

# Financial statements

2016



# Who we are

The International Planned Parenthood Federation (IPPF) is a global service provider and a leading advocate of sexual and reproductive health and rights for all. We are a worldwide movement of national organizations working with and for communities and individuals.

IPPF works towards a world where women, men and young people everywhere have control over their own bodies, and therefore their destinies. A world where they are free to choose parenthood or not; free to decide how many children they will have and when; free to pursue healthy sexual lives without fear of unwanted pregnancies and sexually transmitted infections, including HIV. A world where gender or sexuality are no longer a source of inequality or stigma. We will not retreat from doing everything we can to safeguard these important choices and rights for current and future generations.

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# Executive summary

## New Strategic Framework 2016–2022

2016 saw the implementation of IPPF's new strategic plan and therefore was a year of transition for the Secretariat as operations were aligned to focus on the new outcomes. The strategy responds to social, political and demographic global trends. These include: the expectations and potential of the largest ever generation of young people; ongoing, significant social and economic inequalities, including discrimination against girls and women; and opposition that threatens gains in human rights.

IPPF's Strategic Framework sets the priorities that will allow the Federation to deliver impact as a sexual and reproductive health and rights (SRHR) movement over the next seven years. It will guide national Member Associations and partners in formulating their own country-specific strategies, based on their resources and tailored to serve the most marginalized groups in local contexts. It also provides focus to the Secretariat in its international influencing and in its support to Member Associations.

Progress in delivering the Strategic Framework will be measured through a dashboard of global results and Member Associations will report on these indicators on an annual basis. With this essential tool, IPPF is equipped to move forward and deliver on its promises. At the helm of the sexual and reproductive health and rights movement, we will help unite the actions and achievements of sexual and reproductive health (SRH) champions around the world to realize a step change in sexual and reproductive health and rights around the world.



IPPF/Peter Caton/Philippines

## Global results

IPPF’s Performance Dashboard reports on progress in implementing our new Strategic Framework 2016–2022. The results show that we have started well with strong performance in our four areas of focus: to champion rights, empower communities, serve people, and unite and perform. Key highlights include 175 advocacy wins in support of SRHR, and an increase in SRH services and couple years of protection delivered from 2015 to 2016, with 41 per cent going to young people, and a clear commitment to reaching the under-served, with nearly eight in ten of our clients being poor and vulnerable.

## Key global issues in 2016

Following the outcome of the election in the United States of America in November it was clear that the global gag rule would be reinstated in 2017 and therefore reduce the future ability for the Federation to receive funding from the US government. The Global Gag Rule denies U.S. funding to organizations like IPPF if they use money from other donors to provide abortion services, counselling or referrals – even if abortion is legal in a country. The Global Gag Rule’s reinstatement will result in additional unintended pregnancies and countless other needless injuries and deaths. We cannot – and will not – deny life-saving services to the world’s poorest women. We will work with governments and donors in 2017 to bridge the funding and service gaps the Global Gag Rule creates. We will ensure that women can exercise their rights and access safe abortion and family planning.

The Zika virus was declared an international health emergency in February 2016 with IPPF calling for a comprehensive, integrated response and recommending the strengthening of family planning programmes and access to safe abortion. This then led to new restricted projects being planned with donors to meet this need.

