

**NEW ZEALAND FAMILY PLANNING ASSOCIATION (INC.)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

<b>Contents</b>	<b>Page</b>
Statement of Comprehensive Revenue and Expense	3
Statement of Financial Position	4
Statement of Changes in Net Assets/Equity	5
Statement of Cash Flows	6
Notes to and forming part of the Financial Statements	7 – 21

## Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2020

	Note	2020	2019
<b>Revenue from non-exchange transactions</b>			
Government contracts	1	13,138,508	13,046,842
Clinical fees		1,605,505	1,805,817
Grants revenue	2	612,528	947,734
Donations		23,202	24,505
Other non-exchange revenue	3	206,242	221,467
<b>Revenue from exchange transactions</b>			
Medical sales		225,967	605,227
Training fees		335,324	292,435
Rental revenue		28,680	33,645
Finance revenue	4	222,974	242,927
Other exchange revenue	5	69,123	124,050
<b>Total Revenue</b>		<b>16,468,053</b>	<b>17,344,649</b>
<b>Expenses</b>			
Employee costs	6	11,733,188	11,395,677
Rent		1,159,825	1,169,093
IT and communications		612,091	562,719
Rates and utilities		517,346	514,436
Clinical supplies		375,104	379,484
Consultants & contractors		357,774	249,892
Grant disbursements		313,268	444,935
Office expenses		283,304	272,412
Travel expenses		237,043	401,465
Medical inventory		158,396	514,489
Insurance		66,514	60,211
Audit fees		43,000	42,000
Other operating expenses	7	331,803	359,398
Bad & doubtful debts		1,599	10,956
Depreciation	11	254,803	188,735
Amortisation	12	76,690	86,854
<b>Total Expenses</b>		<b>16,521,748</b>	<b>16,652,756</b>
<b>Net Comprehensive Revenue and Expenses</b>		<b>(53,695)</b>	<b>691,894</b>

The accompanying notes form part of, and should be read in conjunction with, these financial statements

## Statement of Financial Position

As at 30 June 2020

	Note	2020	2019
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	1,940,704	1,607,558
Term deposits		8,000,000	7,500,000
Accounts receivable	9	3,766,264	4,070,140
Accrued interest revenue		65,168	100,783
Prepayments		33,337	24,501
Inventories	10	58,685	123,278
		<b>13,864,158</b>	<b>13,426,260</b>
<b>Non-current assets</b>			
Plant and equipment	11	549,052	641,861
Intangible assets	12	247,919	239,321
		<b>796,971</b>	<b>881,182</b>
<b>TOTAL ASSETS</b>		<b>14,661,129</b>	<b>14,307,442</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	13	445,010	345,333
Income in advance	14	4,559,124	4,048,659
Employee entitlements	15	924,862	1,073,440
GST payable		478,672	519,796
		<b>6,407,668</b>	<b>5,987,227</b>
<b>Non-current liabilities</b>			
Long service leave	15	74,007	87,067
		<b>74,007</b>	<b>87,067</b>
<b>TOTAL LIABILITIES</b>		<b>6,481,675</b>	<b>6,074,294</b>
<b>NET ASSETS</b>		<b>8,179,454</b>	<b>8,233,147</b>
<b>EQUITY</b>			
Accumulated comprehensive revenue and expense		8,179,454	8,233,147
<b>TOTAL EQUITY</b>		<b>8,179,454</b>	<b>8,233,147</b>

The accompanying notes form part of, and should be read in conjunction with, these financial statements

## Statement of Changes in Net Assets/Equity

For the year ended 30 June 2020

	Note	2020	2019
Opening balance as at 1 July		8,233,147	7,541,251
Net comprehensive revenue and expenses for the year		(53,693)	691,896
<b>Total net assets as at 30 June</b>		<b>8,179,454</b>	<b>8,233,147</b>

These Financial Statements were approved for issue by the Family Planning Council on 24 September 2020.



