



International
Planned
Parenthood
Federation

BRAVE

FINANCIAL STATEMENTS 2002

CONTENTS

Annual report of the Governing Council	1
Report of the Independent Auditors	10
Statement of Financial Activities	11
Balance Sheet	12
Cash Flow Statement	14
Notes to the Financial Statements	16

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002

1 INTRODUCTION

The International Planned Parenthood Federation (IPPF), founded in 1952 in Bombay, is today the world's largest voluntary reproductive health organisation, working to provide and promote family planning services, to improve the health and social status of women and their families including men and youth, and to support sustainable development policies. IPPF considers reproductive health to be a basic human right, a potent force for family welfare, and a vital element in balancing human needs with those of the natural environment.

Formed by eight national Family Planning Associations in 1952, by 2002 IPPF had 147 member Associations¹ working in over 180 countries. It is a Federation guided by dedicated volunteers at the national, regional, and global levels, and managed by professional staff who have gained their experience in family planning programmes throughout the world. IPPF was incorporated in 1977 under a UK Act of Parliament: International Planned Parenthood Federation Act 1977.

IPPF is governed by a Governing Council composed of 30 volunteers from the governing bodies of the membership organisations, and appoints a Director-General as its chief executive officer responsible for managing the affairs of the Federation as determined by the Governing Council.

The Family Planning Associations affiliated to IPPF are autonomous and report independently, therefore their accounts are not incorporated here.

2 CHARITY REGISTRATION NUMBER 229476**3 THE MEMBERS OF THE GOVERNING COUNCIL ENTITLED TO VOTE AT ITS 2002 MEETINGS****Africa Region**

Dr Mamadi Condé	Guinea Conakry
Mrs Hannatu L Ibrahim	Nigeria
Miss Catherine Kamau	Kenya
Mr Alfred Masupha	Zambia
Mrs Tamaro Touré	Senegal

East, South East Asia & Oceania Region

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

South Asia Region

Mrs Shirantini P De Silva	Sri Lanka
Mr Syed Munir Husain	Pakistan
Dr (Mrs) Nina Puri	India
Ms Fathimath Shafeega	Maldives
Ms Zakieh Shirafkan	Iran

Arab World Region

Miss Rana Abu Ghazallah	Palestine
Mrs Mariam Ment Ahmed Aicha	Mauritania
Mrs Laila Mohamed El Bannan	Egypt
Dr Tawfic El Deeb	Sudan
Prof Said Badri Kabouya	Algeria

Europe Region

Mr Harry JFM Coppens	The Netherlands
Mr Robert Durie (Treasurer)	Ireland
Ms Gunta Lazdane	Latvia
Ms Velimira Mladenova	Bulgaria
Ms Carine Vrancken	Belgium

Western Hemisphere Region

Ms Leda De Azevedo	Brazil
Mr Monty Eustace	St Vincent
Mrs Angela Gómez (President)	Colombia
Dr Jacqueline Sharpe	Trinidad and Tobago
Ms Karin Wallerstein	Uruguay

¹ Including the Caribbean Affiliation which has an additional 18 country members.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

4 THE RESPONSIBILITIES OF THE GOVERNING COUNCIL

The Charities Act 1993 and the International Planned Parenthood Federation Act 1977 require the members of the Governing Council to keep proper accounting records in order to enable them to prepare accounts for each financial year which give a true and fair view of the state of affairs of IPPF and the result for that period. In preparing these accounts, the members of the Governing Council are encouraged to follow the recommendations out lined in the Statement of Recommended Practice, Accounting and Reporting by Charities, issued by the Charity Commissioners.

The members of the Governing Council are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the going concern basis unless it is inappropriate to do so;
- Safeguard the assets of IPPF and hence take reasonable steps for the prevention and detection of fraud and other irregularities.

5 INVESTMENT POWERS

The International Planned Parenthood Federation Act 1977 does not place any restrictions on the investment powers of IPPF.

As a matter of policy, IPPF invests only in financial instruments that are considered prudent.

6 ORGANISATION

The IPPF is a world-wide federation of autonomous national Family Planning Associations (FPAs), organised into six geographical regions, each with a Regional Council who elect members of the Governing Council. Each FPA 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.

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), South Asia (London, UK), East, South East Asia and Oceania (Kuala Lumpur, Malaysia) and Western Hemisphere (New York, USA). These regional offices all act as branches of IPPF and in accordance with the IPPF Act 1977 constitute the IPPF as the entity.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

7 MISSION STATEMENT

IPPF AND ITS MEMBER ASSOCIATIONS

PROMOTE and DEFEND the right of women and men, including young people, to decide freely the number and spacing of their children, and the right of the highest possible level of sexual and reproductive health.

STRIVE, in particular, to advance the family planning movement among the under-served by addressing, through information, advocacy and services, their growing unmet need and demand for sexual and reproductive health; and to work cooperatively in this endeavour, with all interested governmental and non-governmental parties.

GIVE special emphasis to maternal and child health and notably to the elimination of unsafe abortion, through information, advocacy and access to family planning and safe abortion services.

ARE COMMITTED to obtaining equal rights for women, and to their empowerment in obtaining full participation in, and benefit from, social and economic development.

URGE the involvement of committed, competent, skilled volunteers and staff as a decisive prerequisite for providing leadership in the execution of their mandates.

RESPECT the autonomy of member associations, but require of all adherence to the Federation's mission and commitment to quality, effectiveness and accountability.

8 GOALS OF IPPF

1. To advance the basic human right of all women, men and youth to make free and informed choices regarding their own sexual and reproductive health, and advocate for the means to exercise this right. Ensure that women's equality and right to family planning, sexual and reproductive health remain a priority in national and international development policies.
2. To respond to the increased unmet need for family planning, sexual and reproductive health services; address, in particular, the needs of marginal and disadvantaged groups within society; and work in partnership with governments, international agencies and private organisations.
3. To operate a democratic Federation and provide leadership in planned parenthood through the efforts of a capable and committed body of volunteers and staff; sustain a secure, diversified funding base for the Federation, and maintain accountability in all aspects of IPPF's work.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

9 AREAS OF IPPF'S WORK

The following gives a brief overview of some of the activities which the IPPF are involved in and where achievements have been made in 2002. Further information is available in our Annual Programme Review or by visiting the IPPF web-site (www.ippf.org). The work of the grass-roots member associations in providing sexual and reproductive health advice and family planning assistance is where the vast majority of the IPPF resources are amassed. This brief summary outlines some of the key issues on which IPPF as a Federation has worked over the past year.

IPPF's 50th anniversary

IPPF's began 50 years ago thanks to eight 'brave and angry' women. They were angry that women in many countries were denied access to free choice regarding their fertility, and that they were denied a political voice through their exclusion from the democratic process. These eight women were also brave as they challenged restrictive contraceptive laws that were prevalent in the great majority of countries and territories of that era.

To mark the 50th anniversary, IPPF held a two-day Symposium on sexual and reproductive health (SRH) in New Delhi, India in November 2002, with world leaders in health and development taking part.

Defending Reproductive Rights in the International Arena

As part of the ongoing attacks by conservative countries, international governmental conferences, which sought to discuss pressing issues and agree future actions to address rights, continued to be undermined. Attempts to roll back previously agreed commitments enshrined in Cairo and Beijing were made at the United Nations General Assembly Special Session on Children in May 2002. The Session saw the U.S try to block consensus and derail negotiations. The U.S. opposed the inclusion in the final document of issues such as sexuality education, favouring an abstinence only approach, and use of the terms 'reproductive health services' and 'reproductive rights'.

With a number of young people, including representatives of the religious right, participating at the Summit, an event was organised and sponsored by IPPF, based on the simple, clear message – young people need access to comprehensive SRH information and services. IPPF's young representatives also spoke out against the restrictive policies that the U.S was advocating. A jointly produced leaflet published by IPPF in collaboration with other SRH NGOs made direct links to young people's sexual rights, as such rights are laid out in the Convention on the Rights of the Child.

At the end of 2002, the Fifth Asia and Pacific Population Conference (APPC) held in Bangkok again saw the U.S. threatening the Cairo consensus. The U.S. refused to reaffirm its commitment to the 1994 International Conference on Population and Development (ICPD) and loudly objected to terms such as 'reproductive health services' and 'reproductive rights', linking 'services' to abortion. Rather, the delegation promoted abstinence as the centrepiece for sex education for young people and also as the best approach to reduce the spread of sexually transmitted infections and HIV/AIDS.

Dr Steven Sinding, IPPF's Director-General, spoke out in the opening plenary, directly challenging U.S. statements to the effect that terms such as 'reproductive health services' and 'reproductive rights' mean abortion. Nearly all the delegations applauded this clarification of the true meaning of the Cairo language. FPAs from many of IPPF's Regions attended the Bangkok meeting, sitting on government delegations and lobbying for a reaffirmation of commitment to the ICPD Programme of Action.

Youth

FPAs around the world are working to promote the IPPF youth manifesto and making young people's SRH rights a reality. Being part of the Federation means they have the advantage of sharing information amongst each other and learning from the successes of different approaches.

Such approaches have included establishing core groups of teachers and peer educators, developing sexuality educational materials for young people, identifying FPAs as national organisations with expertise in sexuality education programmes, and ensuring that policy makers are committed to the integration of sexuality education programmes in schools. It has been found that linking SRH issues closely to other concerns of particular communities – such as the environment, drug awareness and gender issues – can enhance the efficacy of the messages in reaching a diversity of young people. Strong youth committees and activist groups have proved to be key in providing information to young people and ensuring they get services they feel comfortable using.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

9 AREAS OF IPPF'S WORK (CONTINUED)**Preventing HIV/Aids**

IPPF has recognised the need to integrate HIV/AIDS information and services into other projects and programmes to ensure that opportunities for HIV are maximised. For example IPPF are involved in a UNFPA funded programme on dual protection (the use of male and female condoms alone or together with another contraceptive method) by tackling the barriers to its use. This project is running in six FPAs (Burkina Faso, Guatemala, Moldova, Mongolia, Tunisia and Zambia).

Whilst much has been achieved, as long as 585,000 women die every year from conditions related to pregnancy and childbirth, and while HIV infection levels stand at 5 million per year, the continuing need for SRH services is clear. Despite increasingly scarce resources, FPAs are maintaining and expanding their services, and working to ensure client needs are met by the highest standards of quality of care. Quality of care is also an essential element in sustaining programmes, allowing FPAs to attract and maintain clients, and to generate much needed local income.

Advocacy Mission with the African Union

IPPF's Africa Regional Office (IPPFAR) was one of the few civil society organisations accredited to participate in the historic launch of the African Union (AU) in Durban, South Africa, in July 2002. This provided an opportunity for preliminary discussions. A follow-up advocacy mission took place in Addis Ababa, Ethiopia, in September 2002. The group developed a concept paper and an Action Plan, to be adopted in early 2003, to guide the implementation of joint activities. In addition, in order to foster closer collaboration, IPPFAR agreed to recruit and second a liaison officer to the AU.

