representative from each of our large donors (governments, foundations). This is an opportunity for us to engage in dialogue on progress made in meeting the goals and objectives of our Strategic Framework, and on the future programme and funding challenges. In November 2006 we shall publish an Annual Performance Review. This replaces the Annual Programme Review (the latest version 2004/05 is available via our web-site). The Annual Performance Review will provide details of key achievements within each of the Federation's strategic goals. Specifically, we will publish the aggregated performance data for IPPF's 30 Global Indicators for our 151 Member Associations. To complement these quantitative data, we will also report on programmatic successes for the Five A's, lessons learned, good practices and challenges still to be addressed by our Federation.

### The 30 Global Indicators are:

#### ADOLESCENTS

1. Number of Member Associations with 20% or more young people aged under 25 on their Governing Board, by sex
2. Percentage of Member Association staff who are under 25 years of age, by sex
3. Number of Member Associations providing sexuality information and education to young people
4. Number of Member Associations providing sexual and reproductive health services to young people
5. Number of Member Associations advocating for improved access to services for young people
6. Number of sexual and reproductive health services (including family planning) provided to young people under 25 years of age, by type of service

#### HIV/AIDS

7. Number of Member Associations with integrated HIV/AIDS services
8. Number of Member Associations providing services along the prevention to care continuum
9. Number of Member Associations advocating for increased access to HIV/AIDS prevention, treatment and care, and reduced discriminatory policies and practices for those affected by HIV/AIDS
10. Number of Member Associations with strategies to reach people particularly vulnerable to HIV/AIDS infection
11. Number of Member Associations conducting behaviour change communication activities to reduce stigma and promote health seeking behaviours
12. Number of HIV-related services provided, by type of service
13. Number of condoms distributed

#### ABORTION

14. Number of Member Associations advocating for reduced restrictions and/or increased access to safe legal abortion
15. Number of Member Associations conducting IEC activities on the nature of abortion, abortion legal status and the availability of abortion services
16. Number of Member Associations providing abortion-related services
17. Number of abortion-related services provided, by type of service

#### ACCESS

18. Number of Member Associations conducting programmes aimed at increased access to SRH services by poor, marginalized, socially excluded and/or under-served groups
19. Estimated percentage of Member Associations' clients who are poor, marginalized and/or socially excluded
20. Number of couple years of protection (CYP), by method
21. Number of family planning services provided, by method
22. Number of sexual and reproductive health services (excluding family planning) provided, by type of service
23. Number of service delivery points, by type
24. Number of Member Associations with gender-focused policies and programmes
25. Number of Member Associations with quality of care assurance systems, using a rights-based approach

## ADVOCACY

26. Number of Member Associations involved in influencing public opinion on SRHR
27. Number of Member Associations involved in advancing national policy and legislation on SRHR
28. Number of successful national policy initiatives and/or positive legislative changes in support of SRHR to which the Member Association's advocacy efforts have contributed
29. Number of Member Associations involved in counteracting opposition to SRHR
30. Number of Member Associations advocating for national governments to commit more financial resources to SRHR

The results from the 2005 data will act as a benchmark in order to monitor annual performance in future years.

In our 2004/05 Annual Programme Review we reported key service statistics of:

	2004	Every day
<b>Number of user visits:</b>		
All sexual and reproductive health services	37.5 million	102,589
Non-contraceptive services	23.8 million	65,238
Contraceptive services	13.7 million	37,591

### Number of family planning methods provided:

Condoms	103.4 million	283,148
Oral pill cycles	19.6 million	53,767
Injectables	3.7 million	10,106
Intrauterine devices (IUDs)	0.6 million	1,592

### Number of user visits for non-contraceptive services:

Maternal and child health care services	5.3 million	14,596
Pap smears/Well Woman examinations	3.9 million	10,731
RTI/STI services	0.8 million	2,215

Source: IPPF Annual Programme Review 2004-2005, Table A:1 Service Statistics Summary, 2004

## 15. RESOURCE MOBILIZATION

Resource Mobilization within IPPF involves developing long term donor relationships with the key government and foundations who support our work. The staff involved are required to compile funding proposals and regular progress reports. With over 100 individual restricted projects at any one time, there is effort involved to ensure donor funding requirements are complied with as well as reporting provided on a timely basis. IPPF continue to explore the opportunities to widen the pool of government donors who contribute. They also increasingly work in expanding foundation support, particularly through the US.

With donors decentralizing funding and decision making, a key role is now supporting Member Associations in countries to apply for funds allocated via sector wide approaches and through local embassies/delegations. In 2004 the total income for our grant receiving Member Associations was US\$235.8 million. Of this funding, IPPF represented 19%, local income was 59% with other international sources providing 22%. Whilst this global picture masks large regional differences; for example in Africa the IPPF support represented 53% of income

sources, we are seeing long term trends of slowly increasing income levels overall and positive diversification of that funding base. Therefore considerable resource mobilization efforts are made to increase funding to the sector as a whole and not just the funding which flows directly through IPPF.

In the Western Hemisphere there is a well developed public fundraising initiative which realizes well over US\$1 million per annum. This is through direct mailing and credit card commitments. Efforts continue to maintain this crucial fundraising and advocacy resource.



## Financial Review

### 16. STATEMENT ON RESERVES

The members of the Governing Council have reviewed the level of reserves. Note 17 to the financial statements shows the funds of IPPF. This indicates the split of reserves between the general, designated, restricted and endowment funds.

The members of the Governing Council aim to have over the longer term a general reserve balance of 25% of the next year's approved unrestricted expenditure. This percentage represents 3 months of unrestricted expenditure. This recognizes the timing of the majority of annual unrestricted government grants which are received in the second-half of each year, and the need for IPPF to meet the commitments to Member Associations and the Secretariat (Regional and Central offices).

At the time of approving the 2006 budget in November 2005, the general reserve at 1 January 2006 was estimated to be US\$24 million. The unrestricted expenditure programme budget approved for 2006 was US\$70.8 million. The general reserve therefore reflected 33.8% against our ideal position of 25%. The actual level of the general reserve at 1 January 2006 was US\$22.3 million. This represents 31% or 3.7 months of the budgeted 2006

unrestricted expenditure. Given uncertainty regarding the exchange rate impact on the 2006 income this surplus of general fund is likely to be required to meet funding commitments.

Unrestricted funds are designated at the discretion of the trustees. The largest designated fund relates to the Western Hemisphere Sustainability Fund. This fund of US\$24.8 million was created in 2002 following the receipt of a legacy for use in the Western Hemisphere Region, as such it has been designated for that purpose.

### 17. STATEMENT ON INVESTMENTS

There are no restrictions under the 1977 Act in relation to the charity's powers to invest. IPPF currently hold investments in terms of shares and securities as well as cash deposits.

#### Shares and Securities

All shares and securities held are traded on the New York Stock Exchange. The Western Hemisphere Regional Board have appointed an Investment Committee to monitor these investments. The committee is comprised of seven members independent of the Board and who have relevant investment experience. A review of the investment managers performance was undertaken during 2004 and following a tender review of four managers, Merrill Lynch Asset Management were replaced on the bulk of the portfolio by GMO (Grantham, Mayo, Otterloo & Co). The investment managers provide quarterly performance reports to the investment committee detailing all asset information as well as investment returns against appropriate indices. The investments within the GMO Balanced Allocation Fund are held in at least 25% US equity and at least 25% fixed income. No specific social, environmental or ethical considerations are placed on the investment managers.

IPPF continue to closely monitor the performance of their investments and in 2005 the stock market continued to improve. A benchmark of 6.8% yield return (net of fees) was set for the GMO Balanced Allocation Strategy. Actual performance at 8.61% exceeded this target.

#### Cash

Regular cash-flow predictions for both unrestricted and restricted income and expenditure are prepared. Given the historical timing of receipts the level of cash on deposit varies significantly during the year. In order to obtain sufficient returns on such balances, yet allowing for reaction to emergencies, surplus liquid assets are placed on short-term deposit on a weekly basis. Investment options are regularly reviewed and IPPF have identified deposit accounts which allow the maximum interest to be generated from cash balances whilst giving the flexibility of access to those funds at short notice and these accounts are used when the cash reserves warrant such investment.

**8** The Chinese Member Association offers a range of services open to all sectors of the population including national minority groups.  
IPPF/Simon Matthews

## 18. FINANCIAL SUMMARY

During 2005, IPPF provided US\$56.4 million to member associations and partner organizations in the form of grants. Through the Regional and Central Offices a further US\$31.9 million was provided in direct technical assistance and support, enhancing the quality of services of all IPPF Member Associations.

### Income

The overall income received by IPPF in 2005 was US\$92.9 million, compared with US\$96.4 million in the previous year. This small decrease of 3.6% followed an exceptionally strong increase the previous year. Since 2000, our income has seen a very welcome increase from US\$73.1 million, representing 27% growth.

IPPF's main source of funding is government contributions which accounted for 74% of the total incoming resources. Unrestricted government grants showed a decrease of 5% or US\$3.5 million. This was due to small decreases in the support of two large donors, the Japanese and Swedish. In the case of the Swedish, IPPF has received the strong commitment that funding will increase in 2006 to the same level as 2004 (SEK100 million). These decreases were slightly offset by the further weakening of the US dollar against European currencies which increased the value of local currency contributions.

Restricted government grants amounted to US\$4.0 million, up from US\$2.6 million in 2004. The Japanese Government provided a further US\$1 million for a HIV/AIDS trust fund. The Danish Government also provided US\$850,000 to pilot capacity building initiatives. The Government of South Korea also very generously supported our Tsunami response with a dedicated grant of US\$500,000.

Grants from multilaterals and other income sources amounted to US\$21.1 million, an increase of US\$0.8 million. The support of a number of US Foundations who provide unrestricted funding along with support from the European Commission, the U.K. Big Lottery Fund, UNFPA and income raised by the IPPF private sector fundraising programme from the general public has allowed IPPF to diversify funding and see support for a number of innovative projects being undertaken.

### Expenditure

The overall expenditure in 2005 was US\$95.8 million. This compared with US\$82.2 million in the previous year.

Grants to member associations increased by 25% to US\$56.3 million. This was due to an increase in unrestricted grants which went up by 16% from \$37.3 million to US\$43.1 million. Restricted grant expenditure increased by 67% from US\$7.9 million to \$13.2 million.

Restricted expenditure was greater than income received in year reflecting multi-year agreements where funding is received at the start of a project with expenditure continuing for a number of

subsequent years.

In 2005, IPPF made a significant investment in purchasing the freehold on new office accommodation in London. The decision to purchase was made as our lease at Regent's College ended after 19 years. The Governing Council in approving the purchase were encouraged to see that the investment will recoup the costs in less than ten years and relieve the organization from the burden of ever-increasing rent and service charges.

### Funds (including Pension Fund deficit)

When compared with 2004, IPPF's total funds and reserves remained stable at US\$90.5 million.

The general fund decreased by US\$1.7 million in 2005, to an overall level of US\$22.3 million. This reflects the desire by the organization to maintain a reserve sufficient to meet the cash flow needs during the year, but not to hold excess funds which could be available for programme activities. The lowest level of the cash reserve was in August when it reduced to \$4.1 million, which represents less than one month's expenditure.

The largest designated reserve (US\$24.8 million) relates to a substantial individual legacy received by Western Hemisphere Region in 2002 which is being invested and the income used to fund projects within that region (3.5% of the capital is released per annum).



9 The Member Association in Dominica offers a range of maternal and child health services. IPPF/Phillip Wolmyth

The restricted fund balance of US\$12.2 million reflects funds received in advance of the projects taking place. These funds will be used in 2006 and beyond. Any funds showing a negative balance at the year-end (where expenditure to date has exceeded income) have funding secured per project agreement and will be cleared when funds are received in 2006. Income has not been recorded for these projects as the funding agreements stipulate that the funds are only eligible for reimbursement in 2006.

The balance sheet in 2005 now includes the pension liability of US\$19.2 million. This forms part of the unrestricted funds and represents the total future liability arising from the Central Office Defined Benefit Scheme. Like most U.K. organizations with such a scheme, IPPF have a deficit of long term funding. Having taken early action in 2003 to close the scheme to new members IPPF will be developing a long term strategy during 2006 to find manageable ways of addressing this funding liability. Whilst the performance of the assets continues to increase, this is more than offset by the increased life expectancy of members which increase the liabilities.

**Trading Subsidiary**

2005 was the fourth year in which the trading subsidiary of IPPF, ICON Ltd operated. The company primarily engages in commodity supply services and with the social marketing of contraceptives in conjunction with Member Associations. In 2005 the company made a trading profit after tax of US\$105,000 for the period to 31 December 2005. US\$72,000 will be gifted to IPPF during 2006, the remaining profits retained in order to fund cash flow and expansion.