## Financial results

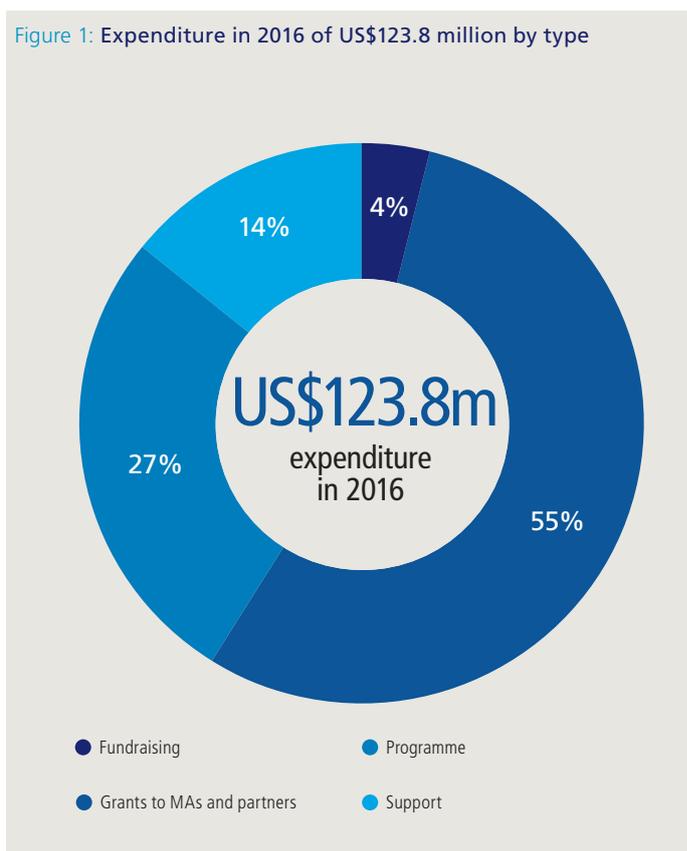
We continue to receive funding from and are grateful for the continued support of our key funders. With their support and help our unrestricted funding increased in the year to US\$76.7 million from US\$72.2 million. This was in spite of the United Kingdom’s decision to leave the European Union in June, which led to the weakening of sterling and Euro against the dollar and reduced our dollar income from our European donors.

Restricted income increased from US\$44.1 million to US\$53.7 million. A significant factor in the increase was the US\$10 million received from the David and Lucile Packard Foundation to enable IPPF to respond to the Zika crisis in the Western Hemisphere Region.

The amount of grants to Member Associations (MAs) and partner organizations was US\$68.3 million.

Central expenditure decreased by US\$2.9 million to US\$16.1 million mainly due to the weakening of sterling whereas Regional expenditure remained consistent with the prior year at US\$34.0 million (a US\$0.4 million decrease on 2015).

Figure 1: Expenditure in 2016 of US\$123.8 million by type





# Annual report of the Governing Council

## Introduction

The International Planned Parenthood Federation (IPPF) is a global service provider and a leading advocate of sexual and reproductive health and rights for all. IPPF is a worldwide movement of national organizations working with and for communities and individuals, focussing support on those who are poor, marginalized, socially-excluded and under-served.

IPPF currently has 142 Member Associations (MAs). These Member Associations are working in 153 countries (the Caribbean Family Planning Affiliation operates in 12 countries). In addition, IPPF is active in a further 18 countries where there is not currently a Member Association. This brings the total number of countries in which IPPF is working to 171.

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

The financial statements contained herein have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), as issued by the Charity Commission in 2015.

In addition to the financial statements IPPF publishes an Annual Performance Report which outlines in detail the major activities of IPPF and their alignment to the strategic goals of the organization. Copies of this report are available on [www.ippf.org](http://www.ippf.org)

## Objectives and activities

### Moving Forward Together: our new Strategic Framework 2016–2022

2016 saw the start of our new Strategic Framework (2016–2022). Country level strategies have been prepared to identify the contributions they can commit to. The Secretariat staff were consulted and agreed on an Implementation Plan (2016–2019) that identifies deliverables we shall prioritize and invest in to support the four outcomes. This plan will help ensure a coordinated approach across the seven Secretariat offices and guide the annual planning and budgeting. The results of the strategy will be monitored through sixteen expected result indicators as parts of a global dashboard of results.