The New Partnership for Africa's Development

The AU's adoption of the New Partnership for Africa's Development (NEPAD) presents a vital opportunity to accelerate the promotion of SRH in Africa.

The NEPAD initiative emphasizes the need to empower African people to improve their health and to reduce the burden of disease on the poor. Widely hailed as a development initiative - of Africans, and by Africans - NEPAD offers an effective platform and forum for the development, adoption, and implementation of a continent-wide approach to SRH. In 2002, it therefore took preliminary steps to explore a potential partnership with NEPAD. IPPFAR's proposal to assist NEPAD in integrating SRH into its Framework of Action has been approved for funding by the William and Flora Hewlett Foundation.

Abortion

All FPAs work to reduce levels of unsafe abortion through a package of services that conform to national legislation, and advocate for a woman's right to safe termination where it is not legal, or defend this right in countries where it is. Lobbying governments about the need to liberalise legislation and informing communities about the risks of unsafe abortion remains a high priority for IPPF.

In September 2002, the women of Nepal achieved a breakthrough with the conditional legalisation of abortion up to 12 weeks gestation and up to 18 weeks in the case of a pregnancy resulting from rape or incest. The amendment to the law can be attributed, to a significant degree, to the work of the Family Planning Association of Nepal who have fought for the past seven years, engaging with policy makers, service providers, the media and the community to raise awareness on the impact of unsafe abortion.

Accreditation

In 2002, the Governing Council and IPPF staff overhauled the accreditation system. There is now a clearly enunciated set of standards to which all FPAs must conform if they are to be accredited. This will assure clients and patrons alike of a standard of quality in information and services on which they can depend. Twenty percent of member associations will be subject to accreditation review in 2003, and each year over the next five.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

9 AREAS OF IPPF'S WORK (CONTINUED)

New Strategic Direction and Plan

It is the time to return IPPF to its 'brave and angry' origins. Throughout its 50 years IPPF has been a pioneer for SRH and rights. However for the last quarter of a century it has converted itself into a mainstream service delivery institution. With escalating right-wing, religious opposition to SRH issues, it is time for IPPF to regain its leadership role in advocacy, defending and expanding reproductive rights and fighting to ensure that gains made in SRH since the International Conference on Population and Development in 1994, are not lost.

IPPF has already started the process of developing a new programme strategy, thanks in part to funds provided by a consortium of foundations. An international Strategic Advisory Group of experts is guiding IPPF, and regular sessions with volunteers, executive directors and Secretariat staff are being convened. This year-long consultative process is expected to produce a plan for Governing Council approval in November 2003.

10 GOVERNANCE

Whilst no system of internal control can provide absolute assurance against material misstatement or loss, the IPPF's 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 organisational 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 the IPPF. The Governing Council believe that all the major risks to which the IPPF is exposed have been identified and reviewed and that systems have been established to mitigate those risks. The IPPF are continually updating this process and are currently ensuring that all Regional offices have in place a detailed risk map and action plan;
- Internal audit: an internal audit function assesses risks and reviews controls within the IPPF. The position of internal auditor was vacant for 9 months during 2002 but the post has been filled from May 2003; 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 organisation 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.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

11 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 the 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 recognises the timing of the majority of annual unrestricted government grants which are received in the second-half of each year, the need for IPPF to meet the commitments to FPAs and the Secretariat (Regional and Central offices).

At the time of approving the 2003 budget in November 2002, the general reserve at 1 January 2003 was estimated to be US\$12 million. The unrestricted expenditure programme budget approved for 2003 was US\$47.7 million. The general reserve therefore represented 25.2% against our ideal position of 25%. The actual general reserve at 1 January 2003 was US\$11.3 million. This represents 23.7% of the 2003 unrestricted expenditure budget. This shortfall of US\$0.7 million reflects the current financial position and the need to carry out planned activities. Governing Council expects to keep in review whether this 25% target continues to be appropriate.

The largest designated fund relates to the Western Hemisphere Sustainability Fund. This fund of US\$18.1 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.

12 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.

The performance of the shares and securities in 2002 were affected by the downturn in the New York Stock market. IPPF continue to closely monitor the performance of their investments.

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 four members of the Board who have relevant investment experience. Following a selection process, Merrill Lynch Asset Management were appointed to manage these funds. The investment managers provide quarterly performance reports to the investment committee detailing all asset information as well as investment returns against appropriate indices.

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 for periods between 1 and 3 weeks.

13 GRANT MAKING PROCEDURES

IPPF operate a Resource Allocation System which aims to ensure that 70% of all unrestricted grants go to FPA's in the highest need countries with a further 26.5% allocated to a further 50 high need countries. This ensures that IPPF fulfils its mission to meet the needs of the poorest.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

14 FINANCIAL REVIEW

During 2002, IPPF provided US\$44.563 million to Family Planning Associations and partner organizations. Through the Regional and Central Offices a further US\$15.478 million was provided in direct technical assistance and support, enhancing the quality of services of all IPPF Member Associations.

Through its Resource Allocation System, IPPF aims to ensure that 70% of all unrestricted grants go to FPA's in highest need countries with a further 26.5 % allocated to a further 50 high need countries. This assures that IPPF fulfils its mission to meet the needs of the poorest. In 2002, IPPF allocated 68.5% and 26.0% respectively to these categories.

Through its 141 Member Associations working in 180 countries, IPPF funded and supported programmes contributing to the effectiveness of over 33 million visits to FPA clinics. Each day, 92,000 people visit outlets which provide a range of sexual and reproductive health services. This includes contraceptives, Well Woman care, pregnancy tests, family planning counselling and treatment for sexually transmitted infections. Indeed, non-contraceptive services account for over 22 million visits per year. Each year more that 2 million new users are welcomed to family planning services.

Income

IPPF's main source of funding was government contributions which accounted for 65% of the total incoming resources of US\$60.3 million. In 2002, total income increased by US\$13.2 million when compared with 2001.

Unrestricted government grants showed a significant decrease of US\$6.1 million. This was due in part to the ending of support from the USA Government as a direct result of their decision to reinstate the 'Mexico City policy' which prevents U.S assistance to any family planning organisation that engaged in, directly or indirectly, abortion-related activities. In addition reductions were implemented by the Government of Denmark and the Government of Japan. The Danish Government reduction was due to the change in governing party and their decision to reduce overseas aid levels. The Government of Japan reluctantly reduced the support to IPPF due to economic pressures forcing a reduction in overseas aid budgets. The impact of these reductions was reduced in part by the weakening of the US dollar against European currencies, and subsequent gains on foreign currency translation.

Restricted government grants decreased by US\$1.3 million. This was due to the ending of the USA support. At the same time the Japanese Government provided a further \$1 million for a HIV/Aids trust fund and the German Government provided grants of US\$2.5 million, largely to support projects working with Islamic women and youth.

Grants from multilaterals and other income sources during the year increased by US\$20.1 million. The receipt in the Western Hemisphere Region of a single legacy of US\$18 million was the main reason for the increase. In addition, US Foundations continued to provide grants along with support from the European Commission, the U.K. Community Fund and income raised by the IPPF private sector fundraising programme from the general public.

Expenditure

Expenditure in 2002 decreased by US\$10.5 million when compared with the previous year.

Unrestricted grants to FPAs reduced by US\$8.1 million as a direct result of the reduction in government contributions.

The restricted grants to FPAs was lower by US\$3.2 million. However some of this is due to timing differences between the receipt of the restricted funded income and the subsequent expenditure.

The Regional and Central activity costs remained largely unchanged.

Funds

When compared with 2001, IPPF's total funds and reserves increased by US\$18.9 million. The increase is largely due to the receipt of a legacy within Western Hemisphere Region during 2002. In addition, the general fund increased by US\$6.7 million. This was mostly due to action taken during 2002 to restore the level of the fund to nearer the Governing Council target by transferring regional designated funds, reducing costs as much as possible and favourable exchange gains on unrestricted income. Restricted funds increased by US\$3.4 million due to new sources of funding received in 2002, which will be utilised in 2003 and beyond.

ANNUAL REPORT OF THE GOVERNING COUNCIL FOR THE YEAR ENDED 31 DECEMBER 2002 (continued)

14 FINANCIAL REVIEW (CONTINUED)

Trading Subsidiary

In 2002 the trading subsidiary of IPPF, Enet.comm. Ltd commenced trading. The company primarily engages in the social marketing of contraceptives in conjunction with Member Associations. In 2002 the company made a trading loss of \$31,000 for the period to 30 November 2002. The Directors of the company are confident that the company will break-even and begin to generate income for IPPF during 2003.

IPPF have provided interest bearing loans to the company in 2002 of US\$275,000.

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. It is however anticipated that future funding from most government donors will remain stable in the year ahead.

IPPF continues to work on diversifying its funding base by increasing the number of fundraising opportunities among non-governmental organisations including trusts, foundations, the private sector and individual giving. To date in 2003, the IPPF have secured funding from the European Commission of €10 million for use in 13 countries over the next three and a half years. This funding was a direct result of the need to address the 'decency gap' following the reinstating of the 'Mexico City Policy' by the US Government.

IPPF thanks all its donors and volunteers for their continuing and generous support.

Approved on behalf of the Governing Council on 9 May 2003.

Mrs Angela Gómez, President

Mr Robert Durie, Treasurer

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

We have audited the financial statements on pages 11 to 47.

