

**NEW ZEALAND FAMILY PLANNING ASSOCIATION (INC.)**  
**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

<b>Contents</b>	<b>Page</b>
Statement of Comprehensive Revenue and Expenses	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 – 23

## Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2021

	Note	2021	2020
<b>Revenue from non-exchange transactions</b>			
Government contracts	6	13,842,804	13,138,508
Clinical fees		1,700,463	1,605,505
Grants revenue	7	650,444	612,528
Donations		25,032	23,202
Other non-exchange revenue	8	324,978	206,242
<b>Revenue from exchange transactions</b>			
Medical sales		120,130	225,967
Training fees		297,894	335,324
Rental revenue		42,319	28,680
Finance revenue	9	114,016	222,974
Other exchange revenue	10	139,068	69,123
<b>Total Revenue</b>		<b>17,257,148</b>	<b>16,468,053</b>
<b>Expenses</b>			
Employee costs	11	12,071,643	11,733,188
Rent		1,184,181	1,159,825
IT and communications		1,070,719	612,091
Rates and utilities		535,456	517,346
Clinical supplies		412,783	375,104
Consultants & contractors		291,457	357,774
Grant disbursements		355,599	313,268
Office expenses		232,115	283,304
Travel expenses		191,838	237,043
Medical inventory		78,714	158,396
Insurance		63,922	66,514
Audit fees		44,675	43,000
Other operating expenses	12	402,850	331,803
Bad & doubtful debts		55,268	1,599
Depreciation	17	282,082	254,803
Amortisation	18	38,608	76,690
<b>Total Expenses</b>		<b>17,311,910</b>	<b>16,521,748</b>
<b>Net Comprehensive Revenue and Expenses</b>		<b>(54,762)</b>	<b>(53,695)</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 2021

	Note	2021	2020
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	3,416,225	1,940,704
Term deposits	14	6,072,980	8,000,000
Accounts receivable	15	3,934,501	3,766,264
Accrued interest revenue		19,779	65,168
Prepayments		77,024	33,337
Inventories	16	29,568	58,685
		<b>13,550,077</b>	<b>13,864,158</b>
<b>Non-current assets</b>			
Plant and equipment	17	706,620	549,052
Intangible assets	18	48,480	247,919
		<b>755,100</b>	<b>796,971</b>
<b>TOTAL ASSETS</b>		<b>14,305,177</b>	<b>14,661,129</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	19	691,279	445,010
Income in advance	20	4,222,808	4,559,124
Employee entitlements	21	780,579	924,862
GST payable		422,356	478,672
		<b>6,117,022</b>	<b>6,407,668</b>
<b>Non-current liabilities</b>			
Long service leave	21	63,463	74,007
		63,463	74,007
<b>TOTAL LIABILITIES</b>		<b>6,180,485</b>	<b>6,481,675</b>
<b>NET ASSETS</b>		<b>8,124,692</b>	<b>8,179,454</b>
<b>EQUITY</b>			
Accumulated comprehensive revenue and expense		8,124,692	8,179,454
<b>TOTAL EQUITY</b>		<b>8,124,692</b>	<b>8,179,454</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 2021

	Note	2021	2020
Opening balance as at 1 July		8,179,454	8,233,147
Net comprehensive revenue and expenses for the year		(54,762)	(53,693)
<b>Total net assets as at 30 June</b>		<b>8,124,692</b>	<b>8,179,454</b>

These Financial Statements were approved for issue by the Family Planning Council on 1 October 2021.



**Andreas Prager**

President



**Carol Bellette**

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 2021

	Note	2021	2020
<b>Cash flows from operating activities</b>			
Membership subscriptions		3,177	4,375
Fundraising, donations and bequests		25,032	23,202
Government contracts		13,842,804	13,138,508
Receipts from grants and subsidies		650,444	612,528
Receipts from other goods and services provided to customers - non-exchange transactions		1,685,948	2,264,599
Receipts from other goods and services provided to customers - exchange transactions		599,412	1,016,207
Interest received		86,425	258,589
Payments to suppliers		(4,380,842)	(4,016,644)
Payments to employees		(12,226,467)	(11,894,825)
Grants, contributions and sponsorships paid		(355,599)	(313,268)
<b>Net cash flows from operating activities</b>		<b>(69,666)</b>	<b>1,093,271</b>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	17	(454,813)	(164,073)
Purchase of intangible assets	18	-	(96,053)
(Deposits)/receipts of funds into term deposits		2,000,000	(500,000)
<b>Net cash flows from investing activities</b>		<b>1,545,187</b>	<b>(760,126)</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,475,521</b>	<b>333,146</b>
Cash and cash equivalents at beginning of year		1,940,704	1,607,558
<b>Cash and cash equivalents at end of year</b>	13	<b>3,416,225</b>	<b>1,940,704</b>

Please note, prior year amounts for receipts from non-exchange and receipts from exchange transactions have been reclassified to ensure the results shown are comparable year on year.