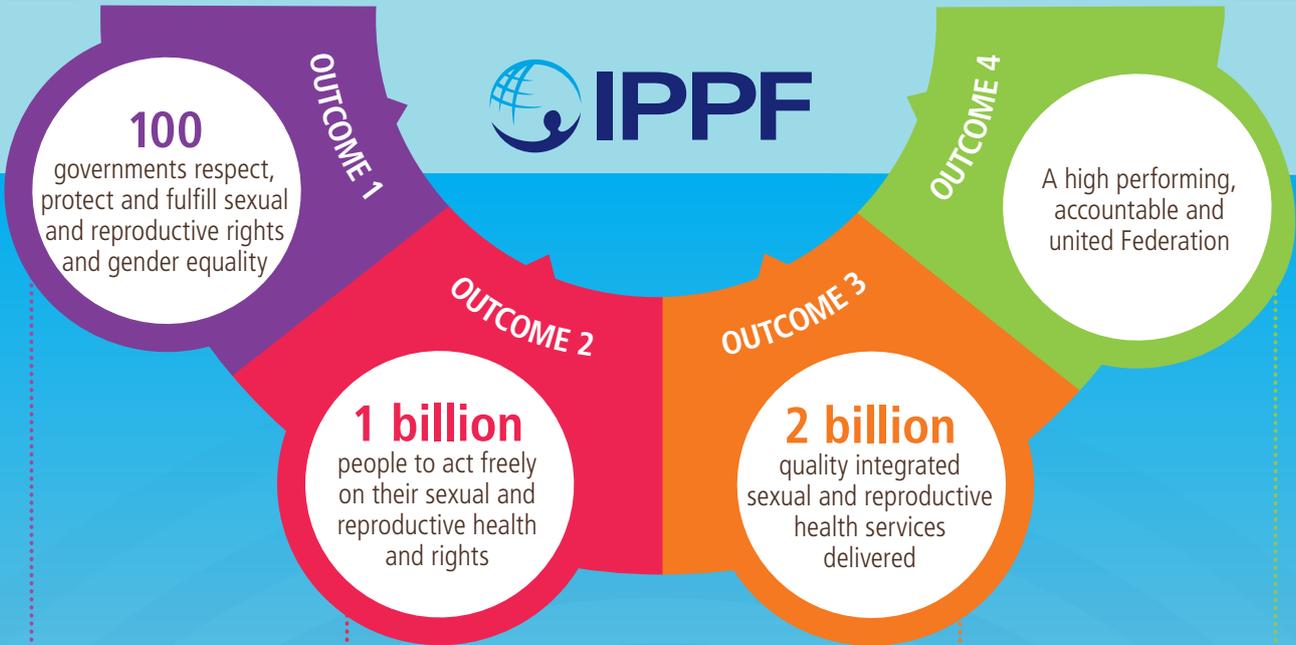
### Focus

Our strategy focuses on achieving four key outcomes:

- **Championing Rights** – 100 Governments respect, protect and fulfil sexual and reproductive rights and gender equality
- **Empowering Communities** – 1 billion people to act freely on their sexual and reproductive health and rights
- **Serve People** – 2 billion quality integrated sexual and reproductive health services delivered
- **Unite and Perform** – A high performing, accountable and united Federation

## OUR VISION

ALL PEOPLE ARE FREE TO MAKE CHOICES ABOUT THEIR SEXUALITY AND WELL-BEING, IN A WORLD WITHOUT DISCRIMINATION



Galvanize commitment and secure legislative, policy and practice improvements

Enable young people to access comprehensive sexuality education and realize their sexual rights

Deliver rights-based services including for safe abortion & HIV

Enhance operational effectiveness and double national and global income

Engage women and youth leaders as advocates for change

Engage champions, opinion formers and the media to promote health, choice and rights

Enable services through public and private health providers

Grow our volunteer and activist supporter base

## IPPF'S MISSION

TO LEAD A LOCALLY OWNED, GLOBALLY CONNECTED CIVIL SOCIETY MOVEMENT THAT PROVIDES AND ENABLES SERVICES AND CHAMPIONS SEXUAL AND REPRODUCTIVE HEALTH AND RIGHTS FOR ALL, ESPECIALLY THE UNDER-SERVED

## OUR VALUES

SOCIAL INCLUSION

DIVERSITY

PASSION

VOLUNTEERISM

ACCOUNTABILITY

## Championing Rights

By 2022, 100 governments will respect, protect and fulfill sexual and reproductive rights and gender equality.

IPPF will champion sexual and reproductive rights and gender equality through direct advocacy with governments and regional institutions, and by partnering and supporting civil society advocates and leaders, particularly girls and women.

### Priority objective one: Galvanize commitment and secure legislative, policy and practice improvements

Although many governments have made public statements in support of sexual and reproductive health and rights, and gender equality, many of them have failed to realize their commitments through supportive legislation, policy and funding. As a result, citizens continue to be denied their rights to life-saving services. Where governments have translated their commitments in tangible ways, national political leadership on sexual and reproductive health and rights has not only transformed people's lives and benefited wider society, but has also influenced the actions of other governments. IPPF will further invest in political advocacy at all levels, including supporting Member Associations with capacity building, funding and monitoring. We will target key institutions, support and foster interested parliamentarians, engage with community and faith networks, and influence regional and international processes. Leading collaborations within civil society, IPPF will generate new political commitments and ensure that they are effectively implemented.