This report is made solely to the Governing Council member's, 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

The members of Governing Council are responsible for preparing the annual report, as described on page 2, and the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 21 and section 44 respectively of those Acts. 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 other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the 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 of the charity's state of affairs as at 31 December 2002 and of its incoming 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

9 May 2003

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2002

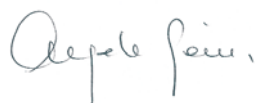
	Notes	Unrestricted \$'000	Donor Restricted \$'000	Endowment \$'000	2002 Total \$'000	2001 Total \$'000
INCOME						
Donations and similar incoming resources:						
Grants from governments	2	55,036	5,235	-	60,271	67,748
Grants from multilaterals and other income sources	3	23,273	7,902	-	31,175	11,069
Activities in furtherance of the charity's objectives	5	487	1	-	488	221
Activities for generating funds:						
Investment income and interest	4	662	213	-	875	1,218
Income of subsidiary trading company	12	600	-	-	600	-
TOTAL INCOMING RESOURCES		80,058	13,351	-	93,409	80,256
Less costs of generating funds:						
Regional Fundraising	7	1,040	-	-	1,040	1,185
Central Fundraising	8	662	-	-	662	737
Expenditure of subsidiary trading company		611	-	-	611	-
		2,313	-	-	2,313	1,922
Net incoming resources available for charitable application		77,745	13,351	-	91,096	78,334
CHARITABLE EXPENDITURE						
Costs of activities in furtherance of the objects of the charity:						
Grants to member Family Planning Associations and partner organisations:						
Cash grants	6	32,073	5,978	-	38,051	47,497
Technical assistance	6	3,039	-	-	3,039	2,444
Commodity grants	6	3,412	61	-	3,473	6,000
Programme activities:						
Regional activities	7	4,747	2,316	-	7,063	7,807
Central activities	8	1,665	1,144	-	2,809	2,991
Support Costs:						
Regional programme support	7	3,972	-	-	3,972	3,699
Central programme support	8	1,634	-	-	1,634	1,806
Managing and administering the charity:						
Regional administration and general services	7	4,275	378	-	4,653	4,206
Central administration and general services	8	5,219	-	-	5,219	5,274
Regional reorganisation costs	7	900	-	-	900	-
TOTAL CHARITABLE EXPENDITURE		60,936	9,877	-	70,813	81,724
Total Resources Expended		63,249	9,877	-	73,126	83,646
NET INCOMING (OUTGOING) RESOURCES						
BEFORE TRANSFERS		16,809	3,474	-	20,283	(3,390)
Transfers between funds		(20)	20	-	-	-
NET INCOMING (OUTGOING) RESOURCES		16,789	3,494	-	20,283	(3,390)
Losses on investment assets	12	(1,161)	(203)	(139)	(1,503)	(1,650)
NET MOVEMENT IN FUNDS		15,628	3,291	(139)	18,780	(5,040)
Funds brought forward at 1 January	17	26,125	14,857	832	41,814	46,622
Unrealised foreign exchange movements taken to reserves		35	148	18	201	232
FUNDS CARRIED FORWARD AT 31 DECEMBER	17	41,788	18,296	711	60,795	41,814

There are no recognised gains and losses other than those included above. All the above results arise from continuing operations. The notes on pages 16 to 47 form part of these accounts.

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2002

	Notes	Unrestricted \$'000	Donor Restricted \$'000	Endowment \$'000	2002 Total \$'000	2001 Total \$'000
FIXED ASSETS						
Tangible assets	11	2,382	5	-	2,387	2,493
Investments	12	18,357	3,120	711	22,188	10,016
Long term loans	13	1,010	-	-	1,010	1,346
Total Fixed Assets		21,749	3,125	711	25,585	13,855
CURRENT ASSETS						
Stock of goods		230	-	-	230	281
Receivable from donors	14	7,380	799	-	8,179	4,277
Receivable from associations		848	-	-	848	930
Receivable from others		820	1,135	-	1,955	1,957
Prepayments		444	1	-	445	484
Cash at bank		16,355	14,003	-	30,358	31,816
Total current assets		26,077	15,938	-	42,015	39,745
CREDITORS: amounts falling due within one year						
Accounts payable		1,000	196	-	1,196	1,791
Payable to associations		1,547	89	-	1,636	3,373
Accruals and other creditors		2,277	33	-	2,310	3,058
Deferred income	15	1,046	449	-	1,495	1,132
Total current liabilities		5,870	767	-	6,637	9,354
Net Current Assets		20,207	15,171	-	35,378	30,391
Provisions for liabilities and charges	16	168	-	-	168	2,432
TOTAL NET ASSETS		41,788	18,296	711	60,795	41,814
Represented by:						
Unrestricted:						
General		11,354	-	-	11,354	4,648
Designated		30,434	-	-	30,434	21,477
Restricted		-	18,296	-	18,296	14,857
Endowment		-	-	711	711	832
TOTAL FUNDS AND RESERVES	17	41,788	18,296	711	60,795	41,814

Approved on behalf of the Governing Council on 9 May 2003



Mrs Angela Gómez, President



Mr Robert Durie, Treasurer

BALANCE SHEET (CHARITY) AS AT 31 DECEMBER 2002

	<i>Notes</i>	<i>2002 Total \$'000</i>	<i>2001 Total \$'000</i>
FIXED ASSETS			
Tangible assets	11	2,387	2,493
Investments	12	22,188	10,016
Long term loans	13	1,010	1,346
Total Fixed Assets		25,585	13,855
CURRENT ASSETS			
Stock of goods		218	281
Receivable from donors	14	8,179	4,277
Receivable from associations		842	930
Receivable from others		2,076	1,957
Prepayments		445	484
Cash at bank		30,163	31,816
Total current assets		41,923	39,745
CREDITORS: amounts falling due within one year			
Accounts payable		1,106	1,791
Payable to associations		1,636	3,373
Accruals and other creditors		2,281	3,058
Deferred income	15	1,495	1,132
Total current liabilities		6,518	9,354
Net Current Assets		35,405	30,391
Provisions for liabilities and charges	16	168	2,432
TOTAL NET ASSETS		60,822	41,814
Represented by:			
Unrestricted:			
General		11,381	4,648
Designated		30,434	21,477
Restricted		18,296	14,857
Endowment		711	832
TOTAL FUNDS AND RESERVES		60,822	41,814

Approved on behalf of the Governing Council on 9 May 2003



Mrs Angela Gómez, President



Mr Robert Durie, Treasurer

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	Note	2002 \$'000	2001 \$'000
Net cash outflow from operating activities	a		(3,869)
Returns on investments			
Interest received and similar income		781	1,323
Capital expenditure			
Purchase of tangible assets		(619)	(261)
Purchase of marketable securities		(16,714)	(3,470)
Sale of tangible assets		440	1
Sale of marketable securities		16,897	3,965
		4	235
Financing			
Long term loan repayments received		192	284
Long term loans issued		-	(110)
		192	174
Decrease in cash	b	(1,458)	(2,137)

Note a: Reconciliation of net incoming/(outgoing) resources to net cash outflow from operating activities

Net incoming/(outgoing) resources		20,283	(3,390)
Interest receivable and similar income		(875)	(1,218)
Depreciation		692	856
Exchange movement on tangible assets		31	1
Donations in kind		(13,857)	(503)
(Increase)/decrease in receivables from donors		(3,902)	1,928
Decrease in receivables from associations		82	368
Decrease/(increase) in receivables from others		2	(1,043)
Decrease in stock		51	269
Decrease/(increase) in prepayments		39	(48)
Increase/(decrease) in deferred income		363	(10)
Decrease in accounts payable		(595)	(569)
Decrease in payable to associations		(1,737)	(1,179)
(Decrease)/increase in accruals and other creditors		(748)	1,237
Decrease in provisions		(2,264)	(568)
Net cash outflow from operating activities		(2,435)	(3,869)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

Note b: Reconciliation of net cash flow to movements in net debt:	Note	<i>2002</i> \$'000	<i>2001</i> \$'000
Decrease in cash in the year		(1,458)	(2,137)
Movement on foreign exchange		-	(43)
Movement in net debt for the period		(1,458)	(2,180)
Net funds at 1 January 2002		31,816	33,996
Net funds at 31 December 2002	c	30,358	31,816

Note c: Analysis of changes in net debt:	<i>At 1 Jan</i> <i>2002</i> \$'000	<i>Cash</i> <i>flows</i> \$'000	<i>Movement on</i> <i>foreign exchange</i> \$'000	<i>At 31 Dec</i> <i>2002</i> \$'000
Cash in hand and at bank	31,816	(1,458)	-	30,358

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 FPAs 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 FOR THE YEAR ENDED 31 DECEMBER 2002

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, issued by the Charity Commissioners.

Comparative figures in the Statement of Financial Activities have been altered to reflect a change in the allocation of costs between programme activities, support costs and managing and administering the charity.

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 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, ENet.comm Ltd. This was dormant throughout 2001 but commenced trading on 1 January 2002 and primarily engages in the social marketing of contraceptives in conjunction with member associations. Their results for the trading period to 30 November 2002 have been consolidated in accordance with FRS 2.

IPPF owns two companies, Helm Management Services Ltd and Specialist Management Services Ltd. The transactions with these companies have been recognised in the accounts of IPPF Central Office and IPPF Regional Offices and relate to employee costs and professional fees (see notes 7, 8 & 10). In the opinion of the Governing Council the results of these subsidiary companies are not material to the accounts of IPPF and therefore have not been consolidated.

Incoming Resources

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

Grants from governments and other agencies have been included as donations and similar incoming resources.

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

Legacies are recognised 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.

No attempt is made to put a monetary value on volunteer activities. For more information see the Report of the Governing Council and note 21, Trustee information.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)**Resources expended and basis of allocation of costs**

Grants payable to partner organisations of cash and commodities (being contraceptives and related goods) represent direct aid to affiliated and non-affiliated organisations. 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.

Regional activities are those carried out by the Regional Offices serving local Family Planning Associations. Central activities are exclusively, those of the Central Office, London, which serve IPPF as a whole.

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

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

Costs of generating funds 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.

Management and administration of the charity includes costs incurred by finance, human resources, internal audit and the Secretariat attributable to the management of IPPF's assets, organisational administration and compliance with constitutional and statutory requirements. This includes the management and administration of Regional Offices who provide direct support to the Family Planning Associations.

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 \$1,000 are capitalised. 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 realised gains or losses on disposals of fixed assets are taken to the Statement of Financial Activities in the year in which they occur.

Investments

Investments are valued at market value as at 31 December 2002. All gains and losses are taken to the Statement of Financial Activities as they arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

1 ACCOUNTING POLICIES (CONTINUED)

Stock of goods

Stock is valued at the lower of cost and net realisable 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. Unrealised exchange differences arising as a result of this application of exchange rates are taken to the Translation Reserve (see note 17) whilst realised exchange differences are recognised as part of administration and general 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.

Pension contributions

IPPF contributes to both defined benefit and defined contribution pension schemes (see note 20).

Defined contribution scheme costs are charged to the Statement of Financial Activities as they are incurred. IPPF makes contributions to the Central Office pension scheme (a defined benefit scheme) 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.

Pension costs are recognised on a systematic basis so that the cost of providing retirement benefits to employees is evenly spread over the service lives of the employees concerned. Any excess or deficiency of the actuarial value of the assets over the actuarial value of liabilities of the scheme is allocated over the average remaining service lives of current employees in accordance with SSAP 24.

The transitional arrangements of the new accounting standard, FRS 17 Retirement Benefits require disclosure of assets and liabilities as 31 December 2002, calculated in accordance with the requirements of FRS 17.