**Andreas Prager**

President



**Carol Bellett**

Chair of Finance Committee

The accompanying notes form part of, and should be read in conjunction with, these financial statements

## Statement of Cash Flows

For the year ended 30 June 2020

	Note	2020	2019
<b>Cash flows from operating activities</b>			
Membership subscriptions		4,375	3,980
Fundraising, donations and bequests		23,202	31,531
Government contracts		13,138,508	13,046,842
Receipts from grants and subsidies		612,528	109,115
Receipts from other goods and services provided to customers - non-exchange transactions		1,016,207	2,066,364
Receipts from other goods and services provided to customers - exchange transactions		2,264,599	1,618,998
Interest received		258,589	266,961
Payments to suppliers		(4,016,644)	(4,043,473)
Payments to employees		(11,894,825)	(11,406,718)
Grants, contributions and sponsorships paid		(313,268)	(444,935)
<b>Net cash flows from operating activities</b>		<b>1,093,271</b>	<b>1,248,665</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	11	(164,073)	(546,770)
Purchase of intangible assets	12	(96,053)	(75,344)
(Deposits)/receipts of funds into term deposits		(500,000)	(1,000,000)
<b>Net cash flows from investing activities</b>		<b>(760,126)</b>	<b>(1,622,114)</b>
<b>Net increase in cash and cash equivalents</b>		<b>333,146</b>	<b>(373,449)</b>
Cash and cash equivalents at beginning of year		1,607,558	1,981,007
<b>Cash and cash equivalents at end of year</b>	8	<b>1,940,704</b>	<b>1,607,558</b>

The accompanying notes form part of, and should be read in conjunction with, these financial statements

## **Statement of Accounting Policies**

**For the year ended 30 June 2020**

### **Reporting Entity**

The financial statements presented are those of NZ Family Planning Association (Inc.) ("Family Planning") for the year ended 30 June 2020.

Family Planning is incorporated as a Registered Charity registered under the Charities Act 2005.

The overall goal of Family Planning is to provide a range of services including sexual and reproductive health information, clinical services, education and training, and research.

### **Basis of Preparation**

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS), and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted. Family Planning is deemed a public benefit entity for financial reporting purposes and has been established to achieve its overall goal rather than a financial return.

Family Planning qualifies as a Tier 2 reporting entity due to having between \$2m and \$30m operating expenditure in the two previous reporting periods

These financial statements have been prepared on a historical cost basis, with the exception of financial instruments which are measured at fair value. All dollar values are presented in New Zealand dollars rounded to the nearest dollar.

The financial statements were authorised for issue by the Council on 24 September 2020.

### **Specific Accounting Policies**

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

A. Finance Income

Finance income comprises interest income on financial assets, foreign exchange gains and losses and fair value gains on financial assets at fair value through surplus or deficit. Interest income is recognised as it accrues in surplus or deficit, using the effective interest method. Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether the foreign currency movements are in a net gain or net loss position.

B. Financial Instruments

Financial assets and liabilities are recognised on Family Planning's Statement of Financial Position when the organisation becomes a party to the contractual provisions of the instrument. Family Planning shall offset financial assets and financial liabilities if the organisation has a legally enforceable right to set off recognised amounts and interest and intend to settle on a net basis. Financial assets are classed as either cash, loans and receivables or held to maturity.

C. Loans and Receivables

Trade receivables, loans and other receivables that have fixed or determinable payments and that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate. Bad debts are written off in the period in which they are identified.

D. Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand with an original maturity of less than 90 days that are readily converted to known amounts of cash and which are subject to an insignificant risk of changes in value.

E. Term Deposits

For the purposes of the Statement of Cash Flows, funds invested longer than 90 days are classed as term investments and are held to maturity.

F. Inventories

Inventories are measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is at fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Family Planning's finished goods inventory includes items held for resale via its clinics (medical products) and some personal products through its web shop. The Resource Unit also create products in the form of pamphlets, booklets, posters, books and other educational productions to sell to the public or make available at its clinics or health promotion sites. These resources come to Family Planning as finished products via various printing sources but the content is designed by Family Planning.