### Priority objective two: Engage women and youth leaders as advocates for change

IPPF will strengthen its links with youth and women's organizations and provide pathways for women and young leaders – particularly girls – within the Federation. These programmes will be designed in-country and will aim to engage socially excluded individuals, who may not typically be involved. Programmes will promote male involvement in SRHR, and address issues related to masculinity, gender and sexuality. We will further resource our youth networks to ensure greater co-ordination and collaboration. By 2022, a new generation of youth and women leaders will be championing and advocating for sexual and reproductive health and rights.

## Empower Communities

By 2022, one billion people will act freely on their sexual and reproductive health and rights.

IPPF will focus on expanding access to and quality of comprehensive sexuality education around the world. At the same time, we will run popular campaigns to mobilize those who support sexual and reproductive health and rights.

### Priority objective three: Enable young people to access comprehensive sexuality education and realize their sexual rights

IPPF will transition from a youth-friendly to a youth-centred organization by: prioritizing and scaling up comprehensive sexuality education – which seeks to equip young people with skills, knowledge and values to determine and enjoy their sexuality and protect their health; and focusing on interventions for the most marginalized youth, in and out of school.

### Priority objective four: Engage champions, opinion formers and the media to promote health, choice and rights

IPPF will implement public campaigns to raise awareness of sexual and reproductive health and rights issues and generate support, with integrated communications strategies and the involvement of public-facing champions, opinion formers and media outlets. We will develop adaptable content, featuring personal testimonies, and deliver it through a variety of formats, including traditional and social media. This work will be embedded as a core part of what we do. By 2022, we will have reached one and half billion people with messages through the Federation and in partnership with our champions and partners, including the media