Funds

IPPF maintains four types of fund:

- Permanent Endowment - where the capital is held in perpetuity to generate income to further the charitable objects of IPPF;
- Restricted - where the purposes for which the funds can be used have been restricted by donors or the terms of an appeal;
- Designated - where the funds are unrestricted, but where the Governing Council have designated them for a specific purpose;
- Unrestricted - where the funds is not restricted as to use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

2 GRANTS FROM GOVERNMENTS

	<i>Local currency (LC)</i>	<i>2002 LC'000</i>	<i>2001 LC'000</i>	<i>2002 \$'000</i>	<i>2001 \$'000</i>
UNRESTRICTED					
Australia	Australian \$	1,570	1,570	852	817
Belgium	US \$	100	80	100	80
Canada	Canadian \$	4,100	4,100	2,790	2,579
Denmark	Danish Krone	45,000	75,000	5,885	8,723
Finland	Euro/ Finnish Markka	252	1,500	241	217
Germany	Euro/ Deutsche Mark	2,556	5,000	2,447	2,350
Japan	US \$	14,708	18,210	14,708	18,210
The Netherlands	Euro/ Dutch Guilder	6,807	15,000	6,515	5,792
New Zealand	New Zealand \$	950	950	402	416
Norway	Norwegian Krone	45,000	45,000	5,539	5,008
Sweden	Swedish Krona	70,000	69,800	7,719	6,725
Switzerland	Swiss Franc	1,000	1,000	661	613
United Kingdom	£ Sterling	4,500	4,500	6,938	6,543
USA	US \$	-	2,820	-	2,820
Barbados	US \$	-	8	-	8
China	US \$	100	80	100	80
Korea	US \$	50	100	50	100
Pakistan	US \$	2	2	2	2
Thailand	US \$	2	2	2	2
Unrestricted, excluding earmarked grants				54,951	61,085
New Zealand – Vision 2000 Activities	New Zealand \$	200	200	85	88
Unrestricted, including earmarked funds				55,036	61,173
RESTRICTED					
Germany	Deutsche Mark	-	1,800	-	817
	Euro	2,566	511	2,540	441
Finland	Euro	90	-	88	-
Japan	US \$	1,022	1,000	1,022	1,000
The Netherlands	Euro	800	1,335	750	1,039
	US \$	759	-	759	-
States Of Jersey	£ Sterling	25	-	35	-
United Kingdom	£ Sterling	26	140	41	200
USA	US \$	-	3,078	-	3,078
Restricted				5,235	6,575
Total restricted and unrestricted grants from governments				60,271	67,748

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

3 GRANTS FROM MULTILATERALS AND OTHER INCOME SOURCES

	<i>Unrestricted</i> \$'000	<i>Donor Restricted</i> \$'000	<i>2002 Total</i> \$'000	<i>2001 Total</i> \$'000
Erik E & Edith H Bergstrom Foundation	-	555	555	84
Brown Foundation	-	25	25	25
A & R Contorer	-	104	104	-
Community Fund	-	545	545	619
The Educational Foundation of America	-	-	-	22
European Commission	-	343	343	350
Ford Foundation	-	20	20	150
Bill & Melinda Gates Foundation	-	3,023	3,023	2,075
Gesellschaft f. Tech. Zusammenarbeit	-	51	51	22
The William & Flora Hewlett Foundation	1,750	800	2,550	1,350
Alfred Jurzykowski Foundation	-	7	7	-
Ernest Kleinwort Charitable Trust	-	17	17	-
The John D & Catherine T MacArthur Foundation	-	78	78	100
Overbrook Foundation	-	-	-	50
David & Lucile Packard Foundation	500	300	800	800
PATH	-	33	33	20
Planned Parenthood Federation of Canada	-	-	-	11
L & H Price Foundation	-	-	-	152
PROCOSI	-	-	-	50
Rockefeller Foundation	-	332	332	32
Roger & Vicki Sant Fund	-	70	70	-
Summit Foundation	-	-	-	164
United Nations Fund for Population Activities (UNFPA)	-	823	823	1,592
Wallace Global Fund	-	65	65	50
Westwind Foundation	85	90	175	75
World Health Organisation	-	11	11	7
Sergei S Zlinkoff Fund for Medical Education	-	156	156	20
Legacies	19,178	-	19,178	-
Other (1)	1,760	454	2,214	3,249
Total	23,273	7,902	31,175	11,069

(1) This income was raised by Private Sector Fundraising Programme from the general public.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

4 INVESTMENT INCOME AND INTEREST

	<i>Unrestricted</i> \$'000	<i>Donor Restricted</i> \$'000	<i>2002 Total</i> \$'000	<i>2001 Total</i> \$'000
Interest receivable from cash deposits	390	125	515	908
Dividends and similar income from US listed securities	272	88	360	310
Total	662	213	875	1,218

5 ACTIVITIES IN FURTHERANCE OF THE CHARITY'S OBJECTIVES

This consists mainly of income from sales of publications and audio-visual materials. Also included are fees received in connection with undertaking the supply of commodities to FPAs.

6 GRANTS TO MEMBER FAMILY PLANNING ASSOCIATIONS AND PARTNER ORGANISATIONS

	<i>Unrestricted</i>			<i>Donor restricted</i>		<i>Endowment</i>	<i>2002</i>	<i>2001</i>
	<i>Cash Grants</i> \$'000	<i>Commodity Grants</i> \$'000	<i>Technical Assistance</i> \$'000	<i>Cash Grants</i> \$'000	<i>Commodity Grants</i> \$'000	<i>Cash Grants</i> \$'000	<i>Total</i> \$'000	<i>Total</i> \$'000
Africa	12,605	998	1,315	2,045	3	-	16,966	20,914
Arab World	3,274	490	289	443	13	-	4,509	4,708
E & SE Asia and Oceania	2,790	433	47	804	3	-	4,077	5,287
Europe	826	1	36	711	1	-	1,575	1,749
South Asia	6,758	518	-	959	38	-	8,273	11,356
Western Hemisphere	4,069	967	1,352	926	3	-	7,317	9,866
Other countries	1,751	5	-	90	-	-	1,846	2,061
Total	32,073	3,412	3,039	5,978	61	-	44,563	55,941

Commodity grants consist of contraceptives and related goods.

Technical assistance represents services provided by IPPF and funded by FPAs from unrestricted core grants.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

6 GRANTS TO MEMBER FAMILY PLANNING ORGANISATIONS AND PARTNER ORGANISATIONS

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

Rank	Country	Association	\$		
			Unrestricted	Restricted	Total
Grants to Member Family Planning Organisations					
1	India	Family Planning Association of India	2,626,405	218,117	2,844,522
2	Pakistan	Family Planning Association of Pakistan	1,650,659	402,125	2,052,784
3	Bangladesh	Family Planning Association of Bangladesh	1,625,802	77,862	1,703,665
4	Nepal	Family Planning Association of Nepal	1,074,711	197,370	1,272,082
5	Ethiopia	Family Guidance Association of Ethiopia	1,033,658	136,376	1,170,034
6	Kenya	Family Planning Association of Kenya	996,156	138,232	1,134,388
7	Ghana	Planned Parenthood Association of Ghana	902,914	23,792	926,706
8	Colombia	Asociación Pro-Bienestar de la Familia Colombiana	803,226	136,254	939,479
9	Tanzania	Uzazi na Malezi Bora Tanzania	776,985	41,975	818,960
10	Lesotho	Lesotho Planned Parenthood Association	762,909	9,419	772,328
11	Brazil	Sociedade Civil Bem-Estar Familiar no Brasil	716,503	35,074	751,577
12	Nigeria	Planned Parenthood Federation of Nigeria	709,980	112,187	822,166
13	Uganda	Family Planning Association of Uganda	651,932	199,326	851,258
14	Zambia	Planned Parenthood Association of Zambia	640,462	44,780	685,242
15	Philippines	Family Planning Organization of the Philippines	629,039	(5,347)	623,693
16	Sudan	Sudan Family Planning Association	617,415	63,000	680,415
17	Mexico	Fundación Mexicana para la Planeación Familiar	552,754	-	552,754
18	Caribbean	Caribbean Family Planning Affiliation comprising of:			
	<i>Antigua And Barbuda</i>	<i>Antigua Planned Parenthood Association</i>	51,308	-	51,308
	<i>Aruba</i>	<i>Foundation for the Promotion of Responsible Parenthood</i>	19,871	-	19,871
	<i>Bahamas</i>	<i>Bahamas Family Planning Association</i>	16,650	12,750	29,400
	<i>Caribbean</i>	<i>Caribbean Family Planning Affiliation Ltd</i>	183,660	-	183,660
	<i>Curacao</i>	<i>Foundation for the Promotion of Responsible Parenthood (FPRP)</i>	27,749	-	27,749
	<i>Dominica</i>	<i>Dominica Planned Parenthood Association</i>	36,342	-	36,342
	<i>Grenada</i>	<i>Grenada Planned Parenthood Association</i>	73,562	-	73,562
	<i>St Kitts</i>	<i>St. Kitts Family Life Services Association Ltd.</i>	32,631	-	32,631
	<i>St Lucia</i>	<i>Saint Lucia Planned Parenthood Association</i>	66,240	-	66,240
	<i>St Vincent & the Grenadines</i>	<i>St. Vincent Planned Parenthood Association</i>	38,703	-	38,703
19	Cote D'Ivoire	Association Ivoirienne pour le Bien-Etre Familial	544,499	(14,079)	530,421
20	Palestine	Palestinian Family Planning and Protection Association	538,448	318	538,766
21	Senegal	Association Sénégalaise pour le Bien-Etre Familial	521,185	16,368	537,553
22	Egypt	Egyptian Family Planning Association	497,180	-	497,180
23	Gambia	The Gambia Family Planning Association	487,787	23,711	511,499
24	Indonesia	The Indonesian Planned Parenthood Association	430,647	33,266	463,912
25	Benin	Association Béninoise pour la Promotion de la Famille	419,882	20,527	440,409
26	Togo	Association Togolaise pour le Bien-Etre Familial	406,369	19,943	426,312
27	Madagascar	Fianakaviana Sambatra	402,010	(52,475)	349,535
28	Dominican Republic	Asociación Dominicana Pro-Bienestar de la Familia	387,102	91,806	478,908
29	China	China Family Planning Association	382,639	71,123	453,762
30	Sierra Leone	Planned Parenthood Association of Sierra Leone	356,208	(1,121)	355,087
31	Mozambique	Associação Moçambicana para Desenvolvimento da Família	317,877	13,168	331,046
32	Burkina Faso	Association Burkinabé pour le Bien-Etre Familial	315,660	89,176	404,836
33	Mali	Association Malienne pour la Promotion et la Protection de la Famille	314,108	-	314,108
34	Rwanda	Association Rwandaise pour le Bien-Etre Familial	297,456	7,313	304,770
35	Lebanon	Lebanon Family Planning Association	291,251	52,000	343,251