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

## Notes to the Financial Statements

For the year ended 30 June 2021

### 1. Reporting Entity

The financial statements presented are those of NZ Family Planning Association (Inc.) ("Family Planning") for the year ended 30 June 2021.

Family Planning is incorporated as a Registered Charity registered under the Charities Act 2005, and is therefore exempt from income taxation.

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.

The financial statements were authorised for issue by the Council on 1 October 2021.

### 2. 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, and are rounded to the nearest dollar.

### 3. Summary of significant accounting policies

#### a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity.

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings, and other financial liabilities.

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs attributable to the acquisition, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Financial assets and financial liabilities are recognised when the reporting entity becomes a party to the contractual provisions of the financial instrument.

#### Derecognition of financial instruments

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or if Family Planning transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

#### Subsequent measurement of financial assets

The subsequent measurement of financial assets depends on their classification, which is primarily determined by the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-evaluates this designation at each reporting date.

All financial assets held by Family Planning in the years reported have been designated into "loans and receivables", being non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition these are measured at amortised cost using the effective interest method, less provision for impairment.

#### Subsequent measurement of financial liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at fair value through surplus or deficit, that are subsequently measured at fair value with gains or losses recognised in the surplus or deficit.

### **b) Income tax and other taxes**

#### Income tax

Due to its charitable status, Family Planning is exempt from income tax.

#### Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- In the case of receivables and payables, which are stated with the amount of GST included.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

### **c) Foreign currency translation**

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction.

Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

## **4. Significant accounting judgements, estimates and assumptions**

The preparation of financial statements in accordance with NZ IPSAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Where material, information on significant judgements, estimates and assumptions is provided in the relevant accounting policy or note disclosure.

The estimates and underlying assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances. Estimates are subject to ongoing review and actual results may differ from these estimates. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in future years affected.

The following are significant management judgements in applying the accounting policies of Family Planning that have a significant effect on the financial statements:

### *Useful lives, residual values and impairment*

Useful lives, residual values and impairment of assets are assessed annually based on the following:

- The condition of the asset based on the assessment of experts employed by Family Planning;
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes;
- The nature of the processes in which the asset is deployed;
- Availability of funding to replace the asset; and

- Changes in the market in relation to the asset.

Adjustments to useful lives are made when considered necessary.

#### *Provisions*

Provisions are raised and management determine an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

## **5. 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 from non-exchange transactions

##### *Government grants and funding*

Revenues 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.

##### *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 Family Planning issues the invoice or bill for the service. 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

##### *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.

##### *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.

##### *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 comprehensive revenue and expenses due to its operating nature.

##### *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.

## **6. Government contract revenue**

	<b>2021</b>	<b>2020</b>
Ministry of Health – Personal Health	10,854,833	10,491,951
Ministry of Health – Public Health	2,619,005	2,554,890
Ministry of Health – National Contraception Training	368,966	91,667
<b>Total Government contract revenue</b>	<b><u>13,842,804</u></b>	<b><u>13,138,508</u></b>

In 2021 78% (2020 79%) of total revenue was received from two contracts from the Ministry of Health. The Personal Health contract funds Family Planning to provide clinical sexual and reproductive services at our clinics and school-linked clinics and outreach centres throughout New Zealand. It also provides some funding towards clinical training and development.

The Public Health contract concentrates on health promotion work, which provides programmes and courses on all aspects of sexual health and relationships.

## 7. Grants revenue

	<b>2021</b>	<b>2020</b>
Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati	407,369	407,041
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu – Phase 1	-	179,636
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu – Phase 2	195,486	8,653
UNFPA New York 2021 grant for NZPPD Secretariat	36,807	-
UNFPA New York 2020 grant for NZPPD Secretariat	157	12,062
IPPF – SHRIE Pacific	10,625	5,136
<b>Total Grants revenue</b>	<b>650,444</b>	<b>612,528</b>

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

Family Planning have two projects underway in conjunction with MFAT this year. The first is for providing the Healthy Families programme to reduce unplanned pregnancies and STIs in South Tarawa and six outer islands in Kiribati. Phase 3 of this project commenced from 1 July 2020.

The second project is to reduce unplanned pregnancies and sexually transmissible infections (STIs) among underserved rural communities in Vanuatu.