**Plans for future periods**

**Future funding**

IPPF continues to try and increase longer term stability and income. Government donors do not generally confirm their contributions until shortly before they are paid and usually only for the particular year in question. Indications for 2006 are positive with many government donors committing to the same level of funding as 2005.

IPPF continues to work on diversifying its funding base by increasing the number of fundraising opportunities among non-governmental organizations including trusts, foundations, the private sector and individual giving.

**Thanks**

IPPF thanks all its donors for their continuing and generous support. It also wishes to acknowledge the immense on-going contribution it receives from its volunteers, in terms of the time, hard work, and personal commitment given to IPPF and its objectives. Volunteers provide a huge range of help to the organization from assisting in clinics, sitting as Board members, acting as peer educators, meeting donors etc. Without this volunteer commitment IPPF could not achieve its mission or be the strong voice it currently is within the field of sexual and reproductive health and choices.

Approved on behalf of the Governing Council on 12 May 2006.

**Dr Jacqueline Sharpe**  
President

**Mrs Helen Eskett**  
Treasurer

**10** The Member Association in Afghanistan is helping combat the worlds highest maternal and infant mortality rates. IPPF/Jenny Matthews

# Report of the independent auditors

## REPORT OF THE INDEPENDENT AUDITORS, KPMG LLP, TO THE GOVERNING COUNCIL OF THE INTERNATIONAL PLANNED PARENTHOOD FEDERATION

We have audited the group and charity financial statements (the 'financial statements') of the International Planned Parenthood Federation for the year ended 31 December 2005 which comprise the statement of financial activities, the group and company balance sheets, the group cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Governing Council members, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Governing Council members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of the members of the Governing Council and auditors

As described in the Statement of Governing Council Members' Responsibilities on page 5, the Governing Council members are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the International Planned Parenthood Federation Act 1977 and the Charities Act 1993. We also report to you if, in our opinion, the trustees' report is not consistent with the financial statements, if the charity has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

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

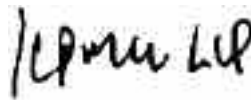
### Basis of audit opinion

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

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

### Opinion

In our opinion the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the group's and charity's affairs as at 31 December 2005 and of the group's outgoing resources and application of resources in the year then ended; and have been properly prepared in accordance with the International Planned Parenthood Federation Act 1977 and the Charities Act 1993.



### KPMG LLP

Chartered Accountants & Registered Auditor, London,  
12 May 2006

# Statement of financial activities

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	Unrestricted \$'000	Donor Restricted \$'000	Endowment \$'000	2005 Total \$'000	Restated 2004 Total \$'000
<b>INCOMING RESOURCES</b>						
<b>Incoming resources from generated funds:</b>						
Voluntary income:						
Grants from governments	2	64,994	4,006	-	69,000	71,151
Grants from multilaterals and other income sources	3	6,448	14,615	-	21,063	20,275
Investment income and interest	4	1,260	187	-	1,447	2,500
<b>Incoming resources from charitable activities:</b>						
Income of subsidiary trading company	12	1,381	-	-	1,381	1,294
Sales of goods	5	-	-	-	-	519
<b>Other incoming resources:</b>						
Foreign exchange gains		-	-	-	-	663
Other incoming resources		9	40	-	49	-
<b>TOTAL INCOMING RESOURCES</b>		<b>74,092</b>	<b>18,848</b>	<b>-</b>	<b>92,940</b>	<b>96,402</b>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds:</b>						
Central Fundraising	8	1,234	-	-	1,234	881
Regional Fundraising	7	1,292	-	-	1,292	1,376
Investment management costs		32	-	-	32	-
Expenditure of subsidiary trading company	12	2,164	150	-	2,314	1,900
<b>Charitable Activities:</b>						
Grants to Member Associations & Partners	6	43,148	13,210	-	56,358	45,226
Central Expenditure	8	12,365	1,898	-	14,263	14,098
Regional Expenditure	7	13,244	4,484	-	17,728	16,798
<b>Governance Costs</b>	9	2,250	35	-	2,285	1,610
<b>Pension finance charge</b>	21	348	-	-	348	368
<b>TOTAL RESOURCES EXPENDED</b>		<b>76,077</b>	<b>19,777</b>	<b>-</b>	<b>95,854</b>	<b>82,257</b>
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE TRANSFERS</b>						
		<b>(1,985)</b>	<b>(929)</b>	<b>-</b>	<b>(2,914)</b>	<b>14,145</b>
Transfers between funds	17	-	-	-	-	-
<b>NET (OUTGOING)/INCOMING RESOURCES BEFORE OTHER RECOGNIZED GAINS &amp; LOSSES</b>						
		<b>(1,985)</b>	<b>(929)</b>	<b>-</b>	<b>(2,914)</b>	<b>14,145</b>
Gains on investment assets	12	2,448	272	88	2,808	1,404
Actuarial losses on defined benefit pension scheme	21	(5,965)	-	-	(5,965)	(1,578)
Foreign exchange movements on pension liability	21	1,578	-	-	1,578	(951)
<b>NET MOVEMENT IN FUNDS</b>		<b>(3,924)</b>	<b>(657)</b>	<b>88</b>	<b>(4,493)</b>	<b>13,020</b>
Funds brought forward at 1 January	17	61,956	12,885	931	75,772	62,728
Unrealized foreign exchange movements taken to reserves		22	-	-	22	24
<b>FUNDS CARRIED FORWARD AT 31 DECEMBER</b>	<b>17</b>	<b>58,054</b>	<b>12,228</b>	<b>1,019</b>	<b>71,301</b>	<b>75,772</b>

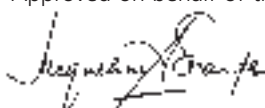
There are no recognized gains and losses other than those included above. All the above results arise from continuing operations. The notes on pages 21 to 56 form part of these accounts.

# Balance sheets

## CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	Unrestricted \$'000	Donor Restricted \$'000	Endowment \$'000	2005 Total \$'000	Restated 2004 Total \$'000
<b>FIXED ASSETS</b>						
Tangible assets	11	10,676	23	-	10,699	1,716
Investments	12	31,313	3,141	1,019	35,473	32,048
Long term loans	13	378	948	-	1,326	1,635
<b>Total Fixed Assets</b>		<b>42,367</b>	<b>4,112</b>	<b>1,019</b>	<b>47,498</b>	<b>35,399</b>
<b>CURRENT ASSETS</b>						
Stock of goods		1,158	-	-	1,158	609
Receivable from donors	14	4,774	4,297	-	9,071	9,885
Receivable from associations		907	139	-	1,046	1,684
Receivable from others		876	16	-	892	1,237
Prepayments		534	1	-	535	1,021
Cash at bank		34,892	6,768	-	41,660	53,179
<b>Total current assets</b>		<b>43,141</b>	<b>11,221</b>	<b>-</b>	<b>54,362</b>	<b>67,615</b>
<b>CREDITORS: amounts falling due within one year</b>						
Accounts payable		2,388	376	-	2,764	2,759
Payable to associations		3,451	1,064	-	4,515	2,958
Accruals and other creditors		1,590	414	-	2,004	1,835
Deferred income	15	774	1,251	-	2,025	4,725
<b>Total current liabilities</b>		<b>8,203</b>	<b>3,105</b>	<b>-</b>	<b>11,308</b>	<b>12,277</b>
<b>Net Current Assets excluding Pension liability</b>		<b>34,938</b>	<b>8,116</b>	<b>-</b>	<b>43,054</b>	<b>55,338</b>
Pension liability	21	19,251	-	-	19,251	14,965
<b>TOTAL NET ASSETS including Pension liability</b>		<b>58,054</b>	<b>12,228</b>	<b>1,019</b>	<b>71,301</b>	<b>75,772</b>
<b>Represented by:</b>						
Unrestricted:						
General		22,354	-	-	22,354	24,065
Designated		54,951	-	-	54,951	52,856
Restricted		-	12,228	-	12,228	12,885
Endowment		-	-	1,019	1,019	931
<b>TOTAL FUNDS AND RESERVES</b>						
<b>excluding Pension liability</b>	<b>17</b>	<b>77,305</b>	<b>12,228</b>	<b>1,019</b>	<b>90,552</b>	<b>90,737</b>
Pension reserve	21	(19,251)	-	-	(19,251)	(14,965)
<b>TOTAL FUNDS AND RESERVES including Pension liability</b>		<b>58,054</b>	<b>12,228</b>	<b>1,019</b>	<b>71,301</b>	<b>75,772</b>

Approved on behalf of the Governing Council on 12 May 2006



**Dr Jacqueline Sharpe**  
President



**Mrs Helen Eskett**  
Treasurer

**BALANCE SHEET (CHARITY) AS AT 31 DECEMBER 2005**

	Notes	2005 Total \$'000	Restated 2004 Total \$'000
<b>FIXED ASSETS</b>			
Tangible assets		10,698	1,716
Investments	12	35,473	32,048
Long term loans	13	1,326	1,635
<b>Total Fixed Assets</b>		<b>47,497</b>	<b>35,399</b>
<b>CURRENT ASSETS</b>			
Stock of goods		1,076	602
Receivable from donors	14	9,071	9,885
Receivable from associations		1,046	1,683
Receivable from others		710	1,371
Prepayments		535	1,021
Cash at bank		41,415	52,830
<b>Total current assets</b>		<b>53,853</b>	<b>67,392</b>
<b>CREDITORS: amounts falling due within one year</b>			
Accounts payable		2,493	2,607
Payable to associations		4,515	2,958
Accruals and other creditors		1,799	1,765
Deferred income	15	2,025	4,725
<b>Total current liabilities</b>		<b>10,832</b>	<b>12,055</b>
<b>Net Current Assets excluding Pension liability</b>		<b>43,021</b>	<b>55,337</b>
Pension liability	21	19,251	14,965
<b>TOTAL NET ASSETS including Pension liability</b>		<b>71,267</b>	<b>75,771</b>
<b>Represented by:</b>			
Unrestricted:			
General		22,321	24,064
Designated		54,950	52,856
Restricted		12,228	12,885
Endowment		1,019	931
<b>TOTAL FUNDS AND RESERVES excluding Pension liability</b>		<b>90,518</b>	<b>90,736</b>
Pension reserve		(19,251)	(14,965)
<b>TOTAL FUNDS AND RESERVES including Pension liability</b>		<b>71,267</b>	<b>75,771</b>

Approved on behalf of the Governing Council on 12 May 2006



**Dr Jacqueline Sharpe**  
President



**Mrs Helen Eskett**  
Treasurer

# Cash flow statement

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 \$'000	2004 \$'000	Restated 2004 \$'000
<b>Net cash (outflow)/inflow from operating activities</b>	<b>a</b>		(2,904)	7,830
<b>Returns on investments</b>				
Interest received and similar income			1,442	2,530
<b>Capital expenditure</b>				
Purchase of tangible assets		(10,710)	(467)	
Purchase of marketable securities		(3,020)	(26,023)	
Sale of tangible assets		2	23	
Sale of marketable securities		3,362	25,704	
			(10,366)	(763)
<b>Financing</b>				
Long term loan repayments received		309	63	
Long term loans issued		-	-	
			309	63
<b>(Decrease)/Increase in cash</b>	<b>b</b>		<b>(11,519)</b>	<b>9,660</b>

### Note a: Reconciliation of net incoming resources to net cash inflow from operating activities

Net (outgoing)/incoming resources		(2,914)	14,145
Interest receivable and similar income		(1,447)	(2,500)
Depreciation		735	652
Exchange movement on tangible assets		859	(3)
Exchange movement on pension liability		1,578	(951)
Increase in pension liability		4,286	1,554
Actuarial loss on pension scheme		(5,965)	(1,578)
Loss on disposal of fixed assets		153	11
Donations in kind		(959)	(449)
Decrease/(increase) in receivables from donors		814	(3,851)
Decrease/(increase) in receivables from associations		638	(2,095)
Decrease in receivables from others		350	698
(Increase)/decrease in stock		(549)	243
Decrease/(increase) in prepayments		486	(78)
(Decrease)/increase in deferred income		(2,700)	442
Increase in accounts payable		5	531
Increase in payable to associations		1,557	927
Increase in accruals and other creditors		169	323
(Decrease) in provisions		-	(191)
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(2,904)</b>	<b>7,830</b>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005 (CONTINUED)**

<b>Note b: Reconciliation of net cash flow to movements in net debt:</b>	Notes	2005 \$'000	2004 \$'000
(Decrease)/increase in cash in the year		(11,519)	9,660
Movement on foreign exchange		-	-
Movement in net debt for the period		(11,519)	9,660
Net funds at 1 January		53,179	43,519
<b>Net funds at 31 December</b>	<b>c</b>	<b>41,660</b>	<b>53,179</b>

<b>Note c: Analysis of changes in net debt:</b>	At 1 Jan 2005 \$'000	Cash flows \$'000	At 31 Dec 2005 \$'000
<b>Cash in hand and at bank</b>	<b>53,179</b>	<b>(11,519)</b>	<b>41,660</b>

**Note of explanation**

Cash balances are historically higher at 31 December each year due to the timing of government receipts, many of which are received in the last quarter of the financial year. However, the timing of grant payments to Member Associations means that the cash funds are significantly reduced in the first quarter of each financial year. The cash balance also includes restricted funds for use in the following years.