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

6 GRANTS TO MEMBER FAMILY PLANNING ORGANISATIONS AND PARTNER ORGANISATIONS (CONTINUED)

<i>Rank</i>	<i>Country</i>	<i>Association</i>	\$ <i>Unrestricted</i>	\$ <i>Restricted</i>	\$ <i>Total</i>
Grants to Member Family Planning Organisations					
36	Yemen	Yemen Family Care Association	289,113	311,942	601,055
37	Liberia	Family Planning Association of Liberia	280,010	66,416	346,426
38	Peru	Instituto Peruano de Paternidad Responsable	276,056	49,260	325,316
39	Vietnam	Vietnam Family Planning Association	275,853	96,850	372,703
40	Malaysia	Federation of Family Planning Associations of Malaysia	275,063	57,962	333,025
41	Nicaragua	Asociación Pro Bienestar de la Familia Nicaragüense	264,759	35,925	300,684
42	Guinea Conakry	Association Guinéenne pour le Bien-Etre Familial	251,766	49,468	301,234
43	Morocco	Association Marocaine de Planification Familiale	232,846	-	232,846
44	Congo	Association Congolaise pour le Bien-Etre Familial	229,385	1,078	230,463
45	Cameroon	Cameroon National Association for Family Welfare	229,077	108,570	337,647
46	El Salvador	Asociación Demográfica Salvadoreña	227,570	54,477	282,047
47	Guatemala	Asociación Pro-Bienestar de la Familia de Guatemala	224,624	153,935	378,559
48	Chad	Association Tchadienne pour le Bien-Etre Familial	222,296	-	222,296
49	Central African Republic	Association Centrafricaine pour le Bien-Etre Familial	209,151	5,495	214,646
50	Swaziland	Family Life Association of Swaziland	204,936	5,901	210,836
51	Paraguay	Centro Paraguayo de Estudios de Población	204,495	-	204,495
52	Chile	Asociación Chilena de Protección de la Familia	196,930	16,098	213,028
53	Eritrea	Planned Parenthood Association of Eritrea	194,588	22,071	216,659
54	Thailand	Planned Parenthood Association of Thailand	193,857	26,220	220,077
55	Honduras	Asociación Hondureña de Planificación de la Familia	188,734	60,118	248,852
56	Iraq	Iraq Family Planning Association	184,750	-	184,750
57	South Africa	Planned Parenthood Association of South Africa	184,179	802,450	986,629
58	Syria	Syrian Family Planning Association	179,089	-	179,089
59	Gabon	Le Mouvement Gabonais pour le bien-etre familial	178,622	-	178,622
60	Romania	Societatea de Educatie Contraceptiva si Sexuala	168,714	-	168,714
61	Burundi	Association Burundaise pour le Bien-Etre Familial	165,777	64,941	230,718
62	Tunisia	Association Tunisienne du Planning Familial	152,842	28,800	181,642
63	Sri Lanka	Family Planning Association of Sri Lanka	152,394	57,009	209,403
64	Jordan	Jordan Association for Family Planning and Protection	147,328	-	147,328
65	Comoros	Association Comorienne pour le Bien-Etre de la Famille	147,294	23,354	170,648
66	Trinidad And Tobago	Family Planning Association of Trinidad and Tobago	146,338	13,066	159,404
67	Mauritius	Mauritius Family Planning Association	139,471	-	139,471
68	Algeria	Association Algérienne pour la Planification Familiale	137,831	-	137,831
69	Panama	Asociación Panameña para el Planeamiento de la Familia	133,709	10,782	144,491
70	Korea South	Planned Parenthood Federation of Korea	118,799	-	118,799
71	Botswana	Botswana Family Welfare Association	115,164	19,175	134,339
72	Jamaica	Jamaica Family Planning Association	113,538	-	113,538
73	Korea, Dem People's Rep of	Korean Family Planning & Maternal Child Health Association	112,686	-	112,686
74	Surinam	Stichting Lobi	111,768	-	111,768
75	Russia	Russian Family Planning Association	110,500	50,979	161,479
76	Ecuador	Asociación Pro Bienestar de la Familia Ecuatoriana	109,825	5,409	115,234
77	Cape Verde Islands	Associação Caboverdiana para a Protecção da Familia	90,448	-	90,448
78	Angola	Associação Angolana para o Bem Estar da Familia	88,874	-	88,874
79	Maldives	Society for Health Education	87,039	-	87,039
80	Uruguay	Asociación Uruguaya de Planificación Familiar	77,200	-	77,200
81	Samoa	Samoa Family Health Association	76,102	108	76,210

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

6 GRANTS TO MEMBER FAMILY PLANNING ORGANISATIONS AND PARTNER ORGANISATIONS (CONTINUED)

<i>Rank</i>	<i>Country</i>	<i>Association</i>	\$ <i>Unrestricted</i>	\$ <i>Restricted</i>	\$ <i>Total</i>
Grants to Member Family Planning Organisations					
82	Bulgaria	Bulgarian Family Planning and Sexual Health Association	61,657	9,905	71,562
83	Namibia	Namibia Planned Parenthood Association	60,052	4	60,055
84	Vanuatu	Vanuatu Family Health Association	59,699	37,499	97,198
85	Iran	Family Planning Association of the Islamic Republic of Iran	58,240	-	58,240
86	Costa Rica	Asociación Demográfica Costarricense(ADC)	54,737	-	54,737
87	Bahrain	Bahrain Family Planning Association	49,063	-	49,063
88	Uzbekistan	UARH - Uzbek Association of Reproductive Health	40,000	21,422	61,422
89	Puerto Rico	Asociación Puertorriqueña Pro-Bienestar de la Familia	39,558	-	39,558
90	Estonia	Family Planning Association of Estonia	34,299	-	34,299
91	Barbados	The Barbados Family Planning Association	31,957	-	31,957
92	Albania	Family Planning Association of Albania	30,175	-	30,175
93	Slovak Republic	Slovak Association for Family Planning and Parenthood Education	28,966	-	28,966
94	Latvia	Latvian Association for Family Planning & Sexual Health	25,900	16,078	41,978
95	Czech Republic	Czech Society for Family Planning and Sex Education	25,288	-	25,288
96	Hungary	Pro Familia Hungarian Scientific Society	24,880	-	24,880
97	Hong Kong	Family Planning Association of Hong Kong	22,881	-	22,881
98	Spain	Federacion de Planificacion Familiar de Espana	19,659	52,819	72,478
99	Lithuania	Family Planning and Sexual Health Association of Lithuania	18,785	-	18,785
100	Singapore	Singapore Planned Parenthood Association	8,499	-	8,499
101	Austria	Österreichische Gesellschaft für Familienplanung	-	56,163	56,163
102	Irish Republic	Irish Family Planning Association	-	46,851	46,851
103	France	Mouvement Français pour le Planning Familial	-	39,792	39,792
104	Denmark	Foreningen Sex & Samfund	-	28,712	28,712
105	Sweden	Riksförbundet för Sexuell Upplysning	-	24,224	24,224
106	Italy	Unione Italiana dei Centri di Educazione Matrimoniale e Prematrimoniale	-	5,106	5,106
Grants to Member Family Planning Associations			33,024,218	4,750,767	37,774,986

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

6 GRANTS TO MEMBER FAMILY PLANNING ORGANISATIONS AND PARTNER ORGANISATIONS

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

Rank	Country	Association	\$ Unrestricted	\$ Restricted	\$ Total
Grants to Partner Organisations					
1	Various	Japanese Organisation for the International Cooperation in Family Planning:			
		- Grants to FPAs	644,454	-	644,454
		- International Advocacy	695,826	-	695,826
		- Information & Campaign	74,720	-	74,720
		- Kato Award	10,000	-	10,000
2	Mauritania	Association Mauritanienne pour la Promotion de la Famille	566,098	-	566,098
3	Haiti	Association pour la Promotion de la Famille Haïtienne	546,015	-	546,015
4	Congo Democratic Republic	Association pour le Bien-Etre Familial/Naissances Désirables	277,830	24,879	302,709
5	Niger	Association Nigérienne pour le Bien-Etre Familial	193,053	-	193,053
6	Papua New Guinea	Papua New Guinea Family Health Association	177,862	4	177,867
7	Djibouti	Association Djiboutienne pour l'équilibre et la promotion de la famille	169,760	-	169,760
8	Venezuela	Asociacion Civil de Planificacion Familiar	155,406	65,104	220,510
9	Malawi	National Family Welfare Council of Malawi	142,248	(3,996)	138,252
10	Guinea Bissau	Associação Guineense para o Bem-Estar Familiar	135,660	-	135,660
11	Solomon Islands	Solomon Islands Planned Parenthood Association	132,328	37,651	169,979
12	Cuba	Sociedad Científica Cubana para el Desarrollo de la Familia	126,212	-	126,212
13	Guyana	Guyana Responsible Parenthood Association	123,406	9,223	132,628
14	Belize	Belize Family Life Association	116,128	30,000	146,128
15	Equatorial Guinea	Association Bienestar Familiar de Guinea Equatorial	103,627	-	103,627
16	Seychelles	Alliance of Solidarity for the Family	101,365	30,000	131,365
17	Various	Asian Forum of Parliamentarians on Population and Development	93,700	-	93,700
18	Kenya	Centre for African Family Studies, Kenya	82,715	-	82,715
19	Myanmar	Myanmar Maternal and Child Welfare Association	75,760	(12,151)	63,609
20	Cambodia	Reproductive Health Association of Cambodia	73,620	143,731	217,351
21	Baltics	Social Marketing - Family Planning Association of Estonia, Latvia & Lithuania	63,317	-	63,317
22	Tonga	Tonga Family Planning Association	46,331	(1,608)	44,723
23	Mongolia	Mongolian Family Welfare Association	45,988	76,441	122,428
24	Kazakhstan	Kazakstan Association on Sexual and Reproductive Health	45,000	12,292	57,292
25	Poland	Towarzystwo Rozwoju Rodziny	41,138	27,902	69,040
26	Bolivia	Centro de Investigación, Educación y Servicios	39,241	149,844	189,085
27	Laos	Lao Women's Union	37,803	-	37,803
28	Moldova	Family Planning Association of Moldova	35,751	42,535	78,286
29	Bosnia Herzegovina	The Family Planning Association in Bosnia and Herzegovina	35,000	45,689	80,689
30	Ukraine	The Ukrainian Family Planning Association	34,213	-	34,213
31	Georgia	The Family Planning Association in Georgia	29,750	14,741	44,491
32	Armenia	The Family Planning Association of Armenia - "For Family and Health"	29,750	-	29,750
33	Sao Tome And Principe	Associação Santomense para o Planeamento Familiar	29,692	(142)	29,551
34	Fiji	Reproductive & Family Health Association of Fiji	28,944	-	28,944
35	Tuvalu	Tuvalu Family Health Association	28,693	469	29,161
36	Bulgaria	Bulgarian Family Planning and Sexual Health Association	28,672	-	28,672
37	Kiribati	Kiribati Family Health Association	26,980	-	26,980
38	Kyrgyzstan	Reproductive Health Alliance of Kyrgyzstan	23,500	52,407	75,907
39	Various	Population Concern, U.K.	15,000	-	15,000
40	Cook Islands	Cook Islands Family Welfare Association	9,837	-	9,837