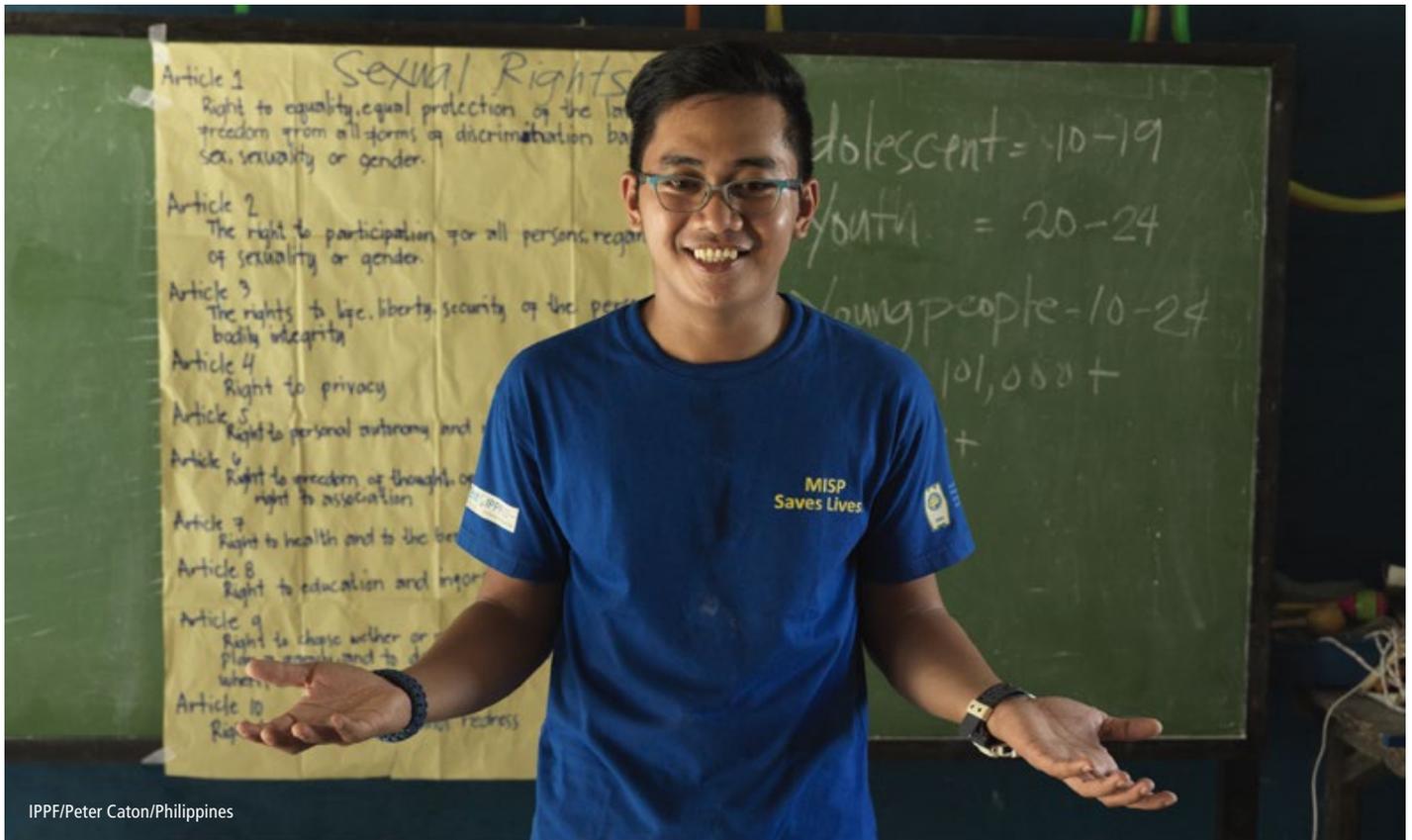
## Serve People

By 2022, IPPF and our partners will deliver two billion quality, integrated sexual and reproductive health services.

In its own service delivery outlets and through partnerships with private and public providers, IPPF will scale up the provision of an essential package of high quality sexual and reproductive health services that are rights-based, client-centred, gender sensitive and youth friendly.

### Priority objective five: Deliver rightsbased services including for safe abortion and HIV

IPPF will ensure that all its service outlets provide high quality services: they must not only provide a minimum, integrated package, but must also be client-centred, rights-based, youth friendly and gender sensitive. Our services will not turn anyone away because of inability to pay, or lack of health personnel, and we will expand access through a diverse range of delivery channels. Through quality improvements we will reinforce our reputation as a health provider that is welcoming to all. IPPF will strengthen sexual and reproductive health services in humanitarian settings by improving access before, during and after conflict and crisis situations. We will also invest in technical expertise to support effective supply chain management, high quality equipment and infrastructure, and management capacity.



IPPF/Peter Caton/Philippines

#### Priority objective six: Enable services through public and private health providers

With an increasing number of health providers offering sexual and reproductive health services, IPPF Member Associations have a distinct role in providing technical assistance. IPPF can ensure that services are responsive to the local community, are client-centred and provide rights-based, supportive care to all. IPPF will develop new formal partnerships with public and private providers. We will deliver pre- and in-service training for medical personnel, integrated sexual and reproductive health services in partner facilities, and we will strengthen supply chain management and quality of care. By bringing together a diverse range of service providers, IPPF will assemble a multi-faceted, global network of high quality, rights-based SRH service providers.

#### Unite and Perform

**By 2022, IPPF will be a high -performing, accountable and united Federation.**

IPPF is evolving its structures and systems to adapt to changing environments, and at the same time we return to our roots – to reinvest in the volunteer-led activist movements that created IPPF in the first place. This fusion of innovation and timeless, grassroots energy will ensure that IPPF is the best it can be.

#### Priority objective seven: Enhance operational effectiveness and double national and global income.

IPPF is committed and has an ethical obligation to make the most of its resources and to be flexible and responsive to changing political and economic contexts. To maximize the number of people we can serve, we need to increase our operational effectiveness.

We must remain relevant, responsible and efficient in how we seek out funding, translate it into development outcomes and sustain services to meet demand. IPPF is evolving its operations and financial structures to incorporate diverse business models that are fit for purpose in each of the specific contexts we work in around the world. We will ensure ongoing funding for our services by: supporting Member Associations to develop social enterprises; recruiting and retaining staff and volunteers that bring business planning, market analysis, communications, and performance management skills to the Federation; and strengthening financial and performance management at all levels. By 2022, all parts of the Federation will be able to clearly articulate their model of sustainability and IPPF will be generating more income through diverse sources.