# Notes to the financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

### 1. ACCOUNTING POLICIES

#### Basis of accounting

These financial statements have been prepared under the historical cost convention, as modified for the revaluation of certain investments, and in accordance with applicable United Kingdom accounting standards, applicable United Kingdom law and the Statement of Recommended Practice ("SORP"), Accounting and Reporting by Charities (revised 2005), issued by the Charity Commissioners.

#### Changes in accounting policies

Following the implementation of the revised SORP, FRS 17 'Retirement Benefits' was adopted. This represents a change in accounting policy and the comparative figures have been restated accordingly.

#### Basis of preparation

IPPF exists as an entity under the provisions of the IPPF Act. There are six regions within the Federation and the accounts of these are combined to form the IPPF. All Regional Offices act as branches of IPPF and therefore fall under the term 'branches' in accordance with FRS 2 'Accounting for Subsidiary Undertakings' and the Charities SORP.

IPPF Africa Regional Office, Nairobi, and IPPF Europe Regional Office, Brussels are branches of the head office, Central Office in London. Their results are combined with those of Central Office. IPPF Western Hemisphere Inc (WHR) is a separate company incorporated in the State of New York, USA, as a membership corporation with not-for-profit status. All its results are combined with those of Central Office on the basis that its members are also members of IPPF, and are in a Regional Office pursuing the same objectives and policies as the rest of IPPF. IPPF WHR is not a trading subsidiary, and therefore its results have not been separately disclosed.

IPPF has a trading subsidiary, ICON Ltd. This primarily engages in commodity supply services and social marketing of contraceptives in conjunction with Member Associations. Its results for the trading period to 31 December 2005 have been consolidated in accordance with FRS 2 'Accounting for Subsidiary Undertakings' on a line by line basis.

#### Incoming Resources

Income is recognized in the period to which it is receivable (see separate deferred income policy).

#### Commercial trading activities

Income from commercial trading activities is included in the period in which the group is entitled to receipt.

#### Donations and grants

Grants from governments and other agencies have been included as donations and similar incoming resources. These are included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

#### Legacies

Legacies are recognized when the charity is advised by the personal representatives of an estate that payment will be made or property transferred and the amount involved can be quantified.

#### Investment Income & Interest

Investment income in the form of dividends together with interest is included when receivable by the charity.

#### Intangible Income

Donations in kind are included in donations and similar incoming resources where the amounts are material and an estimated market value is readily attainable.

IPPF wishes to acknowledge the immense on-going contribution it receives from its volunteers, in terms of the time, hard work, and personal commitment given to IPPF and its objectives. IPPF does not believe it is possible, or desirable, to place a monetary value on this contribution, and subsequently does not recognize volunteer time as incoming resources in the Financial Statements. IPPF does not believe there is a concise, workable, or accurate method of quantifying this contribution, or establishing how this contribution is expressed in financial terms.

#### Resources expended and basis of allocation of costs

Grants payable to associations of cash and commodities (being contraceptives and related goods) represent direct aid to affiliated and non-affiliated organizations. These grants are given on an annual basis. Amounts not yet given at the year end relating to commodities are accrued for as liabilities on the basis that a commitment exists to supply these remaining commodities or cash.

## 1. ACCOUNTING POLICIES (CONTINUED)

Expenditure other than Grants is classified between Regional and Central activities. Regional activities are those carried out by the Regional Offices serving local Member Associations. Central activities are exclusively, those of the Central Office, London, which serve IPPF as a whole.

Costs of generating voluntary income comprise the costs incurred in commercial trading activities and fundraising. Fundraising costs include all direct costs including personnel costs, publicity material and direct mailing material.

Programme activities represent expenses directly attributable to the issuing or monitoring of grants to Member Associations.

Programme support costs represent expenses on activities that are not directly attributable to the issuing or monitoring of grants to Member Associations but which directly relate to providing support, advice and training on sexual and reproductive health matters. These costs also include general management, finance, human resources and information technology.

Governance costs include the costs of governance arrangements relating to IPPF as a UK registered charity. Direct costs include internal and external audit, financial statement publication costs, legal advice for the Governing Council members and costs associated with constitutional and statutory requirements such as Governing Council meetings as well as the supporting committee meetings. As a Federation, the costs associated with Regional governance structures (Regional Council Meetings and Regional Executive Meetings) are also included.

Where IPPF acts as an agent for another party upon specific projects, all costs and overheads recovered are netted off against those costs.

Where overheads on IPPF's own projects are recovered by way of donations and grants, these and their related costs are not netted off but are shown separately.

### Deferred income

Deferred income comprises amounts received in the period which the donor has given for use in future accounting periods only. Other forms of income, such as lease benefits, are also deferred in order to match the income with the periods that they are intended to benefit.

### Fixed assets

All assets costing more than US\$1,000 are capitalized. All assets are stated at cost. All assets are depreciated in line with their expected useful lives using the straight line method at the following rates:

Land	no depreciation
Freehold buildings	2%
Office furniture	10%
Office equipment	20%
Computer hardware	33%
Vehicles	33%
Freehold improvements	10%
Leasehold improvements	Period of lease

Any realized gains or losses on disposals of fixed assets are taken to the Statement of Financial Activities in the year in which they occur.

The transitional rules of FRS15 'Tangible Fixed Assets' have been adopted.

### Investments

Investments are valued at market value as at 31 December 2005. All gains and losses are taken to the Statement of Financial Activities as they arise.

### Stock of goods

Stock is valued at the lower of cost and net realizable value and consists of contraceptives and related medical equipment.

### Foreign currency

The results from operations denominated in foreign currency are translated into US Dollars using an average rate of exchange for the Statement of Financial Activities (SOFA) and the year end rate for the Balance Sheet. Unrealized exchange differences arising as a result of this application of exchange rates are taken to the Translation Reserve (see note 17) whilst realized exchange differences are recognized as part of programme support costs.

### Leased assets

The annual payments in relation to lease arrangements, known as operating leases, are charged to the Statement of Financial Activities on an accruals basis.

### Provisions

Provision is made, where material, for the present value of future liabilities and losses which have occurred during the financial year and up to the date on which the financial statements are approved by Governing Council. The recognition of a provision is in accordance with FRS 12 'Provisions, contingencies, commitments and post balance sheet events'. The charge for a provision is made against the appropriate resources expended category to which it relates.

### **Contingent Liabilities**

Contingent liabilities are disclosed in accordance with FRS 12, 'Provisions, contingencies, commitments and post balance sheet events'. No recognition is made in the Statement of Financial Activities. Where it becomes probable that there will be a future outflow of resources the liability will cease to be contingent and is accrued in the financial statements. Full details on each contingent liability are disclosed in note 19.

### **Pension contributions**

IPPF contributes to both defined benefit and defined contribution pension schemes (see note 21).

Defined contribution scheme costs are charged to the Statement of Financial Activities as they are incurred.

IPPF makes contributions to the Central Office defined benefit pension scheme (closed to new members from 1 September 2003) based on the advice from triennial actuarial valuations. Any material deficiencies or surpluses that arise are dealt with by changes to the level of contributions. In accordance with FRS 17 'Retirement Benefits', the Statement of Financial Activities includes: the cost of benefits accruing during the year in respect of current and past service (charged against net outgoing resources); the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time (shown as pensions finance charge); actuarial gain recognized in the pension scheme

(shown within net movement of funds). The balance sheet includes the deficit in the scheme taking assets at their year-end market value and liabilities at their actuarially calculated values.

### **Funds**

IPPF maintains five types of fund:

- Permanent Endowment – where the capital is held in perpetuity to generate income to further the charitable objects of IPPF, and income generated is unrestricted;
- Restricted – where the purposes for which the funds can be used have been restricted by donors or the terms of an appeal;
- Pension Reserve – in accordance with FRS 17 'Retirement Benefits', the liability attributed to the Central Office Defined Benefit Scheme is shown as a separate unrestricted fund. As the scheme is currently in deficit this is a negative reserve. No designation of funds to meet pension commitments at the balance sheet date is in place as IPPF anticipates meeting such commitments through future cash flows.
- Designated – where the funds are unrestricted, but where the Governing Council have designated them for a specific purpose;
- Unrestricted – where the funds are not restricted as to use but may be applied for any purpose within the charity's objects.

Transfers between funds are made where the donor restrictions allow with appropriate disclosure in note 17.

## 2. GRANTS FROM GOVERNMENTS

	Local Currency (LC)	2005 LC'000	2004 LC'000	2005 \$'000	2004 \$'000
<b>Unrestricted</b>					
Australia	Australian \$	2,000	1,950	1,564	1,472
Canada	Canadian \$	4,100	4,100	3,545	3,404
Denmark	Danish Krone	40,000	40,000	6,566	6,440
Finland	Euro	400	300	492	365
Germany	Euro	3,000	2,556	3,639	3,175
Japan	US \$	13,922	14,708	13,922	14,708
The Netherlands	Euro	4,311	4,312	5,321	5,328
New Zealand	New Zealand \$	1,145	1,300	926	877
Norway	Norwegian Krone	40,000	40,000	6,065	5,953
Sweden	Swedish Krona	85,000	100,000	10,607	14,870
Switzerland	Swiss Franc	1,000	1,000	792	772
United Kingdom	£ Sterling	6,000	6,000	11,272	10,895
Barbados	US \$	4	4	4	4
China	US \$	160	160	160	160
Korea (South)	US \$	100	100	100	100
Malaysia	US \$	15	15	15	15
Pakistan	Pakistan Rupees	100	100	2	2
Thailand	US \$	2	2	2	2
<b>Unrestricted</b>				<b>64,994</b>	<b>68,542</b>
<b>Restricted</b>					
Australia	Australian \$	-	20	-	14
Denmark	Danish Kroner	5,000	5,000	783	850
Germany	Euro	710	434	939	522
Finland	Euro	130	140	167	173
Japan	US \$	1,022	1,023	1,022	1,023
Korea (South)	US \$	500	-	500	-
States Of Jersey	£ Sterling	35	15	67	27
Sweden	US \$	38	-	38	-
United Kingdom	£ Sterling	261	-	490	-
<b>Restricted</b>				<b>4,006</b>	<b>2,609</b>
<b>Total restricted and unrestricted grants from governments</b>				<b>69,000</b>	<b>71,151</b>

### 3. GRANTS FROM MULTILATERALS AND OTHER INCOME SOURCES

	Unrestricted \$'000	Donor Restricted \$'000	2005 Total \$'000	2004 Total \$'000
Asia Pacific Alliance for Reproductive Health	-	-	-	70
Erik E & Edith H Bergstrom Foundation	-	437	437	476
Big Lottery Fund (formerly Community Fund)	-	615	615	482
A & R Contorer	-	100	100	100
Comic Relief	-	-	-	72
David Owen Memorial Fund	-	61	61	-
Elton John AIDS Foundation	-	44	44	43
Equilibres et Population	-	-	-	86
European Commission	-	3,916	3,916	2,536
Family Care International	-	-	-	821
Ford Foundation	-	173	173	248
Bill & Melinda Gates Foundation	-	2,867	2,867	1,624
Gesellschaft fur Technische. Zusammenarbeit (GTZ)	-	293	293	380
The William & Flora Hewlett Foundation	2,050	3,175	5,225	3,225
Ernest Kleinwort Charitable Trust	-	-	-	55
The John D & Catherine T MacArthur Foundation	-	396	396	275
Margaret Sanger Centre International	-	-	-	67
Nike Foundation	-	50	50	-
Overbrook Foundation	-	40	40	-
David & Lucile Packard Foundation	-	-	-	984
Population Action International	-	-	-	21
Planned Parenthood Federation of America	-	12	12	10
L & H Price Foundation	-	40	40	80
Prospect Hill Foundation	-	105	105	-
Rutgers Nisso Groep (RNG)	-	80	80	-
Helen Seymour Fund	-	189	189	-
Summit Foundation	-	-	-	30
United Nations Foundation	-	-	-	485
United Nations Fund for Population Activities (UNFPA)	-	1,332	1,332	1,261
Wallace Global Fund	-	-	-	100
Westwind Foundation	95	100	195	195
World Bank	-	75	75	100
World Health Organization	-	5	5	-
Anonymous	1,200	180	1,380	843
Other	3,103	330	3,433	5,606
<b>Total</b>	<b>6,448</b>	<b>14,615</b>	<b>21,063</b>	<b>20,275</b>

#### 4. INVESTMENT INCOME AND INTEREST

	Unrestricted \$'000	Donor Restricted \$'000	2005 Total \$'000	2004 Total \$'000
Interest receivable from cash deposits	1,102	187	1,289	1,002
Dividends and similar income from US listed securities	158	-	158	1,498
<b>Total</b>	<b>1,260</b>	<b>187</b>	<b>1,447</b>	<b>2,500</b>

#### 5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

Sales of goods and services consist of income mainly from sales of publications and audio-visual materials.