After initial recognition, inventories held for resale are valued at the lower of cost or net realisable value. However, inventory held for distribution or deployment at no charge or for a nominal charge is measured at cost, adjusted when applicable for any loss of service potential.

G. Plant and Equipment

All items of plant and equipment are shown at cost less accumulated depreciation to date. Cost includes the value of consideration exchanged, or fair value in the case of donated or

subsidised assets, and the costs directly attributable to bringing the item to working condition for its intended use.

Subsequent expenditure relating to an item of plant and equipment is capitalised to the initial costs of the item when the expenditure increases the economic life of the item or where expenditure was necessarily incurred to enable future economic benefits to be obtained. All other subsequent expenditure is expensed in the period in which it is incurred.

#### H. Depreciation

Depreciation is calculated using the straight line method. The annual rates of depreciation applicable are based on the estimated useful lives as follows:

- |                          |                                |
|--------------------------|--------------------------------|
| • Leasehold improvements | Term of lease (mostly 3 years) |
| • Office equipment       | 5 years                        |
| • Furniture & fittings   | 5 years                        |
| • Computer equipment     | 3 years                        |

#### I. Intangible Assets

Licenses and software are finite life intangibles and are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight line basis over their estimated useful lives of 5 years. The estimated useful lives are reviewed at the end of each reporting period.

#### J. Amortisation

Amortisation is calculated using the straight line method. The annual rates of amortisation applicable are based on the estimated useful lives as follows:

- |                     |         |
|---------------------|---------|
| • Computer software | 5 years |
|---------------------|---------|

#### K. Taxation

Family Planning is a registered Charity and is therefore exempt from income taxation.

#### L. Goods and Services Tax (GST)

These financial statements have been prepared on a GST exclusive basis except accounts receivable, accounts payable and accrued expenses where applicable include GST.

#### M. Leases

Family Planning leases buildings across New Zealand for its clinics and National Office. Operating lease payments, where the lessors effectively retain all the risks and benefits of ownership of the leased items, are included in the Statement of Comprehensive Revenue & Expenses in equal instalments over the lease term. There are no assets acquired via finance leases.

N. Accounts Payable

Trade and other payables represent the liabilities for goods and services provided to Family Planning prior to the end of the financial year that are unpaid. These amounts are usually settled within 30 days, are non-interest bearing and are initially recognised at their fair value and subsequently at amortised cost.

O. Employee Entitlements

All employee benefits of Family Planning that are expected to be settled within 12 months of balance date, with the exception of Long Service Leave, and are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, plus annual leave earned and accrued to, but not taken at balance date.

P. Long Service Leave

Employees of Family Planning become eligible for long service leave after a certain number of years of employment, depending on their contract. The liability for long service leave is recognised and measured by:

- Adjusting current pay rates for inflation using NZ Government Treasury forecasts;
- Using discount factors to calculate the present value of future payments in respect of service provided by employees up to the reporting date using the projected unit credit method. NZ Government Treasury bond rates have been used for discount factors; and
- Assessing the likelihood of the entitlement being consumed. Probability factors are calculated based on length of service data from Family Planning's payroll system.

Q. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Family Planning and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue is recognised on the following basis:

Revenue from non-exchange transactions

i. Government grants and funding

Revenue from non-exchange transactions with the Government and government agencies is recognised when Family Planning obtains control of the transferred asset (cash, goods, services, or property), and:

- it is probable that the economic benefits or service potential related to the asset will flow to Family Planning and can be measured reliably; and
- the transfer is free from conditions that require the asset to be refunded or returned to the Government if the conditions are not fulfilled.

Revenue from government grants and funding is measured at the fair value of the assets (cash, goods, services, or property) transferred over to Family Planning at the time of transfer.

To the extent that there is a condition attached that would give rise to a liability to repay the grant amount or to return the granted asset, a deferred revenue liability is recognised instead of revenue. Revenue is then recognised only once Family Planning has satisfied these conditions.

ii. Rendering of services – subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by Family Planning is considered a non-exchange transaction. This includes rendering of services where the price does not allow the Family Planning to fully recover the cost of providing the service (such as client consultations), and where the shortfall is subsidised by income from other activities, such as government contracts. Generally, there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised when an invoice is issued or when services were performed. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service. Revenue is recognised by reference to the stage of completion of the service to the extent that Family Planning has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from Family Planning for the service) if the service is not completed satisfactorily.