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

6 GRANTS TO MEMBER FAMILY PLANNING ORGANISATIONS AND PARTNER ORGANISATIONS (CONTINUED)

<i>Rank</i>	<i>Country</i>	<i>Association</i>	\$ <i>Unrestricted</i>	\$ <i>Restricted</i>	\$ <i>Total</i>
Grants to Partner Organisations					
41	Various	Robin Hood Relief Fund	4,513	-	4,513
42	Zimbabwe	Zimbabwe National Family Planning Council	2,627	-	2,627
43	Afghanistan	Afghan Family Guidance Association / Afghan Education & Rehabilitation Organisation	338	43,791	44,129
44	Korea, Dem People's Rep of	UNFPA/UNDP Ministry of Public Health DPR Korea	-	245,697	245,697
45	Yugoslavia	Yugoslav Youth Info Centre	-	41,361	41,361
46	Croatia	Croatian Union of Youth Associations	-	39,390	39,390
47	Montenegro	Cultural Centre Juventas	-	36,644	36,644
48	Macedonia	HERA Health Education and Research Association - Skopje	-	32,152	32,152
49	Various	Program for Appropriate Tech in Health (PATH)	-	20,636	20,636
50	Various	Population Reference Bureau, Inc.	-	19,019	19,019
51	Various	Engender Health	-	18,159	18,159
52	Yugoslavia	Pristina Youth Centre, Kosovo	-	15,332	15,332
53	Various	SALUD y GENERO, AC	-	14,383	14,383
54	Various	KEM Hospital Research Centre	-	7,875	7,875
55	Various	Logan Heights Family Health Center	-	4,800	4,800
56	Various	Fundacion Esquel	-	4,020	4,020
57	Yugoslavia	Centre for Democratic Culture, Yugoslavia	-	(288)	(288)
Grants to Partner Family Planning Associations			5,499,874	1,287,984	6,787,858
Total Grants to Member Family Planning Associations and Partner Organisations			38,524,092	6,038,752	44,562,844

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

7 REGIONAL ACTIVITIES

	----- Unrestricted -----					Sub total \$'000	Donor	Total \$'000
	Programme activities (1) \$'000	Programme support (2) \$'000	Fund- raising (3) \$'000	Admin and general services (4) \$'000	Reorgan- isation costs \$'000		Restricted Programme activities (1) \$'000	
Year ended 31 December 2002								
Personnel costs	2,629	3,227	534	2,202	900	9,492	1,017	10,509
Consultancies	319	69	3	39	-	430	116	546
Travel	931	598	35	721	-	2,285	732	3,017
Occupancy	436	-	76	553	-	1,065	61	1,126
Communications	128	18	87	294	-	527	45	572
Other costs	304	60	305	466	-	1,135	723	1,858
Total 2002	4,747	3,972	1,040	4,275	900	14,934	2,694	17,628
Year ended 31 December 2001								
Personnel costs	2,418	3,004	549	2,186	-	8,157	1,035	9,192
Consultancies	66	50	1	39	-	156	216	372
Travel	574	504	39	705	-	1,822	1,078	2,900
Occupancy	432	-	91	590	-	1,113	45	1,158
Communications	140	24	276	206	-	646	71	717
Other costs	354	117	229	480	-	1,180	1,378	2,558
Total 2001	3,984	3,699	1,185	4,206	-	13,074	3,823	16,897

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

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

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

(4) Administration and general services represent all other expenses incurred in the running of Regional Offices and Field Offices.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

8 CENTRAL ACTIVITIES

	----- Unrestricted -----					Donor	
	Programme	Programme	Fund-	Admin	Sub total	Restricted	Total
	activities (1)	support (2)	raising (3)	and general		Programme	
	\$'000	\$'000	\$'000	services (4)	\$'000	activities (1)	\$'000
				\$'000		\$'000	\$'000
Year ended 31 December 2002							
Personnel costs	1,094	1,382	563	2,880	5,919	346	6,265
Consultancies	198	50	16	350	614	104	718
Travel	128	102	57	661	948	486	1,434
Occupancy	1	-	-	874	875	6	881
Communications	20	23	13	178	234	4	238
Other costs	224	77	13	276	590	198	788
Total 2002	1,665	1,634	662	5,219	9,180	1,144	10,324
Year ended 31 December 2001							
Personnel costs	1,319	1,498	590	2,600	6,007	277	6,284
Consultancies	163	40	9	238	450	207	657
Travel	263	138	75	636	1,112	400	1,512
Occupancy	-	-	-	783	783	15	798
Communications	30	27	9	181	247	5	252
Other costs	(144)	103	54	836	849	456	1,305
Total 2001	1,631	1,806	737	5,274	9,448	1,360	10,808

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

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

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

(4) Administration and general services represent all other expenses incurred in the running of IPPF.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

9 AUDIT AND ACCOUNTANCY

	2002 \$'000	2001 \$'000
Regional and Central expenditure is stated after charging:		
Audit fees	201	147
Other financial services	13	-
	214	147

10 EMPLOYEE NUMBERS AND EMOLUMENTS

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

	2002	2001
Central Office		
- Global advocacy and communications	16	13
- Vision 2000 programme activities and support	7	11
- Procurement and distribution of contraceptives & equipment	5	4
- Management, governance and policy	8	9
- Fundraising	7	6
- Finance, IT, administration and general support services	24	24
Regional Offices		
- Social Marketing	5	4
- Programme activities and support	84	73
- Fundraising	9	7
- Management and administrative support services	59	72
Total	224	223

The cost of employing these staff was:

	\$'000	\$'000
Gross Salaries of individuals on IPPF payroll	9,786	9,569
Social security costs	941	914
Pension	1,027	997
Temporary staff employed through third party agencies	666	569
Staff employed through subsidiary companies (see Note 22)	1,179	2,065
Other employee benefits	1,421	1,361
Redundancy costs	1,214	1
Staff employed through trading company	236	-
Total	17,010	15,476

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

10 EMPLOYEE NUMBERS AND EMOLUMENTS (CONTINUED)

The numbers of staff whose emoluments were over \$70,000 (i.e. £50,000) fell into the following bands:

	<i>2002</i>	<i>2001</i>
\$70,000 to \$80,000	11	15
\$80,000 to \$90,000	9	4
\$90,000 to \$100,000	3	2
\$100,000 to \$110,000	4	1
\$110,000 to \$120,000	3	3
\$120,000 to \$130,000	1	3
\$130,000 to \$140,000	2	1
\$140,000 to \$150,000	3	2
\$150,000 to \$160,000	4	2
\$160,000 to \$170,000	1	1
\$170,000 to \$180,000	1	-
\$180,000 to \$190,000	1	1
\$220,000 to \$230,000	1	1
\$230,000 to \$240,000	-	1

Included in the above bandings are pension benefits accruing under defined benefit schemes for six people amounting to \$136,524.

No Ex-gratia payments were made during the year (2001:Nil)

No trustee received remuneration during the year (2001:Nil)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

11 TANGIBLE FIXED ASSETS

	<i>Freehold property \$'000</i>	<i>Short leasehold property & improvements \$'000</i>	<i>Fixtures, fittings, equipment & computers \$'000</i>	<i>Total \$'000</i>
Cost or valuation				
At 1 January 2002	285	3,216	3,315	6,816
Exchange adjustments	-	(4)	(2)	(6)
Additions	1	-	618	619
Disposals	-	-	(440)	(440)
Transfers	-	1	118	119
At 31 December 2002	286	3,213	3,609	7,108
Depreciation and amortisation				
At 1 January 2002	25	1,856	2,442	4,323
Exchange adjustments	-	5	32	37
Charge for the year	21	204	467	692
Released on disposal	-	-	(420)	(420)
Transfers	-	-	89	89
At 31 December 2002	46	2,065	2,610	4,721
Net book values				
At 31 December 2002	240	1,148	999	2,387
At 31 December 2001	260	1,361	872	2,493

All tangible fixed assets are held for charity use.

The freehold property relates to land and buildings held in Kuala Lumpur. The open market value of the property at the latest valuation in 1997 was \$2.2 million.

12 INVESTMENTS

	Listed on the American and New York Stock Exchanges			<i>Total \$'000</i>
	<i>Unrestricted \$'000</i>	<i>Donor Restricted \$'000</i>	<i>Endowment \$'000</i>	
Shares and securities at market value:				
At 1 January 2002	5,644	3,540	832	10,016
Additions	29,605	177	790	30,572
Disposals	(15,731)	(394)	(772)	(16,897)
Unrealised/realised gains for the year	(1,161)	(203)	(139)	(1,503)
At 31 December 2002	18,357	3,120	711	22,188
Share and securities at historical cost:				
At 31 December 2002	17,854	3,147	1,000	22,001
At 31 December 2001	6,772	3,686	1,000	11,457

Included in the above figures is cash held as part of the investment portfolio of \$476,535 (2001:\$774,978).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

12 INVESTMENTS (CONTINUED)

IPPF owns two, £1 ordinary shares in Helm Management Services Ltd and two, £1 ordinary shares in Specialist Management Overseas Ltd. A one, £1 ordinary share is held in ENet.Comm Ltd. Helm Management Services Ltd and Specialist Management Overseas Ltd are incorporated in the Isle of Man.

The wholly owned trading subsidiary ENet.Comm Ltd is incorporated and registered in England and Wales. The principal activity of the subsidiary is the social marketing of contraceptives in conjunction with Member Associations.

The company began trading on 1 January 2002 and have prepared financial statements for the period ending 30 November 2002, as such no comparative figures are provided. The company intends to covenant its taxable profits to IPPF.

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

	<i>2002</i> <i>\$'000</i>
Turnover	600
Cost of sales	(182)
Gross profit	418
Total expenses	(449)
Loss on ordinary activities before taxation	(31)
Covenant	-
Retained loss for the year	(31)

The aggregate amount of assets, liabilities and funds was:

	<i>2002</i> <i>\$'000</i>
Assets	400
Liabilities	(431)
Funds	(31)

IPPF have provided interest bearing loans of US\$275,000 to the company repayable over a 5 year period to 2006.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

13 LONG TERM LOANS

	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>\$'000</i>
Loans to FPAs	964	1,232
Housing loans to staff	46	114
Total	1,010	1,346

Loans of \$503,406 to FPAs are interest free. All other FPA loans are fixed at market rates of interest at the time of issue. All housing loans are secured.