#### Priority objective eight: Grow our volunteer and activist supporter base.

IPPF's work is demanded and delivered by communities: this groundswell of grassroots support gives legitimacy and is the foundation of our political advocacy. Opposition groups, a vocal minority in many places, threaten the gains that the sexual and reproductive health and rights movement has achieved, and there is now a need to grow and lead the volunteer and activist supporter base for sexual and reproductive health and rights at local levels to present a clear, alternative voice to groups that do not support sexual and reproductive rights. IPPF will invest in communications staff, systems and technologies. We will recruit and organize volunteers and activists who want to advance sexual and reproductive health and rights, focusing initially in countries where the Member Associations have the interest and potential to grow their supporter base quickly. A strong sexual and reproductive health and rights activist community will help individuals everywhere to claim their sexual and reproductive rights and hold their leaders to account.

## Grant making to Member Associations and partners

The main activity for achieving the strategic outcomes across the Federation is by making grants to member associations and partners to carry out their work and deliver services.

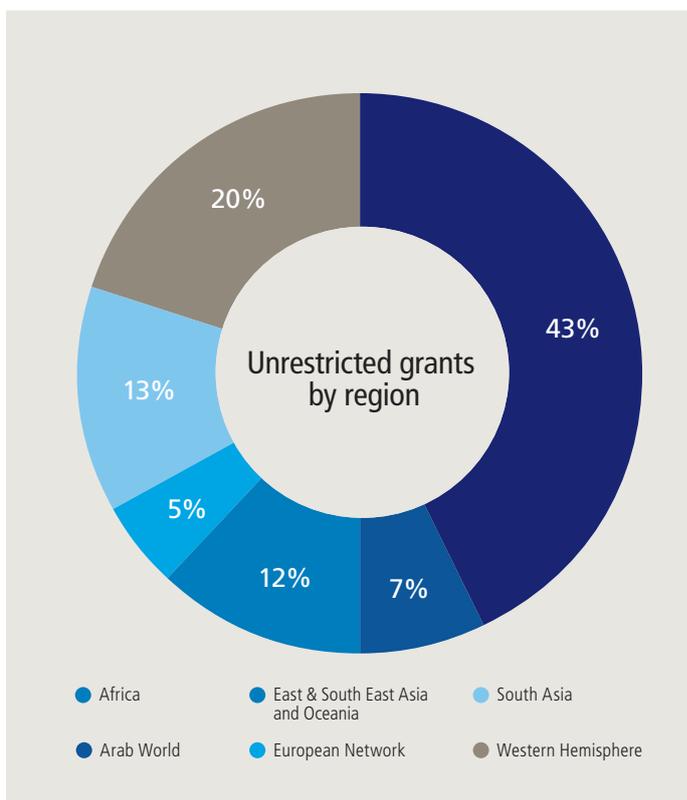
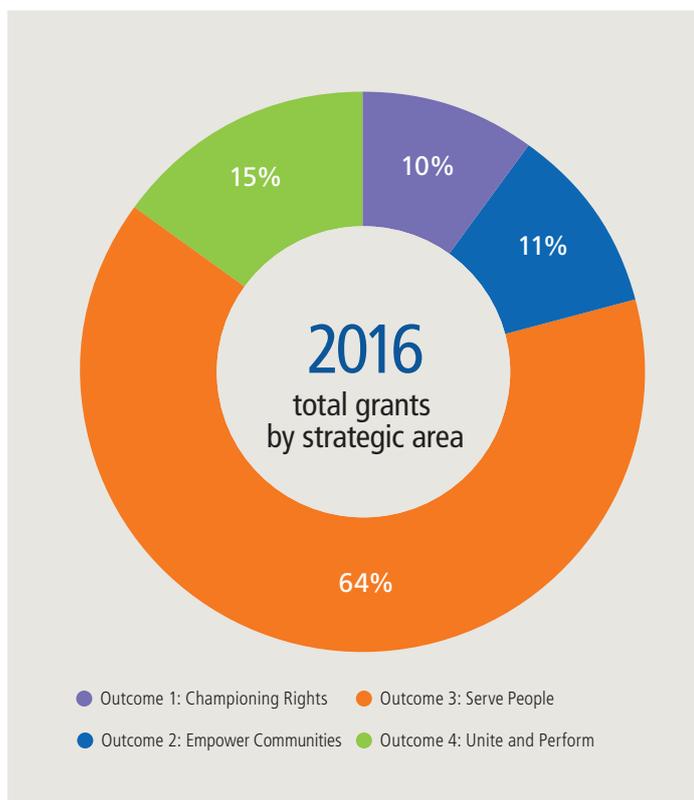
IPPF allocates resources using criteria relating to the level of need and performance in each of the four strategic priority areas, using both internationally recognized data and also internal performance data.