## 6. GRANTS TO MEMBER ASSOCIATIONS AND PARTNER ORGANIZATIONS

	Unrestricted			Donor restricted			2005 Total \$'000	2004 Total \$'000
	Cash Grants \$'000	Commodity Grants \$'000	Technical Assistance \$'000	Cash Grants \$'000	Commodity Grants \$'000	Endowment Cash Grants \$'000		
Africa	15,624	824	1,610	1,715	1,017	-	20,790	16,989
Arab World	3,031	349	333	1,421	209	-	5,343	4,370
E,SE Asia and Oceania	4,447	724	-	1,574	36	-	6,781	6,121
Europe	1,249	(3)	-	2,687	13	-	3,946	1,627
South Asia	6,400	168	-	2,282	-	-	8,850	6,598
Western Hemisphere	6,747	1,046	599	2,254	2	-	10,648	9,521
<b>Total 2005</b>	<b>37,498</b>	<b>3,108</b>	<b>2,542</b>	<b>11,933</b>	<b>1,277</b>	<b>-</b>	<b>56,358</b>	<b>45,226</b>
Total 2004	31,561	2,952	2,812	7,326	575	-		

Commodity grants consist of contraceptives and related goods.

Technical assistance represents advisory services provided by IPPF and funded by Member Associations from unrestricted core grants and locally generated income sources.

Negative values arise where amounts accrued in previous years at the year end are reversed / paid in the following year at a lower value.

### GRANTS TO MEMBER ASSOCIATIONS AND PARTNER ORGANIZATIONS BY IPPF STRATEGIC PRIORITIES AND SUPPORTING STRATEGIES – 2005

	Unrestricted \$'000	Restricted \$'000	Total \$'000
<b>Strategic Priorities</b>			
Adolescents	6,108	4,428	10,536
HIV/AIDS	3,972	1,244	5,216
Access	17,131	4,034	21,165
Abortion	2,231	515	2,746
Advocacy	3,228	2,842	6,070
<b>Supporting Strategies</b>			
Accreditation & Governance	1,657	57	1,714
Resource Mobilization	1,230	-	1,230
Capacity Building	6,340	50	6,390
Evaluation	1,251	40	1,291
	<b>43,148</b>	<b>13,210</b>	<b>56,358</b>

Comparative figures for 2004 cannot be provided given the new Strategic Framework only applies for Member Association grants from 2005 onwards. The above figures are based on funding agreements. They are indicative in the sense that ensuring global standards of classifying projects is still something IPPF is refining. For example a Member Association undertaking projects to increase clinical services to young people and with an emphasis on HIV/AIDS prevention will generally classify this as 'access'. This can lead to other priority areas being lower than we expect.

## 6. GRANTS TO MEMBER ASSOCIATIONS (CONTINUED)

The following associations received cash and commodity grants as shown below. They are ranked in order of total unrestricted grants.

Rank	Country	Association	Unrestricted \$'000	Restricted \$'000	Total \$'000
<b>Grants to Member Associations</b>					
1	India	Family Planning Association of India	1,613,723	310,867	1,924,590
2	Bangladesh	Family Planning Association of Bangladesh	1,602,575	595,524	2,198,098
3	Pakistan	Family Planning Association of Pakistan	1,592,803	45,000	1,637,803
4	Nepal	Family Planning Association of Nepal	1,294,297	688,212	1,982,509
5	Nigeria	Planned Parenthood Federation of Nigeria	1,121,870	629,027	1,750,897
6	Kenya	Family Planning Association of Kenya	1,107,830	182,436	1,290,266
7	Ghana	Planned Parenthood Association of Ghana	1,008,180	191,409	1,199,589
8	Tanzania	Uzazi na Malezi Bora Tanzania	931,707	7,211	938,918
9	Zambia	Planned Parenthood Association of Zambia	898,953	333,633	1,232,586
10	Ethiopia	Family Guidance Association of Ethiopia	879,002	33,261	912,263
11	Uganda	Family Planning Association of Uganda	750,101	50,301	800,402
12	Caribbean	Caribbean Family Planning Affiliation comprising of:			
	Anguilla	Anguilla Family Planning Association- The Primary Health Care (AFPA)	249	-	249
	Antigua and Barbuda	Antigua Planned Parenthood Association	61,051	-	61,051
	Aruba	Foundation for the Promotion of Responsible Parenthood	8,987	-	8,987
	Bahamas	Bahamas Family Planning Association	14,210	-	14,210
	Bermuda	Teen Services (YHED)	765	-	765
	Caribbean	Caribbean Family Planning Affiliation Ltd	209,716	-	209,716
	Curacao	Foundation for the Promotion of Responsible Parenthood (FPRP)	21,874	-	21,874
	Dominica	Dominica Planned Parenthood Association	79,509	-	79,509
	Grenada	Grenada Planned Parenthood Association	95,564	-	95,564
	Guadeloupe	Association Guadeloupéenne pour le Planning Familial (AGPF)	365	-	365
	Martinique	Association Martiniquaise pour l'Information et l'Orientation Familiales (AMIOF)	423	-	423
	Nevis	Nevis Family Planning Association	(2)	-	(2)
	St Kitts	St.Kitts Family Life Services Association Ltd.	15	-	15
	St Lucia	Saint Lucia Planned Parenthood Association	119,710	-	119,710
	St Maarten	Foundation for the Promotion of Responsible Parenthood – SMX	1,389	-	1,389
	St Vincent	St. Vincent Planned Parenthood Association	41,718	-	41,718
13	Egypt	Egyptian Family Planning Association	651,751	1,500	653,251
14	Benin	Association Béninoise pour la Promotion de la Famille	619,572	36,657	656,229
15	Brazil	Sociedad Civil Bem-Estar Familiar no Brasil	606,641	234,261	840,902
16	Mexico	Fundación Mexicana para la Planeación Familiar	601,515	209,735	811,250
17	Togo	Association Togolaise pour le Bien-Etre Familial	589,676	7,090	596,766

Rank	Country	Association	Unrestricted \$'000	Restricted \$'000	Total \$'000
<b>Grants to Member Associations</b>					
18	Lesotho	Lesotho Planned Parenthood Association	568,790	242,611	811,402
19	Liberia	Family Planning Association of Liberia	563,176	-	563,176
20	Guatemala	Asociación Pro-Bienestar de la Familia de Guatemala	556,857	35,000	591,857
21	Senegal	Association Sénégalaise pour le Bien-Etre Familial	548,387	(7,529)	540,858
22	Colombia	Asociación Pro-Bienestar de la Familia Colombiana	545,513	165,400	710,913
23	Sudan	Sudan Family Planning Association	542,934	799,382	1,342,317
24	Sierra Leone	Planned Parenthood Association of Sierra Leone	501,508	(31,817)	469,692
25	Palestine	Palestinian Family Planning and Protection Association	492,424	-	492,424
26	Dominican Republic	Asociación Dominicana Pro-Bienestar de la Familia	490,877	337,128	828,005
27	Indonesia	The Indonesian Planned Parenthood Association	478,747	601,317	1,080,064
28	Burkina Faso	Association Burkinabé pour le Bien-Etre Familial	477,798	6,154	483,951
29	Madagascar	Fianakaviana Sambatra	451,298	79,002	530,300
30	Venezuela	Asociacion Civil de Planificacion Familiar	440,665	50,000	490,665
31	Mali	Association Malienne pour la Promotion et la Protection de la Famille	439,797	-	439,797
32	China	China Family Planning Association	430,729	164,617	595,346
33	Philippines	Family Planning Organization of the Philippines	409,498	100,153	509,651
34	Peru	Instituto Peruano de Paternidad Responsable	396,308	108,642	504,950
35	Cote D'Ivoire	Association Ivoirienne pour le Bien-Etre Familial	394,748	93,311	488,060
36	Gambia	The Gambia Family Planning Association	377,633	93,767	471,399
37	Congo	Association Congolaise pour le Bien-Etre Familial	369,091	209,334	578,426
38	Yemen	Yemen Family Care Association	367,261	583,336	950,597
39	Nicaragua	Asociación Pro Bienestar de la Familia Nicaragüense	366,925	-	366,925
40	Paraguay	Centro Paraguayo de Estudios de Población	346,259	84,750	431,009
41	Central African Republic	Association Centrafricaine pour le Bien-Etre Familial	341,989	16,869	358,858
42	Malaysia	Federation of Family Planning Associations of Malaysia	326,902	34,105	361,007
43	Cameroon	Cameroon National Association for Family Welfare	318,623	19,812	338,435
44	Honduras	Asociación Hondureña de Planificación de la Familia	310,006	-	310,006
45	El Salvador	Asociación Demográfica Salvadoreña	302,409	-	302,409
46	Eritrea	Planned Parenthood Association of Eritrea	290,963	23,484	314,447
47	Chad	Association Tchadienne pour le Bien-Etre Familial	277,138	43,200	320,338
48	Guinea Conakry	Association Guinéenne pour le Bien-Etre Familial	268,834	11,916	280,750
49	Surinam	Stichting Lobi	268,450	-	268,450
50	Mauritania	Association Mauritanienne pour la Promotion de la Famille	264,967	172,312	437,279
51	Thailand	Planned Parenthood Association of Thailand	259,697	234,073	493,770
52	Morocco	Association Marocaine de Planification Familiale	257,163	51,505	308,668
53	Rwanda	Association Rwandaise pour le Bien-Etre Familial	256,825	189,412	446,237
54	Vietnam	Vietnam Family Planning Association	244,049	13,599	257,648
55	Burundi	Association Burundaise pour le Bien-Etre Familial	238,817	-	238,817
56	Sri Lanka	Family Planning Association of Sri Lanka	238,389	496,315	734,704

**6. GRANTS TO MEMBER ASSOCIATIONS (CONTINUED)**

Rank	Country	Association	Unrestricted \$'000	Restricted \$'000	Total \$'000
<b>Grants to Member Associations</b>					
57	Swaziland	Family Life Association of Swaziland	208,637	-	208,637
58	Syria	Syrian Family Planning Association	203,581	7,957	211,538
59	Jamaica	Jamaica Family Planning Association	203,208	9,004	212,212
60	Trinidad and Tobago	Family Planning Association of Trinidad and Tobago	196,887	1,000	197,887
61	Russia	Russian Family Planning Association	194,838	83,859	278,697
62	Tunisia	Association Tunisienne du Planning Familial	192,713	12,737	205,450
63	Algeria	Association Algérienne pour la Planification Familiale	162,545	-	162,545
64	Panama	Asociación Panameña para el Planeamiento de la Familia	161,599	-	161,599
65	Ecuador	Asociación Pro Bienestar de la Familia Ecuatoriana	150,958	-	150,958
66	Korea North	Korean Family Planning & Maternal Child Health Association	136,385	146,036	282,421
67	Lebanon	Lebanon Family Planning Association	125,419	-	125,419
68	Samoa	Samoa Family Health Association	125,052	-	125,052
69	Botswana	Botswana Family Welfare Association	121,521	-	121,521
70	Korea South	Planned Population Federation of Korea	118,692	-	118,692
71	Chile	Asociación Chilena de Protección de la Familia	110,792	-	110,792
72	Namibia	Namibia Planned Parenthood Association	110,281	-	110,281
73	Iraq	Iraq Family Planning Association	110,079	-	110,079
74	Uzbekistan	UARH - Uzbek Association of Reproductive Health	110,000	(623)	109,377
75	Bulgaria	Bulgarian Family Planning and Sexual Health Association	108,861	25,855	134,716
76	Iran Persia	Family Planning Association of the Islamic Republic of Iran	104,234	18,784	123,018
77	Vanuatu	Vanuatu Family Health Association	104,066	48	104,114
78	Mongolia	Mongolian Family Welfare Association	98,892	8,091	106,983
79	Mauritius	Mauritius Family Planning Association	97,289	-	97,289
80	Uruguay	Asociación Uruguaya de Planificación Familiar	97,203	78,083	175,286
81	Costa Rica	Asociación Demográfica Costarricense(ADC)	92,555	3,295	95,850
82	Maldives	Society for Health Education	79,086	59,125	138,211
83	Georgia	The Family Planning Association in Georgia	67,479	7,446	74,925
84	Slovakia	PORADNA ( Slovakia)	62,066	-	62,066
85	Armenia	The Family Planning Association of Armenia – “For Family and Health”	61,092	8,014	69,106
86	Puerto Rico	Asociación Puertorriqueña Pro-Bienestar de la Familia	56,607	84,077	140,684
87	Latvia	Latvian Association for Family Planning & Sexual Health	54,696	2,507	57,204
88	Lithuania	Family Planning and Sexual Health Association of Lithuania	51,969	7,251	59,220
89	Bahrain	Bahrain Family Planning Association	48,768	1,500	50,268
90	Hong Kong	Family Planning Association of Hong Kong	48,291	-	48,291
91	Albania	Family Planning Association of Albania	47,099	5,607	52,706
92	Singapore	Singapore Planned Parenthood Association	47,019	-	47,019
93	Barbados	The Barbados Family Planning Association	35,712	51,650	87,362
94	Estonia	Family Planning Association of Estonia	35,000	2,507	37,507
95	Canada	Canadian Federation for Sexual Health (PPFC)	31,416	-	31,416
96	Czech Republic	Czech Society for Family Planning and Sex Education (SPRSV)	25,000	-	25,000