Revenue from exchange transactions

i. Rendering of other services – full cost recovery

Revenue from the rendering of services (such as some clinical services) are recognised by reference to the stage of completion of the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

ii. Sale of goods

Revenue from the sale of goods (such as educational resources and personal products) are recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to Family Planning.

iii. Rental revenue

Rental revenue arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of financial performance due to its operating nature.

iv. Other gains and losses

Other gains and losses includes fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation

of investment properties, share of surplus or deficit of associates and joint venture, and realised gains and losses on the sale of fixed assets held at cost.

v. Interest income

Interest income is recognised in the period in which the interest is earned.

R. Cash Flows

The Statement of Cash Flows is prepared exclusive of GST, which is consistent with the method used in the Statement of Comprehensive Revenue & Expenses. The following are the definitions of the terms used in the cash flow statement:

i. Operating Activities

Operating activities include all transactions and other events that are not investing or financing activities.

ii. Investing Activities

Investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets.

iii. Cash and Cash Equivalents

Cash includes coins and notes both local currency, demand deposits and other highly liquid investments readily convertible into cash and includes all call investments as used by Family Planning as part of their day-to-day cash management.

### **The Effects of COVID-19 on Family Planning**

On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic and two weeks later the New Zealand Government declared a State of National Emergency. The country was in lockdown at Alert Level 4 from 26 March to 27 April, and then remained in lockdown at Alert Level 3 until 13 May.

During this period, most Family Planning staff moved to a "work from home" model, with the exception of some clinical and contact centre staff. Family Planning was able to provide a limited range of services in some of our high needs clinics, while also increasing virtual and phone consult capacity to enable our clients were still able to access as many services as possible.

After 13 May, Family Planning has returned to normal operations during Levels 2 and 1.

The main impacts on Family Planning's 2020 financial statements due to COVID-19 are explained below:

- Decrease in fee revenue for clinical co-payments as these were waived for some services in our high needs clinics, and were also impacted by the reduced capacity of the clinics;
- Decrease in revenue for training programmes as these were not able to be run;
- Additional costs for personal protective equipment to ensure the Ministry of Health safety guidelines were met;

- Additional cost of communications for staff working remotely;
- Rent relief was provided by some landlords in the form of rent-free or reduced rent during lockdown;
- Savings were made on office related costs such as electricity, cleaning and printing;
- Minimal travel expenses were incurred as all staff travel was cancelled during the lockdown period;
- The Electronic Patient Management System project was delayed (was due to go live on 1 July 2020, however this has been delayed until September 2020; and
- Family Planning did not qualify for any Government subsidies.

Going forward further potential impacts could include:

- Any future lockdowns will see a similar reduction in fee revenue as capacity at our clinics is reduced and training programmes cancelled; and
- Finance income will be affected with falling interest income.

The effect on our operations is reflected in these financial statements, based on the information available to the date these financial statements are signed. At this time, it is difficult to determine the full on-going effect of COVID-19 and therefore some material uncertainties remain. There could also be other matters that affect Family Planning in future, of which we are not yet aware. To the extent possible we have considered the impact of COVID-19 on areas such as our provisioning for doubtful debts at year end. To date there hasn't been a significant impact on Family Planning's financial performance or position.