14 RECEIVABLE FROM DONORS

	<i>Unrestricted</i>	<i>Donor</i>	<i>2002</i>	<i>2001</i>
	<i>\$'000</i>	<i>Restricted</i>	<i>Total</i>	<i>Total</i>
		<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
Charity Know How (DFID)	-	-	-	46
Community Fund	-	467	467	56
European Commission	-	110	110	866
Ford Foundation	-	10	10	-
Government of Canada	2,790	-	2,790	2,579
MacArthur Foundation	-	66	66	-
Sant R & V	-	34	34	-
United Nations Fund for Population Activities (UNFPA)	-	17	17	112
Westwind Foundation	85	90	175	-
Other (1)	4,505	5	4,510	618
Total	7,380	799	8,179	4,277

(1) Represents the residual balance due on a legacy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

15 DEFERRED INCOME

	<i>Unrestricted</i> \$'000	<i>Donor</i> <i>Restricted</i> \$'000	<i>2002</i> <i>Total</i> \$'000	<i>2001</i> <i>Total</i> \$'000
Deferred income balances brought forward	1,132	-	1,132	1,142
Income received for activities in future periods	-	449	449	-
Movement on lease benefits to be amortised over the lease period	(86)	-	(86)	(20)
Deferred income balances carried forward	1,046	449	1,495	1,132

16 PROVISIONS

	<i>2002</i> \$'000	<i>2001</i> \$'000
Opening balance	2,432	3,000
Utilised in year	(1,933)	(568)
Arising in year	168	-
Overprovision in prior years	(499)	-
Closing balance	168	2,432

The provision relates to a tax review in the United Kingdom. The matter was settled with the Inland Revenue in August 2002. The amounts utilised represents the settlement of the matter as well as professional fees incurred in dealing with this matter. At the year end the balance remaining in the provision is required to meet 2002/2003 tax year amounts up to 31 December 2002 which will be settled by April 2003.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

17 FUNDS AND RESERVES**Restricted funds**

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

	<i>Balance at 1 January 2002 \$'000</i>	<i>Donor Income (see notes 2 to 5) \$'000</i>	<i>Expenditure \$'000</i>	<i>Balance at 31 December 2002 \$'000</i>
Government				
Finland - Nepal	-	88	88	-
Germany				
-Areas neighbouring Afghanistan	817	-	317	500
-SRH & SRR Youth	81	468	464	85
-Islamic Youth	-	502	209	293
-Islamic Women	-	793	180	613
-Central Asian Region - People on the Move	-	789	105	684
Japan - HIV/STI/AIDS Trust Fund	1,099	1,037	820	1,316
The Netherlands				
-IPPF Trust Fund	367	750	888	229
-HIV/STI/AIDS Activities	90	-	20	70
-Commodities	27	759	(21)	807
New Zealand - ESEAO Region	37	-	-	37
States of Jersey - Reproductive Health Services Nepal FPA	-	36	35	1
United Kingdom				
-Eastern Europe	220	62	38	244
-Western Hemisphere Region	12	-	12	-
-Emergency Contraception Africa Region	(1)	-	-	(1)
United States of America (USAID)				
-Western Hemisphere Region Male Involvement	2	-	2	-
-Western Hemisphere Region AVSC Sexual Reproductive Health	99	-	99	-
-Western Hemisphere Region - Sustainability Endowment Fund	4,194	(66)	141	3,987
-Vision 2000 Africa Region Cape Verde FPA	1,002	-	-	1,002
-Sustainability and Young Adults	(137)	134	(3)	-
Total government restricted funds	7,909	5,352	3,394	9,867

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

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

	<i>Balance at 1 January 2002 \$'000</i>	<i>Donor Income (see notes 2 to 5) \$'000</i>	<i>Expenditure \$'000</i>	<i>Balance at 31 December 2002 \$'000</i>
Multilateral and other sources				
Access to Voluntary and Safe Contraception International				
[AVSC] - Service Delivery Guidelines	3	-	-	3
Bergstrom Foundation - WHR Clinic Services	59	555	488	126
E Beteta - WHR Evaluation Activities	9	-	-	9
Brown Foundation	-	25	-	25
Community Fund (formerly National Lottery Charities Board)				
-Women's Empowerment and Reproductive Health Initiative				
In Tonk Rajasthan India FPA	-	77	78	(1)
-Capacity Building Europe Region	204	20	-	224
-Sexual and Reproductive Health Care for the Population displaced				
By Violence - Colombia FPA	5	125	123	7
-Saving Mother's Lives in Yemen FPA	-	343	309	34
A & R Contorer	-	104	-	104
J Cunningham - Western Hemisphere Region	7	-	3	4
The Educational Foundation - WHR South-North Adolescents	2	-	21	(19)
European Commission				
-Africa Region	4	148	91	61
-Arab World Region	5	-	-	5
-DAPHNE Project Europe Region	22	130	113	39
-Political Dialogue Europe Region	49	-	-	49
-Gender Based Violence Peru, Venezuela and Dominican Republic	273	72	120	225
-Sexwise Project	6	-	-	6
Ford Foundation				
-Reproductive Rights & Community Action - Colombia, India and Malaysia	71	-	20	51
-Sexual Health, Gender Awareness WHR FPAs	91	-	68	23
-Indicators Development - Western Hemisphere Region	-	20	16	4
Bill & Melinda Gates Foundation				
-South Africa FPA Gates Youth Centre	1,780	18	794	1,004
-India FPA Small Family by Choice	1	-	-	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

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

	<i>Balance at 1 January 2002 \$'000</i>	<i>Donor Income (see notes 2 to 5) \$'000</i>	<i>Expenditure \$'000</i>	<i>Balance at 31 December 2002 \$'000</i>
Multilateral and other sources (continued)				
Bill & Melinda Gates Foundation (continued)				
-Strengthen the Quality of Reproductive Health Care	1,119	2,227	1,126	2,220
-Gender Based Violence Latin America & Caribbean	184	-	117	67
-South-North Adolescent Sexual Reproductive Health WHR	93	-	67	26
-Male Involvement in Sexual Reproductive Health WHR	96	-	39	57
-Sexual Reproductive Health Education and Services Haiti	3	-	-	3
Gesellschaft f. Tech. Zusammenarbeit (GTZ) Community Based Services	22	19	40	1
Gerbode Foundation - Abortion Strategy	31	3	3	31
William and Flora Hewlett Foundation:				
-Adolescent Sexual Reproductive Health WHR	63	300	69	294
-Global Advocacy Europe Region	1,119	129	600	648
The International Foundation - WHR Trainees Guide to HIV	15	-	-	15
A Jurzykowski Foundation - WHR Gender Violence	25	7	5	27
The Ernest Kleinwort Charitable Trust - Provision of Colposcopy	7	-	-	7
The Ernest Kleinwort Charitable Trust - Siberia FPA	-	17	17	-
Kreditanstalt fuer Wiederaufbau - Nepal FPA	17	-	17	-
MacArthur Foundation - Sexual Health and Gender WHR	93	78	81	90
McAshan Educational Trust - WHR	4	-	-	4
The Overbrook Foundation - WHR	50	(50)	-	-
The David and Lucile Packard Foundation				
-Cairo + 5 project	24	-	-	24
-Sexwise Education Africa	808	9	436	381
-Sexwise Project	31	-	-	31
PATH - ARO	-	33	23	10
L & H Price Foundation	152	-	127	25
PROSCI - WHR	31	-	20	11
The Rockefeller Foundation - Concept Paper Europe Region	61	88	81	68
Summit Foundation				
-Adolescent Sexual Reproductive Health Belize	22	70	34	58
-Emergency Contraception in LA and Caribbean	4	-	4	-
United Nations Development Programme Malaysia -ESEA0 Region				
Activities	20	-	3	17

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

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

	<i>Balance at 1 January 2002 \$'000</i>	<i>Donor Income (see notes 2 to 5) \$'000</i>	<i>Expenditure \$'000</i>	<i>Balance at 31 December 2002 \$'000</i>
Multilateral and other sources (continued)				
United Nations Fund for Population Activities				
-Reproductive Health Algeria FPA	24	(24)	-	-
-Reproductive Health Somalia FPA	35	-	36	(1)
-Reproductive Health Cambodia, Vietnam, Sri Lanka	20	201	204	17
-Reproductive Health Korea DPR	84	317	271	130
-Adolescent Reproductive Health WHR	140	36	128	48
-SRH Evaluation Tools Western Hemisphere Region	4	3	6	1
-Reproductive Health Europe Central Asian Republics	43	4	20	27
-Condom Use by Youth	-	167	126	41
-VCT HIV Testing	-	50	30	20
-Support IEFPD Europe	10	57	53	14
-Human Rights and Reproductive Health	39	-	3	36
-Counselling Notes and HIV/STI/AIDS	169	16	130	55
Wallace Global Fund – Testimonies ICPD, Lome, Europe Region	31	58	16	73
Weeden Foundation – South Asia Region	7	-	-	7
The WestWind Foundation	75	90	-	165
WHR Multi-donor Fund – Emergency Contraceptives	-	156	78	78
London Multi-donor Fund – Leadership Transition (1)	-	1,860	-	1,860
Other	582	505	328	759
Total Other Restricted Funds	7,948	8,063	6,582	9,429
Total Restricted Funds	15,857	13,415	9,976	19,296
Transfer to Endowment Fund – Cape Verde Vision 2000 (USAID)	(1,000)	-	-	(1,000)
Total restricted funds adjusted	14,857			18,296

(1) Multi donor fund represents grants received from Bill & Melinda Gates Foundation (US\$800,000), William and Flora Hewlett Foundation (US\$500,000), Packard Foundation (US\$300,000), Rockefeller Foundation (US\$250,000), Wallace Global Fund (US\$10,000).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

17 FUNDS AND RESERVES (CONTINUED)**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.

Unrestricted funds and reserves	Note	<i>Fixed Asset Reserve</i> \$'000	<i>Staff Reserve</i> \$'000	<i>Revaluation Reserve</i> \$'000	<i>Translation Reserve</i> \$'000	<i>Other designated funds</i> \$'000	<i>WHR Sustainability Fund</i> \$'000	<i>Vision 2000 Fund</i> \$'000	<i>General Fund</i> \$'000	<i>Total</i> \$'000
New designated funds	a	-	-	-	-	789	-	-	(789)	-
Contingency Plan	b	-	-	-	-	(959)	-	-	959	-
Designated Fund Savings										
New Zealand's allocation to Vision 2000	c	-	-	-	-	-	-	85	(85)	-
Transfer 21st Century Fund	d	-	-	-	-	284	-	-	(284)	-
Transfers between funds		-	-	-	-	114	-	85	(199)	-
Balance at 1 January 2002		2,493	2,671	867	92	5,623	-	9,731	4,648	26,125
Net incoming (outgoing) resources		(94)	(1,341)	-	-	(2,127)	18,490	(5,824)	7,685	16,789
Net gains (losses) on investment assets		-	-	-	-	-	(328)	-	(833)	(1,161)
Foreign exchange movement arising upon consolidation		(12)	-	-	(6)	-	-	-	53	35
Balance at 31 December 2002		2,387	1,330	867	86	3,610	18,162	3,992	11,354	41,788

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

17 FUNDS AND RESERVES (CONTINUED)

Unrestricted funds and reserves (continued)**Fixed Asset Reserve**

This represents the value of IPPF funds invested in fixed assets (see note 11).