Rank	Country	Association	Unrestricted \$'000	Restricted \$'000	Total \$'000
<b>Grants to Member Associations</b>					
97	Poland	Towarzystwo Rozwoju Rodziny	22,410	9,159	31,569
98	Hungary	Pro Familia Hungarian Scientific Society	19,401	-	19,401
99	Portugal	Associacio para o Planeamento da Familia ( APPF)	10,000	53,402	63,402
100	Ireland	Irish Family Planning Association	10,000	36,179	46,179
101	Cyprus	Family Planning Association of Cyprus (FPAC)	6,269	-	6,269
102	Spain	Federacion de Planificacion Familiar de Espana	5,230	36,717	41,947
103	Argentina	Asociación Argentina de Protección Familiar (AAPF)	1,082	-	1,082
104	United States of America	Planned Parenthood Federation of America	538	-	538
105	Sweden	Riksförbundet för Sexuell Upplysning (RFSU)	-	209,729	209,729
106	Finland	Väestöliitto	-	152,808	152,808
107	Denmark	Foreningen Sex & Samfund	-	199,207	199,207
108	France	Mouvement français pour le Planning Familial ( MFPF)	-	57,769	57,769
109	Luxembourg	Mouvement Luxembourgeois pour le Planning Familial et l'Education Sexuelle (MLPFES)	-	37,752	37,752
110	Austria	Österreichische Gesellschaft für familienplanung ( ÖGF)	-	36,965	36,965
111	Germany	Pro Familia Bundesverband	-	36,717	36,717
112	Norway	Norsk forening for seksualitet, samliv og reproduktiv helse (NSSR)	-	22,526	22,526
113	New Zealand	NZ Family Planning Association (Inc.)	-	20,000	20,000
114	Switzerland	Fondation Suisse pour la santé Sexuelle et Reproductive ( PLANES)	-	17,510	17,510
115	South Africa	Planned Parenthood Association of South Africa	(44,959)	132,346	87,387
<b>Grants to Member Associations</b>			<b>35,775,739</b>	<b>10,259,881</b>	<b>46,035,621</b>

**6. GRANTS TO PARTNER ORGANIZATIONS (CONTINUED)**

The following partner organizations received cash and commodity grants as shown below.

Rank	Country	Association	Unrestricted \$'000	Restricted \$'000	Total \$'000
<b>Grants to Partner Associations</b>					
1		Japanese Organisation for International Cooperation in Family Planning (JOICFP)			
	Japan	- International Advocacy	745,000	-	745,000
	China	- Grants to China	230,000	-	230,000
	Japan	- Information & Campaigning	225,000	-	225,000
	Africa (various)	- Grants to Sub-Saharan Africa	220,000	-	220,000
	Mexico	- Grants to Mexico	70,000	-	70,000
	Japan	- Kato Award	10,000	-	10,000
2	Haiti	Association pour la Promotion de la Famille Haïtienne	426,098	160,802	586,900
3	Congo Democratic Republic	Association pour le Bien-Etre Familial/Naissances Désirables	396,995	50,559	447,554
4	Mozambique	Associação Moçambicana para Desenvolvimento da Família	341,641	3,366	345,007
5	Bolivia	Centro de Investigación, Educación y Servicios	327,167	442,087	769,254
6	Niger	Association Nigérienne pour le Bien-Etre Familial	292,494	7,263	299,757
7	Djibouti	Association Djiboutienne pour l'équilibre et la promotion de la famille	242,787	-	242,787
8	Malawi	National Family Welfare Council of Malawi	239,985	16,402	256,387
9	Gabon	Le Mouvement Gabonais pour le bien-etre familial	236,085	-	236,085
10	Papua New Guinea	Papua New Guinea Family Health Association	232,049	12,071	244,120
11	Angola	Associação Angolana para o Bem Estar da Família	217,686	14,895	232,581
12	Belize	Belize Family Life Association	209,981	3,000	212,981
13	Guinea Bissau	Associação Guineense para o Bem-Estar Familiar	193,761	-	193,761
14	Guyana	Guyana Responsible Parenthood Association	187,018	26,806	213,824
15	Comoros	Association Comorienne pour le Bien-Etre de la Famille	182,058	-	182,058
16	Solomon Islands	Solomon Islands Planned Parenthood Association	152,900	-	152,900
17	Kenya	Centre for African Family Studies	143,394	-	143,394
18	Equatorial Guinea	Association Bienestar Familiar de Guinea Equatorial	132,214	-	132,214
19	Cape Verde Islands	Associação Caboverdiana para a Protecção da Família	125,518	-	125,518
20	Cuba	Sociedad Científica Cubana para el Desarrollo de la Familia	125,400	-	125,400
21	Seychelles	Alliance of Solidarity for the Family	117,817	-	117,817
22	Japan	Asian Population and Development Association	100,000	-	100,000
23	Cambodia	Reproductive Health Association of Cambodia	99,806	108,994	208,800
24	Myanmar	Myanmar Maternal and Child Welfare Association	91,355	-	91,355
25	Tonga	Tonga Family Planning Association	83,365	-	83,365
26	Laos	Lao Women's Union	76,435	100,800	177,235
27	Bosnia Herzegovina	Family Planning Association (UG APP XY)	76,386	77,290	153,676
28	Tuvalu	Tuvalu Family Health Association	67,878	16,507	84,384
29	Sao Tome and Principe	Associação Santomense para o Planeamento Familiar	66,664	14,895	81,559
30	Zimbabwe	Zimbabwe National Family Planning Council	66,582	30,853	97,436

Rank	Country	Association	Unrestricted \$'000	Restricted \$'000	Total \$'000
<b>Grants to Partner Associations</b>					
31	Tadjikistan	Tajik Family Planning Alliance "Matin"	66,551	-	66,551
32	Fiji	Reproductive & Family Health Association of Fiji	64,880	-	64,880
33	Kiribati	Kiribati Family Health Association	64,380	-	64,380
34	Kyrgyzstan	Reproductive Health Alliance of Kyrgyzstan	58,743	-	58,743
35	Kazakhstan	Kazakhstan Association on Sexual and Reproductive Health	45,000	-	45,000
36	Cook Islands	Cook Islands Family Welfare Association	44,384	-	44,384
37	Afghanistan	Afghan Family Planning Association	42,500	68,500	111,000
38	Moldova	Family Planning Association of Moldova	38,701	-	38,701
39	Thailand	Asian Forum of Parliamentarians on Population & Development	35,000	-	35,000
40	Belgium	Inter European Parliamentary Forum on Population & Development	30,000	-	30,000
41	Belgium	Belgian All Party Parliamentary Group on Population & Development	25,025	-	25,025
42	USA	Inter American Parliamentary Group on Population & Development	20,000	-	20,000
43	United Kingdom	International HIV/AIDS Alliance	20,000	-	20,000
44	Tunisia	Center of Arab Women for Research and Training	19,194	-	19,194
45	Jordan	UNAIDS	18,000	-	18,000
46	United Kingdom	All Party Parliamentary Group on Population, Development & Reproductive Health	15,000	-	15,000
47	Yemen	Yemen Dental Clinic	13,360	-	13,360
48	Belgium	The Inter European Parliamentary Forum on Population	-	330,192	330,192
49	United Kingdom	Interact Worldwide	-	219,143	219,143
50	Netherlands	World Population Foundation	-	188,365	188,365
51	France	Equilibre & Population	-	179,423	179,423
52	Germany	Deutsche Stiftung Weltbevölkerung	-	171,105	171,105
53	United Kingdom	Marie Stopes International	-	156,022	156,022
54	Serbia	Yugoslav Youth Information Centre	-	78,791	78,791
55	Macedonia	Health Education and Research Association (HERA)	-	76,095	76,095
56	Netherlands	Young Positives Foundation	-	75,000	75,000
57	Montenegro	Cultural Centre Juventas	-	68,759	68,759
58	Thailand	Asian Centre for Population & Community Development	-	66,150	66,150
59	United States	PPNYC - Margaret Sanger Center	-	51,990	51,990
60	Sweden	Lund University	-	31,558	31,558
61	United States	Inter-American Parliamentary Group on Population & Development, Inc.	-	20,074	20,074
62	Mexico	Afluentes, S.C.	-	17,000	17,000
63	Mexico	Elige	-	17,000	17,000
64	Mexico	Instituto de Liderazgo Simone de Beauvoir, A.C.	-	17,000	17,000
65	Dominican Republic	Instituto Nacional de Salud	-	11,271	11,271
66	Mexico	Catolicas por el Derecho	-	10,000	10,000
67	Brazil / Colombia	Others	-	9,636	9,636
<b>Grants to Partner Associations</b>			<b>7,372,235</b>	<b>2,949,665</b>	<b>10,321,900</b>
<b>Total Grants to Member and Partner Associations</b>			<b>43,147,974</b>	<b>13,209,546</b>	<b>56,357,520</b>

**7. REGIONAL ACTIVITIES – 2005**

	Unrestricted						Donor Restricted Programme activities \$'000	Total \$'000
	(1) Programme activities \$'000	(2) Programme support \$'000	(3) Support costs \$'000	Charitable activities Sub total \$'000	(4) Regional fundraising \$'000	Unrestricted Sub total \$'000		
<b>Year ended 31 December 2005</b>								
Personnel costs	2,300	3,296	2,802	8,398	579	8,977	1,425	10,402
Consultancies	636	88	135	859	75	934	485	1,419
Travel	723	736	176	1,635	36	1,671	1,903	3,574
Occupancy	261	352	652	1,265	88	1,353	13	1,366
Communications	104	55	248	407	165	572	15	587
Other costs	340	53	287	680	349	1,029	643	1,672
<b>Total 2005</b>	<b>4,364</b>	<b>4,580</b>	<b>4,300</b>	<b>13,244</b>	<b>1,292</b>	<b>14,536</b>	<b>4,484</b>	<b>19,020</b>

- 1) Programme activities represent expenses directly attributable to the issuing or monitoring of grants to Member Associations.
- 2) Programme support costs represent expenses on activities that are not directly attributable to the issuing or monitoring of grants to Member Associations but which directly relate to providing support, advice and training on sexual and reproductive health matters.