## Notes to the Financial Statements

For the year ended 30 June 2020

### 1. Government contract revenue

	2020	2019
Ministry of Health – Personal Health	10,491,951	10,427,837
Ministry of Health – Public Health	2,554,890	2,619,005
Ministry of Health – National Contraception Training	91,667	-
<b>Total Government contract revenue</b>	<b>13,138,508</b>	<b>13,046,842</b>

### 2. Grants revenue

	2020	2019
Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati	407,041	589,061
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu – Phase 1	179,636	297,402
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu – Phase 2	8,653	-
UNFPA New York 2019 grant for NZPPD Secretariat	-	43,482
UNFPA New York 2020 grant for NZPPD Secretariat	12,062	-
IPPF – SHRIE Pacific	5,136	17,789
<b>Total Grants revenue</b>	<b>612,528</b>	<b>947,734</b>

#### *Ministry of Foreign Affairs and Trade (MFAT) grants:*

Family Planning have received four grants from MFAT this year. Two for providing the Healthy Families programme to reduce unplanned pregnancies and STIs in South Tarawa and six outer islands in Kiribati. Phase 2 of this project was completed on 30 June 2020, with phase 3 commencing from 1 July 2020. The initial grant for phase 3 was received on 30 June 2020 and has been recognised as income in advance.

The second project to reduce unplanned pregnancies and sexually transmissible infections (STIs) among underserved rural communities in Vanuatu also received two grants. Phase 1 of this project was completed on 31 May 2020, with phase 2 due to commence on 1 July 2020, however there were some expenses incurred for the project prior to this date.

Deferred grant revenue as at 30 June 2020 was \$918,517 (2019 \$579,586).

*United Nations Population Fund New York grants for New Zealand Parliamentarians' Group on Population and Development Secretariat*

This grant is used to fund Family Planning's work as Secretariat for the New Zealand Parliamentarians' Group on Population and Development. \$48,869 was received in 2020 (2019 \$43,482).

*International Planned Parenthood Fund grant for Sexual and Reproductive Health Emergencies in the Pacific*

The programme aims to improve access to life-saving sexual and reproductive health services in emergencies in Kiribati, the Cook Islands and Tuvalu. Deferred Revenue at 30 June 2020 was \$2,401 (2019 \$7,537).

### 3. Other non-exchange revenue

	2020	2019
Other contracts revenue	192,632	205,242
Contributions and bequests	-	7,026
Membership fees	4,375	3,980
Retail Sales	9,235	5,219
<b>Total Other contracts revenue</b>	<b>206,242</b>	<b>221,467</b>

### 4. Finance revenue

	2020	2019
Interest income	222,974	242,927
<b>Total Finance revenue</b>	<b>222,974</b>	<b>242,927</b>

### 5. Other exchange revenue

	2020	2019
Resource sales	43,836	46,087
Sponsorship	513	-
Other revenue	24,774	77,963
<b>Total Other exchange revenue</b>	<b>69,123</b>	<b>124,050</b>

### 6. Employee costs

	2020	2019
Wages and salaries	11,235,155	10,915,290
KiwiSaver employer contributions	298,634	287,491
Other employee benefits	199,399	192,896
<b>Total Employee costs</b>	<b>11,733,188</b>	<b>11,395,677</b>

## 7. Other operating expenses

	2020	2019
Bank fees	14,972	16,960
Course expenses	13,531	13,354
Equipment leases	17,791	16,374
General expenses	59,759	69,923
Health & safety expenses	16,376	15,227
Legal fees	33,604	20,192
Minor asset purchases	31,983	59,039
Promotion & marketing	45,148	42,730
Quality expenses	24,002	18,900
Recruitment costs	12,171	11,041
Repairs and maintenance	62,466	75,659
<b>Total other operating expenses</b>	<b>331,803</b>	<b>359,398</b>

## 8. Cash and cash equivalents

	2020	2019
Cash on hand	5,715	7,045
Cash at bank	1,934,989	1,600,513
<b>Total cash and cash equivalents</b>	<b>1,940,704</b>	<b>1,607,558</b>

The carrying value of cash and cash equivalents approximate their fair value.