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.

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 other revaluations have occurred since the introduction of FRS 15 "Tangible Fixed Assets".

Translation Reserve

The non-US Dollar activities of the Africa Regional Office are combined using the average rate for the year for the Statement of Financial Activities and the year end rate for the Balance Sheet. The foreign exchange movement arising as a result of this is taken to this reserve, as are any other unrealised exchange gains on non-US dollar assets (see accounting policies for more details).

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 for a period of at least 2 years and are developing a spending policy for the Fund.

Other designated funds

These include the 21st Century Fund (for sustainability projects in South American Family Planning Associations) and various funds set aside for use by specific IPPF Regional Offices.

Vision 2000 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. The fund acts as a catalyst to help FPAs incorporate key Vision 2000 strategies into their own plans through innovative high quality projects of two to five years duration.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

17 FUNDS AND RESERVES (CONTINUED)

Unrestricted funds and reserves (continued)

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

- a) During the year there were regional savings of \$789,120 thus increasing the designated regional fund balances made available for projects due to take place in 2003.

- b) During 2002 as part of measures taken to improve the level of the general fund, \$958,885 was transferred between designated regional funds and the general fund. This transfer represented regional savings in 2001.

- c) The Government of New Zealand made a specific contribution to this fund of 200,000 New Zealand dollars (\$85,000).

- d) The Western Hemisphere Region makes annual allocations to its 21st Century Fund, designed to fund future projects similar to those of the Vision 2000 Fund but aimed specifically at Family Planning Associations in its region.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

18 FORWARD COMMITMENTS

	2002 \$'000	2001 \$'000
Orders for contraceptives and services due within one year	1,789	1,125

The commitments recognised 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 FPAs in future periods	778	282
--	-----	-----

Operating lease commitments:

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

Expiring:

In the next 1-2 years	35	32
Between 2-5 years	494	307
Over 5 years	373	436

The provision relates to a tax review in the United Kingdom. The matter was settled with the Inland Revenue in August 2002. The amounts utilised represents the settlement of the matter as well as professional fees incurred in dealing with this matter. At the year end the balance remaining in the provision is required to meet 2002/2003 tax year amounts up to 31 December 2002 which will be settled by April 2003.

19 CONTINGENT LIABILITY

The Kenyan Revenue Authority is currently requesting payment of taxes previously exempted by the Ministry of Foreign Affairs and International Cooperation. The matter is being appealed by IPPF but could amount to approximately \$322,000.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

20 PENSION SCHEMES

IPPF operates three pension schemes as described below:

The Central Office Pension Scheme

This is a fully funded defined benefit scheme covering most full-time staff in the Central Office, London. The assets of the fund are managed by independent professional investment managers. The funding policy is for employees to contribute 6% of salary and for IPPF to make up the balance based on actuarial advice every three years. IPPF's contribution rate in 2002 was 21.3%.

The most recent formal actuarial valuation as at 1st July 2001 was performed using the Projected Unit Credit Method. The main assumptions used in the valuation were:

- Investment return 7% per annum pre retirement and 6% per annum post retirement
- Pension increases 6% per annum
- Salary growth 5% per annum

The report showed the fund to have a value of £12,233,476, which was the equivalent of 97% of the present value of benefits expected to be paid out to members. This deficit is being eliminated by IPPF increasing contributions from 21.3% to 32% on the advice of actuaries.

Charges under this scheme were \$482,558 (2001: \$468,263).

The Western Hemisphere Regional Office Pension Scheme

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

Charges under this scheme were \$316,136 (2001: \$301,679).

The Overseas Staff Pension Scheme

Most full-time staff in Africa Regional Office and some members of the Arab World Regional Office 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.

Charges under this scheme were \$146,716 (2001: \$131,822).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

20 PENSION SCHEMES (CONTINUED)**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 2001.

The contributions made by the employer over the financial year in respect of the scheme was as follows:

	2002 \$'000	2001 \$'000
	483	468

The transitional arrangements of the new accounting standard FRS 17, Retirement Benefits, require disclosure of assets and liabilities as at 31 December 2002 calculated in accordance with that standard. They also require disclosure of the items which would appear in the Statement of Financial Activities if the full requirements of the standard were in place.

For the purpose of the financial statements, these figures are illustrative only and do not impact on the actual 31 December 2002 balance sheet or on the 2002 Statement of Financial Activities. To produce these statements, the most recent actuarial valuation has been updated by an independent qualified actuary.

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

	2002 <i>per annum</i>	2001 <i>per annum</i>
Inflation	2.5 %	2.75%
Salary increases	3.75%	4.0%
Rate of discount	5.5%	6.0%
Pension increase	2.5%	2.75%

The calculations indicated:

	2002 \$'000	2001 \$'000
Total market value of assets	14,994	16,571
Present value of scheme liabilities	26,309	21,646
Deficit in scheme	(11,315)	(5,075)

Illustrative balance sheet figures:

On this basis, the balance sheet of IPPF at 31 December each year would be:

	31 December 2002 \$'000	31 December 2001 \$'000
Total assets	67,600	53,600
Total liabilities	(6,805)	(11,786)
Pension deficit	(11,315)	(5,075)
Balance including pension deficit	49,480	36,739

If the deficit on the scheme had been included within the balance sheet of the charity, the funds would have reduced by \$11.315 million to \$49.480 million. (2001: Deficit of \$5.075 million reducing the funds to \$36.739 million). The pension liability does not exceed the unrestricted funds balance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

20 PENSION SCHEMES (CONTINUED)

Market Value and Expected Return on Assets:

	<i>Long-term rate of return expected at 31 December 2002</i>	<i>Value at 31 December 2002</i>	<i>Long-term rate of return expected at 31 December 2001</i>	<i>Value at 31 December 2001</i>
		<i>\$'000</i>		<i>\$'000</i>
Equities and Property	7.25%	12,172	7.0%	14,101
Bonds	4.5%	2,100	4.5%	1,989
Cash	4.5%	722	4.5%	481
Total market value of assets		14,994		16,571

Illustrative charge to the Statement of Financial Activities over the financial year:

	<i>2002 \$'000</i>
Operating charge:	
Current service cost	633.6
Total operating charge	633.6
Pension finance costs:	
Expected return on pension fund assets	1,214.4
Interest on pension funds liabilities	(1,436.8)
Net Return	(222.4)
Total charge to the Statement of Financial Activities	411.2

Illustrative gains and losses which would be included within the Statement of Financial Activities:

	<i>\$'000</i>
Difference between the expected and actual return on assets:	
Amount	(4,569.6)
Percentage of scheme assets at 31 December 2002	(30%)
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities at 31 December 2002:	
Amount	(840)
% of the present value of the Fund liabilities	(5%)
Total amount recognised in the statement of total recognised gains and losses:	
Amount	(5,409.6)
% of the present value of the Fund liabilities	(21%)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

20 PENSION SCHEMES (CONTINUED)

Movement in illustrative balance sheet deficit figures during the year:

	<i>\$'000</i>
Deficit in scheme at 1 January 2002	(5,075)
Movement in year:	
Current service cost	(633.6)
Contributions	550.4
Other finance income	(222.4)
Actuarial loss	(5,409.6)
Exchange rate movement	(525)
Deficit in scheme at 31 December 2002	(11,315)

The exchange rate movement represents the difference in the exchange rate used to value the balance sheet in 2001 and 2002.

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 employers to the pension scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

21 TRUSTEE INFORMATION

Governing Council consists of 30 members. The costs incurred in their attendance at Governing Council meetings and other events used to promote the aims and objectives of IPPF were \$223,796 (2001: \$221,185).

<i>The costs were incurred as follows:</i>	2002 \$	2001 \$
Airfares	134,625	137,235
Hotels	29,254	36,092
Per Diems	49,383	47,520
Other	10,534	338
Total	223,796	221,185

22 RELATED PARTIES

IPPF owns two overseas subsidiary companies, Helm Management Services Overseas Ltd and Specialist Management Services Ltd, both of which are incorporated under the laws of the Isle of Man. The President and Treasurer of IPPF, in their capacity as holders of those offices, are the shareholders and Directors of these two companies. These companies provide IPPF with skilled individuals seconded to work in various offices around the world. The employment costs of these individuals are separately disclosed in Note 10 of the accounts under "Staff employed through subsidiary companies".

Some members of the Governing Council are Presidents of Family Planning Associations which receive grants from IPPF in accordance with the volunteer governance structure of IPPF. This information is disclosed in Note 6 along with the names and FPA countries of the members in Section 3 of the Annual Report of the Governing Council

One trustee, Mr Robert Durie is a 25% shareholder of a company which carried out transactions to the value of approximately \$24,500 with the FPA in Ireland during the year which received a restricted grant of \$46,851.

One trustee, Mrs Tamaro Toure has a brother who is the Executive Director of the grant receiving FPA in Mali. The total grant of the FPA in 2002 was \$314,108.

One trustee, Mrs Mariam Ment Ahmed Aicha has a brother who is a senior staff member in the FPA of Mauritania. The total grant to the FPA in 2002 was \$566,098.

One trustee, Ms Aiko Iijima is a director of JOICFP which receives grants from IPPF. In 2002 these amounted to \$1,425,000.

One trustee, Dr (Mrs) Nina Puri is a member of a family trust which rents premises to the grant receiving FPA in India. The total grant of the FPA in 2002 was \$2,860,695.

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

CONTACT NAMES AND ADDRESSES

Registered Address:

Regent's College
Inner Circle
Regent's Park
London
NW1 4NS
United Kingdom

Phone +44 20 7487 7900

Fax +44 20 7487 7950

Banker

Barclays Bank
50 Pall Mall
London
SW1Y 5AX
United Kingdom

Investment Manager

Merrill Lynch & Co Inc.
4 World Financial Center
250 Vesey Street
NY 10080
New York

Solicitor

IPPF uses the services of several law firms, each one in accordance with their area of expertise. Further information is available on request.

External Auditor

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT
United Kingdom

IPPF website: www.ippf.org

Email address: info@ippf.org

How to donate:

This can be done by cheque or by visiting our web-site which contains a section on how to give to the work of IPPF.

IPPF thanks all its donors for their continuing support.

Designed by Spencer du Bois. Printed on totally chlorine free, 40% recycled paper. A NAPM approved product.

ANGRY