**REGIONAL ACTIVITIES BY IPPF STRATEGIC PRIORITIES AND SUPPORTING STRATEGIES – 2005**

	Total Support Costs \$'000	Programme activities & support \$'000	Regional Fundraising \$'000	Total \$'000
<b>Strategic Priorities</b>				
Adolescents	409	1,372	-	1,781
HIV/AIDS	293	724	-	1,017
Access	584	2,054	-	2,638
Abortion	420	1,258	-	1,678
Advocacy	668	2,464	-	3,132
<b>Supporting Strategies</b>				
Accreditation & Governance	627	583	-	1,210
Resource Mobilization	35	219	1,292	1,546
Capacity Building	1,052	3,938	-	4,990
Evaluation	212	816	-	1,028
<b>Total 2005</b>	<b>4,300</b>	<b>13,428</b>	<b>1,292</b>	<b>19,020</b>

## REGIONAL ACTIVITIES (CONTINUED) – 2004

	Unrestricted						Donor Restricted	
	(1) Programme activities \$'000	(2) Programme support \$'000	(3) Support costs \$'000	Charitable activities Sub total \$'000	(4) Regional fundraising \$'000	Unrestricted Sub total \$'000	Programme activities \$'000	Restated Total \$'000
<b>Year ended 31 December 2004</b>								
Personnel cost	1,708	3,380	2,383	7,471	597	8,068	1,254	9,322
Consultancies	496	111	79	686	101	787	536	1,323
Travel	845	913	82	1,840	66	1,906	1,859	3,765
Occupancy	246	317	573	1,136	88	1,224	18	1,242
Communications	43	58	268	369	8	377	38	415
Other costs	256	42	245	543	468	1,011	1,096	2,107
<b>Total 2004</b>	<b>3,594</b>	<b>4,821</b>	<b>3,630</b>	<b>12,045</b>	<b>1,328</b>	<b>13,373</b>	<b>4,801</b>	<b>18,174</b>

3) Support costs represent all other expenses incurred in the running of Regional Offices and Field Offices, and are allocated across the Strategic Priorities and Supporting Strategies based on a proportion of direct personnel costs attributable the implementation of the activities. This is the methodology used as part of the budget cycle in order to correctly measure the overall costs of undertaking projects on the internal electronic Integrated Management System. This methodology is applied to all areas of the IPPF and has been selected for consistency of use and ease of implementation

4) Fundraising costs comprise of activities related to Regional income generation and resource development.

## REGIONAL ACTIVITIES BY IPPF STRATEGIC PRIORITIES AND SUPPORTING STRATEGIES – 2004

	Restated Total \$'000
<b>Strategic Priorities</b>	
Adolescents	1,938
HIV/AIDS	841
Access	2,546
Abortion	593
Advocacy	4,292
<b>Supporting Strategies</b>	
Accreditation & Governance	1,418
Resource Mobilization	1,571
Capacity Building	4,307
Evaluation	668
<b>Total 2004</b>	<b>18,174</b>

**8. CENTRAL ACTIVITIES – 2005**

	Unrestricted						Donor Restricted Programme activities \$'000	Total \$'000
	(1) Programme activities \$'000	(2) Programme support \$'000	(3) Support costs \$'000	Charitable activities Sub total \$'000	(4) Central fundraising \$'000	Unrestricted Sub total \$'000		
<b>Year ended 31 December 2005</b>								
Personnel costs	358	1,618	3,569	5,545	798	6,343	632	6,974
Consultancies	108	104	755	967	225	1,192	281	1,473
Travel	13	346	418	777	158	935	512	1,447
Occupancy	-	-	1,676	1,676	-	1,676	1	1,677
Communications	6	32	129	167	23	190	90	280
Other costs	(245)	44	3,434	3,233	30	3,263	382	3,646
<b>Total 2005</b>	<b>240</b>	<b>2,144</b>	<b>9,981</b>	<b>12,365</b>	<b>1,234</b>	<b>13,599</b>	<b>1,898</b>	<b>15,497</b>

1) Programme activities represent expenses directly attributable to the issuing or monitoring of grants to Member Associations.

2) Programme support costs represent expenses on activities that are not directly attributable to the issuing or monitoring of grants to Member Associations but which directly relate to providing support, advice and training on sexual and reproductive health matters.

**CENTRAL ACTIVITIES BY IPPF STRATEGIC PRIORITIES AND SUPPORTING STRATEGIES – 2005**

	Support Costs \$'000	Programme activities & support \$'000	Central Fundraising \$'000	Total \$'000
<b>Strategic Priorities</b>				
Adolescents	427	553	-	980
HIV/AIDS	579	973	-	1,552
Access	408	231	-	639
Abortion	401	420	-	821
Advocacy	4,140	319	-	4,459
<b>Supporting Strategies</b>				
Accreditation & Governance	1,564	559	-	2,123
Resource Mobilization	1,075	-	1,234	2,309
Capacity Building	279	375	-	654
Evaluation	1,108	852	-	1,960
<b>Total 2005</b>	<b>9,981</b>	<b>4,282</b>	<b>1,234</b>	<b>15,497</b>

## 8. CENTRAL ACTIVITIES (CONTINUED) - 2004

	Unrestricted						Donor Restricted Programme activities \$'000	Restated Total \$'000
	(1) Programme activities \$'000	(2) Programme support \$'000	(3) Support costs \$'000	Charitable activities Sub total \$'000	(4) Central fundraising \$'000	Unrestricted Sub total \$'000		
<b>Year ended 31 December 2004</b>								
Personnel costs	484	1,545	4,172	6,201	734	6,935	879	7,814
Consultancies	220	59	457	736	27	763	866	1,629
Travel	54	292	350	696	59	755	1,873	2,628
Occupancy	-	-	1,171	1,171	3	1,174	6	1,180
Communications	9	47	145	201	20	221	37	258
Other costs	87	149	407	643	38	681	789	1,470
<b>Total 2004</b>	<b>854</b>	<b>2,092</b>	<b>6,702</b>	<b>9,648</b>	<b>881</b>	<b>10,529</b>	<b>4,450</b>	<b>14,979</b>

3) Support costs represent all other expenses incurred in the running of IPPF, and are allocated across the Strategic Priorities and Supporting Strategies based on a proportion of direct personnel costs attributable the implementation of the activities. This is the methodology used as part of the budget cycle in order to correctly measure the overall costs of undertaking projects on the internal electronic Integrated Management System. This methodology is applied to all areas of the IPPF and has been selected for consistency of use and ease of implementation

4) Fundraising costs comprise of activities related to the Federation's global income generation and resource development.

### CENTRAL ACTIVITIES BY IPPF STRATEGIC PRIORITIES AND SUPPORTING STRATEGIES – 2004

	Restated Total \$'000
<b>Strategic Priorities</b>	
Adolescents	557
HIV/AIDS	1,172
Access	2,053
Abortion	245
Advocacy	6,345
<b>Supporting Strategies</b>	
Accreditation & Governance	947
Resource Mobilization	840
Capacity Building	1,776
Evaluation	1,044
<b>Total 2004</b>	<b>14,979</b>

## 9. GOVERNANCE COSTS

	Unrestricted \$'000	Donor Restricted \$'000	2005 Total \$'000	2004 Total \$'000
External audit fees	230	5	235	243
Other fees paid to external auditor	7	-	7	12
Other audit/accountancy fees	14	30	44	16
Publishing financial statements	3	-	3	8
Cost of trustee meetings	1,996	-	1,996	1,331
<b>Total</b>	<b>2,250</b>	<b>35</b>	<b>2,285</b>	<b>1,610</b>

### Cost of trustee meetings comprises:

	2005 Total \$'000	2004 Total \$'000
Air fares	780	506
Hotels	466	315
Per Diems	172	138
Other	578	372
<b>Total</b>	<b>1,996</b>	<b>1,331</b>

	Frequency	Volunteers Attending	2005 Total \$'000	2004 Total \$'000
Governing Council	Twice per annum	30	474	418
Audit Committee	Twice per annum	6	49	40
Membership Committee	Twice per annum	7	52	51
Regional Councils	Once per annum	330	1,036	564
Regional Executive Committees	Twice per annum	49	385	258
<b>Total</b>			<b>1,996</b>	<b>1,331</b>

The above costs are based on volunteer and staff costs associated with attending the meetings. The number of volunteers attending the meetings are indicated. Only the 30 Governing Council members are UK trustees of IPPF.

## 10. EMPLOYEE NUMBERS AND EMOLUMENTS

2005 2004

The average total number of staff employed during the year on full time contracts were:

### Central Office

Technical Knowledge and Support	17	17
Strategic Planning, External Affairs & Communications	11	9
Management, Governance and Policy	14	11
Resource Mobilization	6	6
Support Services – Finance, Information Technology, Human Resources & Administration	18	22

### Regional Offices

Social Marketing	7	8
Technical Knowledge and Support	110	92
Resource Mobilization	11	12
Support Services – Finance, Information Technology, Human Resources & Administration	64	61

<b>Total</b>	<b>258</b>	<b>238</b>
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Restated  
\$'000 \$'000

The cost of employing these staff was:

Gross Salaries of individuals on IPPF payroll	12,825	12,172
Social security costs	1,319	1,341
Pension	1,071	1,126
Temporary staff employed through third party agencies	460	750
Other employee benefits	1,566	1,292
Redundancy costs	135	455
Staff employed through trading company	644	624
<b>Total</b>	<b>18,020</b>	<b>17,760</b>

**10. EMPLOYEE NUMBERS AND EMOLUMENTS (CONTINUED)**

	2005	2004
<b>The numbers of staff whose emoluments were over \$100,000 (i.e. £60,000) fell into the following bands:</b>		
\$100,000 to \$110,000	11	6
\$110,000 to \$120,000	1	2
\$120,000 to \$130,000	1	3
\$130,000 to \$140,000	2	4
\$140,000 to \$150,000	2	2
\$150,000 to \$160,000	2	-
\$160,000 to \$170,000	1	1
\$170,000 to \$180,000	-	1
\$180,000 to \$190,000	2	-
\$190,000 to \$200,000	1	1
\$200,000 to \$210,000	2	1
\$220,000 to \$230,000	1	2
\$230,000 to \$240,000	-	1
\$240,000 to \$250,000	1	-
\$290,000 to \$300,000	-	1
\$470,000 to \$480,000	-	1
\$500,000 to \$510,000	1	-

Contributions were made to defined benefit pension schemes on behalf of 3 higher paid employees (2004: 4) and contributions amounting to \$247,314 (2004: \$259,895) were made to defined contribution schemes on behalf of 19 higher paid employees (2004: 18).

No Ex-gratia payments were made during the year (2004:Nil)

No trustee received remuneration during the year (2004:Nil)

## 11. TANGIBLE FIXED ASSETS

	Freehold property \$'000	Short leasehold property & improvements \$'000	Fixtures, fittings, equipment & computers \$'000	Total \$'000
<b>Cost or valuation</b>				
At 1 January 2005	286	3,290	3,344	6,920
Exchange adjustments	(810)	(9)	(44)	(863)
Additions	9,520	7	1,183	10,710
Disposals	-	(1,893)	(656)	(2,549)
At 31 December 2005	8,996	1,395	3,827	14,218
<b>Depreciation and amortization</b>				
At 1 January 2005	88	2,485	2,631	5,204
Exchange adjustments	(11)	(9)	(6)	(26)
Charge for the year	187	163	385	735
Released on disposal	-	(1,771)	(623)	(2,394)
At 31 December 2005	264	868	2,387	3,519
<b>Net book values</b>				
<b>At 31 December 2005</b>	<b>8,732</b>	<b>527</b>	<b>1,440</b>	<b>10,699</b>
At 31 December 2004	198	805	713	1,716

All tangible fixed assets are held for charity use.

Freehold property relates to land and buildings held in Kuala Lumpur and London. The open market value of the Kuala Lumpur property at the latest valuation in 1997 was \$2.2 million. The land was capitalized at \$75,000 and is not depreciated.

**12. INVESTMENTS****Listed on the American and New York Stock Exchanges**

	Unrestricted \$'000	Donor Restricted \$'000	Endowment \$'000	Total \$'000
<b>Shares and securities at market value:</b>				
At 1 January 2005	28,248	2,869	931	32,048
Additions	3,979	-	-	3,979
Disposal proceeds	(3,362)	-	-	(3,362)
Unrealized/realized gains for the year	2,448	272	88	2,808
<b>At 31 December 2005</b>	<b>31,313</b>	<b>3,141</b>	<b>1,019</b>	<b>35,473</b>

**Shares and securities at historical cost:**

<b>At 31 December 2005</b>	<b>26,492</b>	<b>2,580</b>	<b>1,000</b>	<b>30,072</b>
At 31 December 2004	25,687	3,277	1,000	29,964

Included in the above figures is cash held as part of the investment portfolio of \$233,765 (2004:\$97,838).

IPPF owns one £1 ordinary share in ICON Ltd. This wholly owned trading subsidiary is incorporated and registered in England and Wales. The principal activity of the subsidiary is the supply of commodity services and social marketing of contraceptives in conjunction with Member Associations.

Financial statements for the period ending 31 December 2005 have been prepared. The company intends to transfer its taxable profits to IPPF via gift aid during 2006. The accounting year was extended in 2004 to that of IPPF and thus the results show 13 months of activities in 2004.