## 9. Accounts receivable

	2020	2019
<b>Receivables from non-exchange transactions</b>		
Ministry of Health contracts	3,695,565	3,917,165
Other non-exchange receivables	-	6,951
<b>Receivables from exchange transactions</b>		
Trade receivables	75,349	102,092
Other exchange receivables	1,991	61,426
Less Provision for impairment	(6,641)	(17,494)
<b>Total Accounts receivable</b>	<b>3,766,264</b>	<b>4,070,140</b>

## 10. Inventories

	2020	2019
Inventory held for distribution or provision of services at no charge	37,690	88,755
Inventory held for sale or provision of services at commercial terms	20,995	34,523
<b>Total Inventories</b>	<b>58,685</b>	<b>123,278</b>

## 11. Plant and equipment

	Leasehold Improvements	Furniture & Fittings	Clinic & Office Equipment	Computer Hardware	TOTAL
<b>Cost or valuation</b>					
As at 1 July 2019	1,376,945	238,849	512,057	807,661	<b>2,935,512</b>
Additions	25,370	2,339	60,537	75,827	<b>164,073</b>
Disposals	(65,867)	(71,141)	(34,223)	(130,668)	<b>(301,899)</b>
<b>As at 30 June 2020</b>	<b>1,336,448</b>	<b>170,047</b>	<b>538,371</b>	<b>752,821</b>	<b>2,797,686</b>
<b>Accumulated depreciation</b>					
As at 1 July 2019	1,197,602	205,475	391,582	498,992	<b>2,293,651</b>
Depreciation for year	62,854	10,847	42,820	138,282	<b>254,803</b>
Disposals	(65,867)	(71,141)	(33,922)	(128,890)	<b>(299,820)</b>
<b>As at 30 June 2020</b>	<b>1,194,589</b>	<b>145,181</b>	<b>400,480</b>	<b>508,384</b>	<b>2,248,634</b>
<b>Net book value</b>					
As at 1 July 2019	179,343	33,374	120,475	308,669	<b>641,861</b>
<b>As at 30 June 2020</b>	<b>141,859</b>	<b>24,866</b>	<b>137,891</b>	<b>244,437</b>	<b>549,052</b>

There are no restrictions on title of Plant and Equipment, nor are there any contractual commitments for the acquisition for such assets.

## 12. Intangible assets

	Computer Software
<b>Cost or valuation</b>	
As at 1 July 2019	709,422
Additions	96,053
Disposals	(105,652)
<b>As at 30 June 2020</b>	<b>699,823</b>

### Accumulated amortisation

As at 1 July 2019	470,101
Amortisation for year	76,690
Disposals	(94,887)
<b>As at 30 June 2020</b>	<b>451,904</b>

<b>Net book value</b>	
As at 1 July 2019	239,321
<b>As at 30 June 2020</b>	<b>247,919</b>

There are no restrictions on title of Intangible Assets, nor are there any contractual commitments for the acquisition for such assets.

### 13. Accounts payable

	2020	2019
Trade payables	269,758	246,404
Other payables and accruals	175,252	98,930
<b>Total Accounts payable</b>	<b>445,010</b>	<b>345,334</b>

### 14. Income in advance

	2020	2019
Ministry of Health - Personal Health	2,701,828	2,871,089
Ministry of Health - Public Health	546,719	590,446
Ministry of Health - National Contraception Training	352,852	-
Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati - Phase 2	80,468	487,510
Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati - Phase 3	500,000	-
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu	16,410	92,077
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu - Phase 2	321,639	-
UNFPA New York 2020 grant for NZPPD Secretariat	36,807	-
IPPF – SHRIE Pacific	2,401	7,537
<b>Total Income in Advance</b>	<b>4,559,124</b>	<b>4,048,659</b>

## 15. Employee entitlements

	2020	2019
<b>Current Liability</b>		
Accrued salaries and wages	216,558	456,896
Annual leave	661,379	583,830
Long service leave	46,925	32,714
	<b>924,862</b>	<b>1,073,440</b>
<b>Non-current Liability</b>		
Long service leave	74,007	87,067
	<b>74,007</b>	<b>87,067</b>

Employees of Family Planning become eligible for long service leave after a certain number of years of employment, depending on their contract. The liability for long service leave is recognised and measured by:

- Adjusting current pay rates for inflation using NZ Government Treasury forecasts;
- Using discount factors to calculate the present value of future payments in respect of service provided by employees up to the reporting date using the projected unit credit method. NZ Government Treasury bond rates have been used for discount factors.
- Assessing the likelihood of the entitlement being consumed. Probability factors were calculated based on length of service data from Family Planning's payroll system.