Deferred grant revenue as at 30 June 2021 was \$536,004 (2020 \$918,517).

### *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. \$41,640 was received in 2021 (2020 \$48,869).

*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 2021 was \$669 (2020 \$2,401).

**8. Other non-exchange revenue**

	<b>2021</b>	<b>2020</b>
Other contracts revenue	289,844	192,632
Contributions and bequests	17,216	-
Membership fees	3,177	4,375
Retail Sales	14,741	9,235
<b>Total Other contracts revenue</b>	<b>324,978</b>	<b>206,242</b>

**9. Finance revenue**

	<b>2021</b>	<b>2020</b>
Interest income	114,016	222,974
<b>Total Finance revenue</b>	<b>114,016</b>	<b>222,974</b>

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.

**10. Other exchange revenue**

	<b>2021</b>	<b>2020</b>
Resource sales	26,949	43,836
Sponsorship	-	513
Other revenue	112,119	24,774
<b>Total Other exchange revenue</b>	<b>139,068</b>	<b>69,123</b>

**11. Employee costs**

	<b>2021</b>	<b>2020</b>
Wages and salaries	11,724,222	11,235,155
KiwiSaver employer contributions	306,618	298,634
Other employee benefits	40,803	199,399
<b>Total Employee costs</b>	<b>12,071,643</b>	<b>11,733,188</b>

## 12. Other operating expenses

	2021	2020
Bank fees	14,959	14,972
Course expenses	18,273	13,531
Equipment leases	19,059	17,791
General expenses	63,040	59,759
Health & safety expenses	25,051	16,376
Legal fees	59,486	33,604
Minor asset purchases	42,592	31,983
Promotion & marketing	27,305	45,148
Quality expenses	18,900	24,002
Recruitment costs	31,897	12,171
Repairs and maintenance	82,288	62,466
<b>Total other operating expenses</b>	<b>402,850</b>	<b>331,803</b>

## 13. 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.

	2021	2020
Cash on hand	2,447	5,715
Cash at bank	3,413,778	1,934,989
<b>Total cash and cash equivalents</b>	<b>3,416,225</b>	<b>1,940,704</b>

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

#### 14. Investments

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.

	<b>2021</b>	<b>2020</b>
Term deposits	6,072,980	8,000,000
<b>Total investments</b>	<b>6,072,980</b>	<b>8,000,000</b>

#### 15. Accounts receivable

	<b>2021</b>	<b>2020</b>
<b>Receivables from non-exchange transactions</b>		
Ministry of Health contracts	3,829,857	3,695,565
Other non-exchange receivables	-	-
<b>Receivables from exchange transactions</b>		
Trade receivables	155,931	75,349
Other exchange receivables	-	1,991
Less Provision for impairment	(51,287)	(6,641)
<b>Total Accounts receivable</b>	<b>3,934,501</b>	<b>3,766,264</b>

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.

## 16. Inventories

	<b>2021</b>	<b>2020</b>
Inventory held for distribution or provision of services at no charge	-	37,690
Inventory held for sale or provision of services at commercial terms	29,568	20,995
<b>Total Inventories</b>	<b>29,568</b>	<b>58,685</b>

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.

## 17. Plant and equipment

All items of plant and equipment are shown at cost less accumulated depreciation and any impairment losses 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.

### 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

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

	Leasehold Improvements	Furniture & Fittings	Clinic & Office Equipment	Computer Hardware	TOTAL
<b>Cost or valuation</b>					
As at 1 July 2020	1,336,448	170,047	538,371	752,821	<b>2,797,686</b>
Additions	200,707	188,471	34,989	30,646	<b>454,813</b>
Disposals	(832,639)	(119,935)	(278,211)	(186,168)	<b>(1,416,954)</b>
<b>As at 30 June 2021</b>	<b>704,516</b>	<b>238,583</b>	<b>295,149</b>	<b>597,298</b>	<b>1,835,546</b>
<b>Accumulated depreciation</b>					
As at 1 July 2020	1,194,589	145,181	400,480	508,384	<b>2,248,634</b>
Depreciation for year	71,408	27,903	45,588	137,183	<b>282,082</b>
Disposals	(832,639)	(105,036)	(277,946)	(186,168)	<b>(1,401,789)</b>
<b>As at 30 June 2021</b>	<b>433,358</b>	<b>68,048</b>	<b>168,122</b>	<b>459,399</b>	<b>1,128,926</b>
<b>Net book value</b>					
As at 1 July 2020	141,859	24,866	137,891	244,437	<b>549,052</b>
<b>As at 30 June 2021</b>	<b>271,158</b>	<b>170,535</b>	<b>127,028</b>	<b>137,899</b>	<b>706,620</b>