**Summary of the turnover and expenditure and its loss for the period:**

	2005 \$'000	2004 \$'000
Turnover	2,494	1,789
Cost of sales	(1,392)	(875)
Gross profit	1,102	914
Total expenses	(991)	(974)
Profit/(Loss) on ordinary activities before taxation	111	(60)
Corporation tax	(6)	14
Profit/(Loss) on ordinary activities after taxation	105	(46)
Gift Aid to IPPF	(72)	-
<b>Retained profit/(loss) for the year</b>	<b>33</b>	<b>(46)</b>

## 12. INVESTMENTS (CONTINUED)

These results have been adjusted on consolidation into IPPF's financial statements for intra-group transactions. The aggregate amount of assets, liabilities and funds was:

	2005 \$'000	2004 \$'000
Assets	989	562
Liabilities	(955)	(561)
<b>Funds</b>	<b>34</b>	<b>1</b>

IPPF has an interest bearing loan of \$247,500 to the company repayable in 2009. Interest receivable on the loans in the year amounted to \$14,231 (2004: \$9,797).

## 13. LONG TERM LOANS

	Unrestricted \$'000	Donor Restricted \$'000	2005 Total \$'000	Restated 2004 Total \$'000
Loans to Member Associations	366	948	1,314	1,621
Housing loans to staff	12	-	12	14
<b>Total</b>	<b>378</b>	<b>948</b>	<b>1,326</b>	<b>1,635</b>

Loans of \$262,681 to Member Associations are interest free. All other Member Association loans are fixed at market rates of interest at the time of issue. All housing loans are secured.

## 14. RECEIVABLE FROM DONORS

	Unrestricted \$'000	Donor Restricted \$'000	2005 Total \$'000	2004 Total \$'000
Bergstrom Foundation	-	181	181	145
Deutsche Gesellschaft fur Technische Zusammenarbiert (GTZ)	-	150	150	-
European Commission	-	3,564	3,564	1,070
Ford Foundation	-	-	-	7
Government of Australia	-	-	-	14
Government of Canada	3,545	-	3,545	3,404
The John D and Catherine T MacArthur Foundation	-	90	90	220
David & Lucile Packard Foundation	-	-	-	134
Prospect Hill Foundation	-	70	70	-
United Nations Fund for Population Activities (UNFPA)	-	200	200	133
Other	1,229	42	1,271	4,758
<b>Total</b>	<b>4,774</b>	<b>4,297</b>	<b>9,071</b>	<b>9,885</b>

**15. DEFERRED INCOME**

	Unrestricted \$'000	Donor Restricted \$'000	2005 Total \$'000	2004 Total \$'000
Deferred income balances brought forward	4,031	694	4,725	4,283
Recognition of prior year's deferred income	(3,157)	(694)	(3,851)	(3,323)
Income received for activities in future periods	1	1,251	1,252	3,851
Movement on lease benefits to be amortized over the lease period	(101)	-	(101)	(86)
<b>Deferred income balances carried forward</b>	<b>774</b>	<b>1,251</b>	<b>2,025</b>	<b>4,725</b>

**16. PROVISIONS**

	2005 \$'000	2004 \$'000
Opening balance	-	191
Utilized in year	-	(192)
Arising in year	-	-
Underprovision in prior years	-	1
<b>Closing balance</b>	<b>-</b>	<b>-</b>

## 17. FUNDS AND RESERVES

### Restricted funds

The use of these funds has been restricted by the donor indicated below.

	Restated Balance at 1 January 2005 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 December 2005 \$'000
<b>Government</b>				
Denmark – Capacity Building the 5As	850	783	914	719
Finland – Nepal	65	167	374	(142)
Germany				
Areas neighbouring Afghanistan	73	-	73	-
European Network	71	393	490	(26)
Islamic Women	1	-	1	-
RH in Sudan	-	540	520	20
Japan – HIV/STI/AIDS Trust Fund	1,548	1,072	764	1,856
Korea (South)	-	500	115	385
The Netherlands				
IPPF Trust Fund	328	3	331	-
New Zealand – ESEAO Region	37	-	37	-
States of Jersey – Reproductive Health Services, Nepal FPA	-	67	67	-
Sweden – Africa Region	-	38	14	24
United Kingdom				
Eastern Europe	193	-	-	193
Safe Motherhood Gender Based Violence in South Asia Region	-	114	361	(247)
Procurement of Reproductive Health Commodities	-	376	376	-
United States of America (USAID)				
Western Hemisphere Region – Sustainability Endowment Fund	4,362	355	129	4,588
Vision 2000 Africa Region, Cape Verde FPA	1,002	17	-	1,019
<b>Total government restricted funds</b>	<b>8,530</b>	<b>4,425</b>	<b>4,566</b>	<b>8,389</b>

**17. FUNDS AND RESERVES (CONTINUED)****Restricted funds (continued)**

	Restated Balance at 1 January 2005 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 December 2005 \$'000
<b>Multilateral and other sources</b>				
Asia Pacific Alliance for Reproductive Health	8	-	-	8
Bergstrom Foundation – WHR Clinic Services	256	437	659	34
Big Lottery Fund (formerly Community Fund)				
Youth Education on Sexuality Project, India	89	183	102	170
Capacity Building Europe Region	224	-	-	224
Saving Mother's Lives in Yemen FPA	284	218	571	(69)
Brongo-ahafo project, Ghana	-	226	181	45
Comic Relief – Guatemala (plus other small donors)	6	-	6	-
A & R Contorer	4	100	104	-
Elton John AIDS Foundation	7	44	51	-
European Commission				
Countdown 2015	(37)	622	528	57
Europe Region Youth SRH&R Promotion	235	-	149	86
Sexwise Project	1	-	1	-
Vision 2000 Fund Project	-	2,483	2,926	(443)
Safe Motherhood in South Asia	-	725	351	374
Building a Civil Society Platform on SRH&R	-	85	91	(6)
Equilibres et Population – Emergency Contraception	12	-	2	10
Family Care International	178	-	178	-
Ford Foundation				
ICPD @ 10 Speakers & Moderators	-	(2)	(2)	-
Indicators Development – Western Hemisphere Region	1	-	-	1
Linking Gender and SRH, WHR	120	-	120	-
Bill & Melinda Gates Foundation				
South Africa FPA Gates Youth Centre	282	9	144	147
Strengthen the Quality of Reproductive Health Care	1,192	785	1,321	656
Europe Champions RH Champions Worldwide	-	2,117	1,835	282
Gesellschaft f. Tech. Zusammenarbeit (GTZ)				
Initiative to end FGM	9	-	-	9
BackUp Initiative	50	274	402	(78)
Gerbode Foundation – Abortion Strategy	8	-	-	8
William and Flora Hewlett Foundation:				
Africa Region	(52)	150	146	(48)
Global Advocacy Europe Region	584	25	481	128
ICPD @ 10 Media & Communications	180	5	185	-
Emergency assistance for RH in Tsunami affected areas	-	900	770	130
Global Advocacy Umbrella grant	-	2,100	345	1,755

## Restricted funds (continued)

	Restated Balance at 1 January 2005 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 December 2005 \$'000
<b>Multilateral and other sources (continued)</b>				
The International Foundation – WHR Trainees Guide to HIV	10	-	-	10
The Ernest Kleinwort Charitable Trust				
Marginalized Youth Colombia / Maternal Health Kenya	4	-	4	-
MacArthur Foundation				
ASTECS	100	150	128	122
Europe Region	86	75	95	66
SRH Youth Mexico	18	171	235	(46)
Nike Foundation	-	50	21	29
Overbrook Foundation	-	40	-	40
Sir David Owen Memorial Fund	-	62	4	58
The David and Lucile Packard Foundation				
Sexwise Education Africa	231	1	232	-
Southern Advocacy and ICPD Co-ordinator	105	-	68	37
ASTECS	27	-	27	-
L & H Price Foundation	80	40	-	120
Prospect Hill Foundation	-	105	35	70
The Rockefeller Foundation – Concept Paper Europe Region	68	-	-	68
Margaret Sanger Centre International	-	175	108	67
Helen Seymour Fund	-	192	10	182
Stitching Reuters Nisso Group	-	80	38	42
United Nations Development Programme Malaysia -ESEAO Region Activities	17	-	-	17
United Nations Fund for Population Activities				
Reproductive Health Cambodia, Vietnam, Sri Lanka	17	-	17	-
Reproductive Health Korea DPR	69	-	9	60
Reproductive Health Africa Regional Office	12	-	-	12
Reproductive Health Mozambique	13	175	164	24
Reproductive Health Sri Lanka	-	272	272	-
Adolescent Reproductive Health WHR	26	164	185	5
Adolescent Reproductive Health Myanmar	1	-	4	(3)
Reproductive Health Europe Central Asian Republics	40	-	-	40
Capacity Building / Advocacy / AIDS	31	(52)	(21)	-
Support IEFPD Europe	17	-	-	17
Strengthening HIV/AIDS prevention for Girls and Young Women	-	150	128	22
Integrated HIV/AIDS & SRH Services for Young People in Cross Border Communities	-	355	354	1
Sexual Reproductive Health & HIV/AIDS: A framework for Priority Linkages	-	35	6	29
Improving Social & Economic Opportunities for Adolescent Girls in Bangladesh & Ethiopia	-	30	35	(5)

**17. FUNDS AND RESERVES (CONTINUED)****Restricted funds (continued)**

	Restated Balance at 1 January 2005 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 December 2005 \$'000
<b>Multilateral and other sources (continued)</b>				
United Nations Fund for Population Activities (continued)				
Raising the Visibility: Integration of SRH & HIV/AIDS Programming for Young People at the 7th ICAAP	-	15	15	-
Support to IPPF for Reproductive Health Commodity Security	-	150	150	-
United Nations Foundation				
International Support ICPD Global Roundtable	35	-	35	-
WHR ICPD @ 10	17	-	17	-
UNAIDS – Global Coalition Report Card	-	42	-	42
Wallace Global Fund – Testimonies ICPD, Lome, Europe Region	52	-	18	34
The Westwind Foundation – WHR	-	40	40	-
The Westwind Foundation – London	60	60	46	74
The World Bank				
WHR SRH Evaluation Capacity Building	45	-	45	-
Countdown 2015: The Global Roundtable	-	75	-	75
London Multi-donor Fund – Leadership Transition	2	-	-	2
Other	533	575	1,041	67
<b>Total Other Restricted Funds</b>	<b>5,357</b>	<b>14,717</b>	<b>15,216</b>	<b>4,858</b>
<b>Total Restricted Funds</b>	<b>13,887</b>	<b>19,142</b>	<b>19,782</b>	<b>13,247</b>
Transfer to Endowment Fund – Cape Verde Vision 2000 (USAID)	(1,002)	(17)		(1,019)
<b>Total Restricted Funds adjusted</b>	<b>12,885</b>	<b>19,125</b>	<b>19,782</b>	<b>12,228</b>

## Unrestricted funds and reserves

Unrestricted funds and reserves are those free of any donor restriction on their use. All unrestricted funds and reserves, apart from the General Fund, are designated by IPPF for specific purposes as noted below.

<b>Unrestricted funds and reserves</b>	Note	Fixed Asset Reserve \$'000	Staff Reserve \$'000	Translation Reserve \$'000	Other designated funds \$'000	WHR Sustainability Fund \$'000	Innovation Fund \$'000	General Fund \$'000	Total \$'000
Regional savings	a	-	-	-	1,514	-	-	(1,514)	-
IPPF allocation to Innovation Fund	b	-	-	-	-	-	2,000	(2,000)	-
Transfer from Sustainability Fund	c	-	-	-	-	(864)	-	864	-
WHR fundraising income surplus	d	-	-	-	1,216	-	-	(1,216)	-
Fixed Asset purchase	e	806	-	-	-	-	-	(806)	-
Other transfers	f	-	-	-	807	-	-	(807)	-
Transfers between funds		806	-	-	3,537	(864)	2,000	(5,479)	-
Balance at 1 January 2005 (Restated)		11,408	1,224	2,532	11,465	23,402	2,825	24,065	76,921
Net incoming (outgoing) resources		(1,538)	-	-	(3,536)	-	(760)	3,748	(2,086)
Net gains (losses) on investment assets		-	-	-	143	2,307	-	(2)	2,448
Foreign exchange movement arising upon consolidation		-	-	-	-	-	-	22	22
<b>Balance at 31 December 2005</b>		<b>10,676</b>	<b>1,224</b>	<b>2,532</b>	<b>11,609</b>	<b>24,845</b>	<b>4,065</b>	<b>22,354</b>	<b>77,305</b>

Explanations of movements on unrestricted funds and reserves in the year:

- A During the year regions made savings of \$1,513,984. These funds are allocated to a designated fund for utilization in projects occurring in 2006.
- B \$2 million was allocated to the Innovation Fund to allow the completion of the former, Vision 2000 projects as well as provide new funds for projects selected for funding in 2005 under the new Innovation Fund criteria. These projects are expected to begin in 2006 for a 2 year period.
- C The WHR Board allowed 3.5% of the endowment to be realised and this was split 50% to programmes in Member Associations and 50% to WHR office activities.
- D After reviewing the 2004 fundraising income results (after costs of fundraising), 50% of the surplus funds generated by the Western Hemisphere were transferred to a designated fund for Member Associations in their region.
- E The fixed asset reserve represents the net book value of the fixed assets. The transfer of \$806,000 represents a transfer from the general fund in order to meet purchase costs of new assets.
- F A number of smaller transfers (\$807,000) represent funding transferred from the general fund to a designated reserve to be utilized in 2006.