Gains and losses on the long-term incentives are fully accounted for in the statement of comprehensive revenue and expenses.

## 16. Financial instruments

Family Planning holds a number of financial instruments in the course of its normal activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in the accounting policies.

### *Fair Value*

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with Family Planning's accounting policies.

### *Liquidity Risk*

Family Planning manages its liquidity risk by managing cash flows and ensuring that adequate liquid funds are available at all times.

### *Credit Risk*

Financial instruments which potentially subject Family Planning to credit risk consist of bank balances, short term bank deposits and accounts receivable. Family Planning does not require collateral or security to support financial instruments. The organisation's bank and short-term deposit accounts are held with ANZ, BNZ and ASB. Accounts receivable predominately comprise invoiced fees for services provided to clients, and are considered fully recoverable.

### *Interest Rate Risk*

Financial instruments which potentially subject Family Planning to interest rate risk consist of bank balances and short term bank deposits. Interest rate risk is limited by investing funds in term deposits for period where these funds are not required for liquidity purposes.

The table below shows the carrying amounts of Family Planning's financial assets and financial liabilities:

	Carrying Amount			Total as at 30 June 2020
	Financial assets	Financial liabilities		
	Fair value	Loans and receivables	Amortised cost	
Cash and cash equivalents	1,940,704	-	-	1,940,704
Term deposits	8,000,000	-	-	8,000,000
Receivables	-	3,766,254	-	3,766,254
Payables	-	-	(445,010)	(445,010)
	<b>9,940,704</b>	<b>3,766,254</b>	<b>(445,010)</b>	<b>13,261,948</b>

	Carrying Amount			Total as at 30 June 2019
	Financial assets	Financial liabilities		
	Fair value	Loans and receivables	Amortised cost	
Cash and cash equivalents	1,607,558	-	-	1,607,558
Term deposits	7,500,000	-	-	7,500,000
Receivables	-	4,070,141	-	4,070,141
Payables	-	-	(345,333)	(345,333)
	<b>9,107,558</b>	<b>4,070,141</b>	<b>(345,333)</b>	<b>12,832,366</b>

## 17. Operating lease commitments

Non-cancellable operating lease rentals are payable as follows:

	<b>Premises 2020</b>	<b>Other 2020</b>	<b>Premises 2019</b>	<b>Other 2019</b>
No later than one year	1,045,195	6,506	1,051,772	15,613
More than one year, but less than 2 years	568,281	-	725,357	6,506
More than 2 years	219,632	-	207,173	-
<b>Total</b>	<b>1,833,108</b>	<b>6,506</b>	<b>1,984,302</b>	<b>22,119</b>

Family Planning leases premises and equipment under operating leases. The premises leases are for up to 3 years. No leases contain contingent rental payments.

## 18. Related Party Transactions

Key Management Remuneration

Family Planning classifies its key management as the Senior Management Team, including the Chief Executive. Council members receive no remuneration.

	<b>Remuneration 2020</b>	<b>No. of individuals 2020</b>	<b>Remuneration 2019</b>	<b>No. of individuals 2019</b>
Senior Management	998,321	7	994,775	7

## 19. Contingencies

Family Planning has no contingent liabilities as at 30 June 2020 (2019: nil).

## 20. Subsequent events

- i. On 30 June 2020, Family Planning signed two contracts for Primary Health Sexual and Reproductive Services, and Sexual Health Promotion with the Ministry of Health. Both contracts are for a period of 2 years, and are for a total of \$20,855,674 and \$5,238,010 respectively. On 18 August 2020, the revised service specifications were signed for these two contracts which has reduced the Council's risk of any clawback financial liability.
- ii. On 28 July 2020 the Ministry of Health announced a one-off funding payment for Family Planning of \$427,000 to help reduce wait times by increasing hours for existing staff, hire new clinical and administrative staff, and other cost pressures. This payment is due to be received before 30 September 2020.