## 18. 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.

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

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

	<b>Computer Software</b>
<b>Cost or valuation</b>	
As at 1 July 2020	699,823
Additions	-
Disposals	<u>(514,897)</u>
<b>As at 30 June 2021</b>	<b><u>184,926</u></b>
<b>Accumulated amortisation</b>	
As at 1 July 2020	451,904
Amortisation for year	38,608
Disposals	<u>(354,066)</u>
<b>As at 30 June 2021</b>	<b><u>136,446</u></b>
<b>Net book value</b>	
As at 1 July 2020	<u>247,919</u>
<b>As at 30 June 2021</b>	<b><u>48,480</u></b>

*Implementation of IFRIC agenda decision and new accounting policy*

During the year, Family Planning revised its accounting policy in relation to upfront configuration and customisation costs incurred in implementing Software as a Service (SaaS) arrangements in response to the International Financial Reporting Standards Interpretations Committee (IFRIC) agenda decision clarifying its interpretation of how current accounting standards apply to these types of arrangements. The new accounting policy is reflected in the numbers presented above.

*Software-as-a-Service (SaaS) arrangements*

SaaS arrangements are service contracts providing Family Planning with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

## 19. 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.

	2021	2020
Trade payables	401,933	269,758
Other payables and accruals	289,346	175,252
<b>Total Accounts payable</b>	<b>691,279</b>	<b>445,010</b>

## 20. Income in advance

	2021	2020
Ministry of Health - Personal Health	2,606,963	2,701,828
Ministry of Health - Public Health	654,751	546,719
Ministry of Health - National Contraception Training	258,286	352,852
Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati - Phase 2	80,468	80,468
Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati - Phase 3	261,028	500,000
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu	16,410	16,410
Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu - Phase 2	178,098	321,639
UNFPA New York 2020 grant for NZPPD Secretariat	-	36,807
UNFPA New York 2021 grant for NZPPD Secretariat	41,483	-
IPPF – SHRIE Pacific	669	2,401
Professional Training Course Fees in advance	101,871	-
Bequests	22,781	-
<b>Total Income in Advance</b>	<b>4,222,808</b>	<b>4,559,124</b>

## 21. 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.

### Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits), annual leave and accumulating sick leave are recognised in surplus or deficit during the period in which the employee rendered the related services, and are generally expected to be settled within 12 months of the reporting date. The liabilities for these short-term benefits are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

### 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.
- Assessing the likelihood of the entitlement being consumed. Probability factors were calculated based on length of service data from Family Planning's payroll system.

	2021	2020
<b>Current Liability</b>		
Accrued salaries and wages	135,439	216,558
Annual leave	594,916	661,379
Long service leave	50,224	46,925
	<b>780,579</b>	<b>924,862</b>
<b>Non-current Liability</b>		
Long service leave	63,463	74,007
	<b>63,463</b>	<b>74,007</b>

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

## 22. 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 2021
	Financial assets	Financial liabilities		
	Fair value	Loans and receivables	Amortised cost	
Cash and cash equivalents	3,416,225	-	-	3,416,225
Term deposits	6,072,980	-	-	6,072,980
Receivables	-	3,934,501	-	3,934,501
Payables	-	-	(691,279)	(691,279)
	<b>9,489,205</b>	<b>3,934,501</b>	<b>(691,279)</b>	<b>12,732,427</b>

### Carrying Amount

	Financial assets		Financial liabilities	Total as at 30 June 2020
	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>

### 23. Operating lease commitments

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.

Non-cancellable operating lease rentals are payable as follows:

	Premises 2021	Other 2021	Premises 2020	Other 2020
No later than one year	943,378	-	1,045,195	6,506
More than one year, but less than 2 years	619,708	-	568,281	-
More than 2 years	214,932	-	219,632	-
<b>Total</b>	<b>1,778,018</b>	<b>-</b>	<b>1,833,108</b>	<b>6,506</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.

### 24. 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.

	Remuneration 2021	No. of individuals 2021	Remuneration 2020	No. of individuals 2020
Senior Management	1,046,949	7	998,321	7

**25. Contingencies**

Family Planning has no contingent liabilities as at 30 June 2021 (2020: nil).

**26. Subsequent events**

- i. On 17 August 2021, the New Zealand Government announced an immediate change from COVID-19 Alert Level 1 to Alert Level 4 for the whole country. As at 24 September 2021, the Auckland region remained at Alert Level 3, with the rest of the country at Alert Level 2. Whilst this has minimal impact on Family Planning's finances, it does impact on service delivery volumes.