## 17. FUNDS AND RESERVES (CONTINUED)

### Unrestricted funds and reserves (continued)

Fixed asset reserve	This represents the value of IPPF funds invested in unrestricted fixed assets (see note 11) or allocated for their replacement.
Staff reserve	These funds have been set aside to provide for redundancy and other separation costs in the event that IPPF should terminate its activities. This requirement only applies to the staff within the Western Hemisphere Regional Office.
Revaluation reserve	Leasehold premises were revalued in previous years and the upward revaluation was taken to this reserve. There was no change in the reserve during the year. No revaluations have been made due to adoption of the transitional rules of FRS 15 "Tangible Fixed Assets".
Translation reserve	This reserve is used to absorb unexpected movements in the exchange rate which adversely affect the IPPF income forecasts.
WHR sustainability fund	This fund was established by the Western Hemisphere Region during 2002 following the receipt of a single legacy to be used within that Region. The WHR Board have agreed to keep the legacy intact and to use the income generated for activities within the region. 3.5% of the fund is released per-annum, 50% of which funds Regional Office projects and 50% funds Member Association projects.
Other designated funds	These include the 21st Century Fund (for sustainability projects in South American Member Associations) and various funds set aside for use by specific IPPF Regional Offices.
Innovation fund	Established in 1994, the Vision 2000 Fund was created to increase the proportion of IPPF's resources available to priority countries, with high unmet needs in reproductive and sexual health, by up to fifty percent of its annual unrestricted income. In 2004 the fund was reviewed and re-established as the Innovation Fund. This will now be used to develop innovative projects centred around the IPPF 5 A's.
General fund	This contains the unrestricted funds of IPPF which are free of donor restrictions for specific activities or countries. These will fund future activities.

## 18. FORWARD COMMITMENTS

These results have been adjusted on consolidation into IPPF's financial statements for intra-group transactions.

	2005 \$'000	2004 \$'000
Orders for contraceptives and services due within one year	4	140

The commitments recognized are orders placed by the year-end but not yet delivered to IPPF, for which there is a legal obligation to make payment to the supplier.

Grants payable to Member Associations in future periods	-	340
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Operating lease commitments:

At 31 December, the following annual non-cancellable operating lease rental commitments existed:

### Expiring:

In the next 1-2 years	184	922
Between 2-5 years	58	28
Over 5 years	392	373

## 19. CONTINGENT LIABILITY

The Kenyan Revenue Authority is currently requesting payment of taxes on employment income previously exempted by the Ministry of Foreign Affairs. Following similar claims relating to other tax periods which were successfully defended, management disclose a contingent liability of \$375,238.

In the ordinary course of business IPPF is subject to certain legal actions. In the opinion of management, such matters will not have a material effect on the financial position of IPPF.

## 20. FUNDS HELD ON BEHALF OF THIRD PARTIES

At the 31 December 2005, IPPF held funds on behalf of the Member Association of Guatemala amounting to \$8,246,141 (2004: nil). These funds are held by IPPF WHR as part of the overall investment portfolio. The funds are not included in the balance sheet as the trustees do not have a legal obligation to ensure their charitable application. The funds are invested as a separate fund, managed by the investment managers GMO.

## 21. PENSION SCHEMES

IPPF operates three pension schemes as described below:

### The Central Office Pension Scheme

This is a defined benefit scheme covering full-time staff in the Central Office, London. The scheme is closed to new members from 1 September 2003. New staff are provided with alternative defined contribution pension arrangements. The assets of the fund are managed by independent professional investment managers. The current funding policy is for employees to contribute 8% of pensionable salaries (increased from 6% per annum with effect from 1 January 2004) and for IPPF to make up for the balance of costs on actuarial advice based on a full valuation every three years. IPPF's contribution rate during 2005 was 7.7% per annum of pensionable salaries plus \$499,773 per annum. This contribution rate is applicable until 30 September 2007. From 1 October 2007, IPPF's contribution rate is currently intended to be 11.8% per annum of pensionable salaries plus \$1,101,050 per annum. During 2004 an additional payment of \$1.0 million was made by the employer.

The scheme's assets and liabilities are calculated by professional actuaries. The most recent formal actuarial valuation as at 1 July 2003 was performed using the Projected Unit Credit Method. Under this method the current service cost will increase as the members of the Fund approach retirement. The main assumptions used in the valuation were:

- Investment return 8% per annum pre retirement and 5% per annum post retirement
- Pension increases 2.75% per annum
- Salary growth 3.25% per annum

The report for the actuarial valuation as at 1 July 2003 showed the fund to have an asset value of \$17.238 million under the ongoing valuation method. This is equivalent to a funding level of 63% (market value of assets versus liabilities). In addition to contributions by IPPF to improve the funding level, the benefit accrual has been reduced from 1/45th to 1/80th for pensionable service from 1 January 2003. Member contributions were increased in January 2004 by 2% per annum of pensionable salary. In addition, the investment strategy has been reviewed and assets were moved from equities to bonds so that the asset profile of the fund is more in line with the fund's liability profile.

### The Western Hemisphere Regional Office Pension Scheme

Most full-time staff in the Western Hemisphere Regional Office are members of this defined contribution scheme. It is non-contributory for staff, and IPPF contributes 11.37% of eligible employee compensation.

The 2005 pension charge for this scheme is \$378,237 (2004: \$327,192).

### The Overseas Staff Pension Scheme

Most full-time staff in the Africa Regional Office and some members of the Arab World and South Asia Regional Offices are members of this scheme. It is a defined contribution scheme under which IPPF contributes 12% of basic salary, and is non-contributory for staff.

The 2005 pension charge for this scheme is \$213,597 (2004: \$187,847).

At 31 December 2005 there were no outstanding or prepaid contributions for either of the defined contribution schemes.

## FRS 17 disclosure note

There is one defined benefit pension scheme, the Central Office pension scheme. The latest full actuarial valuation of this scheme was carried out at 1 July 2003.

	2005 \$'000	2004 \$'000
The contributions made by the employer over the financial year in respect of the scheme was	687	674

The assets of the scheme have been taken at market value and the liabilities have been calculated using the following principle actuarial assumptions.

	2005 per annum	2004 per annum	2003 per annum	2002 per annum
Inflation	2.5%	2.5%	3.0%	2.5%
Salary increases	3.5%	3.0%	3.5%	3.75%
Rate of discount	4.75%	5.25%	5.5%	5.5%
Pension increases:				
Pre 88 GMP	Nil	Nil	Nil	Nil
Post 88 GMP	2.5%	2.5%	3.0%	2.5%
Excess over GMP accrued pre 1.3.1998	6.0%	6.0%	6.0%	6.0%
Excess over GMP accrued between 1.3.1998 and 31.7.2002	5.5%	5.5%	5.5%	5.5%
Excess over GMP accrued between 1.8.2002 and 5.4.2005	2.5%	2.5%	3.0%	2.5%
Excess over GMP accrued from 5.4.2005	2.0%	2.5%	3.0%	2.5%

The present value of the scheme liability was calculated using the latest PFA92 mortality tables projected to 2005 for pensioners and 2020 for non-pensioners. Both allow for the medium cohort.

The calculations indicate:

	2005 \$'000	2004 \$'000	2003 \$'000	2002 \$'000
Total market value of assets	25,680	24,414	19,578	14,994
Present value of scheme liabilities	(44,931)	39,379	32,989	26,309
<b>Deficit in scheme</b>	<b>(19,251)</b>	<b>(14,965)</b>	<b>(13,411)</b>	<b>(11,315)</b>

The pension fund liability of \$19.251 million does not exceed the unrestricted funds balance.

## 21. PENSION SCHEMES (CONTINUED)

Market Value and Expected Return on Assets:

	Long-term rate of return expected at 31/12/05	Value at 31/12/05 \$'000	Long-term rate of return expected at 31/12/04	Value at 31/12/04 \$'000	Long-term rate of return expected at 31/12/03	Value at 31/12/03 \$'000	Long-term rate of return expected at 31/12/02	Value at 31/12/02 \$'000
Equities and Property	7.5%	9,316	8.0%	14,763	8.0%	15,319	7.25%	12,172
Bonds	4.25%	16,010	5.0%	9,640	4.75%	4,009	4.5%	2,100
Cash	4.5%	354	4.25%	11	4.0%	250	4.5%	722
<b>Total market value of assets</b>		<b>25,680</b>		<b>24,414</b>		<b>19,578</b>		<b>14,994</b>

Charge to the Statement of Financial Activities over the financial year:

	2005 \$'000	2004 \$'000
<b>Operating charge</b>		
Current service cost	238	331
Total operating charge	238	331
Pension finance costs:		
Expected return on pension fund assets	(1,491)	(1,587)
Interest on pension funds liabilities	1,839	1,955
Net Return	348	368
<b>Total charge to the Statement of Financial Activities</b>	<b>586</b>	<b>699</b>

Gains and losses included within the Statement of Financial Activities:

	2005 \$'000	2005 %	2004 \$'000	2004 %	2003 \$'000	2003 %	2002 \$'000	2002 %
Difference between the actual and expected return on assets	2,224		431		1,623		(4,570)	
As a percentage of the scheme assets at the balance sheet date		9%		2%		8%		(30%)
Experience gains and losses on scheme liabilities	(368)		(314)		(1,292)		-	
As a percentage of the present value of the scheme liabilities at the balance sheet date		1%		1%		(4%)		-
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities	(7,821)		(1,695)		(1,038)		(840)	
Total amount recognized in the statement of total recognized gains and losses	(5,965)		(1,578)		(707)		(5,410)	
As a percentage of the present value of the scheme liabilities at the balance sheet date		(13%)		(4%)		(2%)		(21%)

Movement in pension fund liability during the year:

	2005	2004
	\$'000	\$'000
Deficit in scheme at 1 January 2005	(14,965)	(13,411)
<b>Movement in year:</b>		
Current service cost	(238)	(331)
Contributions	687	1,674
Other finance income	(348)	(368)
Actuarial loss	(5,965)	(1,578)
Exchange rate movement	1,578	(951)
<b>Deficit in scheme at 31 December 2005</b>	<b>(19,251)</b>	<b>(14,965)</b>

The exchange rate movement represents the difference in the exchange rate used to value the balance sheet in 2004 and 2005.

There were no outstanding or prepaid contributions at the year end (2004 :nil).

The actuary has confirmed that the valuations made above under the requirements of FRS 17 do not indicate that there is an immediate funding requirement or that there is any need to change the current funding rates made by the employer to the pension scheme.

## 22. RELATED PARTIES

IPPF require each Governing Council member and Audit Committee member to complete an annual declaration of material transactions and interest form. These are reviewed by senior management and the Audit Committee. All IPPF staff are also required to complete such a form on joining the organization which is then up-dated as individual circumstances change. These forms are reviewed by Senior Management. These procedures are part of the policy which aims to ensure that people act in the best interests of IPPF at all times and that there is openness and transparency concerning any actual or potential conflict of interest.

Some members of the Governing Council are Presidents of Member Associations who receive grants from IPPF in accordance with the volunteer governance structure of IPPF. One trustee (up to May 2005), Mrs Tamaro Touré has a brother who is the Executive Director of the grant receiving Member Association in Mali. The total grant in 2005 was \$436,931.

One trustee, Mrs Mariam Mint Ahmed Aicha has a brother who is a senior staff member in the Member Association of Mauritania. The total grant in 2005 was \$437,279.

One trustee (up to May 2005), Ms Aiko Iijima is a senior advisor of JOICFP which receives grants from IPPF. In 2005 these amounted to \$1,500,000.

The former Treasurer, Mr Monty Eustace and a former trustee, Ms Carine Vrancken served as Board members of the IPPF subsidiary company, ICON Ltd during 2005. Mrs Helen Eskett, Treasurer serves as a Board member from 2006.

The Audit Committee of IPPF have reviewed the above disclosures and do not consider that any indicate a conflict of interest. There are no other related party interests or transactions that require disclosure.

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Africa Regional Director: **Tewodros Melesse**  
Arab World Regional Director: **Mohamed Kamel**  
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IPPF uses the services of several law firms, each one in accordance with their area of expertise. Further information is available on request.

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