The Governing Council has established the level of unrestricted funding which should be allocated to each region. The regions then make decisions on the individual funding to their Member Associations, based on the resource allocation criteria. The highest priority is for the Africa and South Asia Regions which are allocated 44.5% and 16.0% respectively. Unrestricted grants are awarded on an annual basis with Member Associations submitting an Annual Programme Budget which outlines the activities and funding required in relation to the Strategic Framework. This process is undertaken by many Member Associations using IPPF's Integrated Management System (PRISM). Once approved, Member Associations receive funding in three instalments during the year based on satisfactory submission of half yearly and annual reports, audited financial statements and management letters.

The linkage between grants and performance is further strengthened by the Federation-wide performance-based funding system, under which unrestricted grant levels are adjusted for each Member Association based on performance against a number of key indicators.

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

Grants will only be made to associations for whom an audited set of financial statements have been received, and who have been assessed as meeting the IPPF accreditation criteria.



## Areas of work

The following provides an overview of IPPF's key activities and achievements in 2016. Further information regarding each of the strategic areas is available in our Annual Performance Report, also includes case studies highlighting achievements in a range of Member Associations in 2016.

Additional information, reports and case studies are available on our website [www.ippf.org](http://www.ippf.org).

### Championing Rights – Outcome 1

#### Review of 2016

In 2016, the IPPF Secretariat and Member Associations across the world won 175 **changes to laws, policies** and budgets in favour of sexual and reproductive health and rights, gender equality and women's empowerment, through influencing decision makers in national governments, regional and multi-lateral institutions and international fora. In 2016, the Federation continued its role as a leading civil society voice for change with a particular focus on ensuring these issues were implemented by governments under the new Sustainable Development Goals.

IPPF worked with allies in Member State Missions, made official statements and ran well-attended events at international, regional and national events and negotiations including the United Nations Commission of the Status of Women, the Commission on Population and Development, the World Health Assembly High-Level Meeting on Ending AIDS, and at the African Union in Addis Ababa.

IPPF continued to support civil society organizations across the world which are working to **hold governments to account** for the pledges made at the 2012 London Family Planning summit. IPPF hosted meetings of family planning activists and champions and ensured that southern voices for family planning were heard. IPPF also led research on the effectiveness of social accountability in family planning programmes. IPPF supported Member Associations to submit shadow reports through the Universal Periodic Review process. We continued to influence the shape of the Global Financing Facility hosted by the World Bank.

IPPF continued to work in partnerships and coalitions at international, regional and national levels, including with agencies like UNFPA, with champions such as African First Ladies, advocacy groups like the Reproductive Health Supplies Coalition and the FP2020 movement, as well as with influential governments.

IPPF worked with young people in 12 countries through the ACT!2030 campaign to strengthen data collection and advocacy on aspects of the Sustainable Development Goals that most affect their lives.

IPPF's global **"Know it! Own it!"** campaign for Comprehensive Sexuality Education secured popular support from around the world with campaign messages reaching supporters through social media, video and email action alerts, as well as national events.

#### Plans for 2017

In 2017 we will launch a new Federation-wide campaign push focused on equitable access to contraception. We will continue to advocate for funding for sexual and reproductive health and rights. As well as pushing for accountability around family planning pledges, we will track progress in implementing sexual and reproductive health and rights and gender equality under the Sustainable Development Goals, with a focus on accountability at both the national level and through the High Level Political Forum in New York. Our work with young people and women's groups, our support to Member Associations to use the Universal Periodic Review process, as well as our presence in important United Nations fora will also continue. Our new Liaison Office in Geneva will enable us to have more influence with key organizations based there.

### Empower Communities – Outcome 2

#### Review of 2016

**IPPF CSE Toolkit:** a Comprehensive Sexuality Education (CSE) toolkit is being developed to provide guidance and resources to:

- deliver CSE for children, adolescents and youth in formal and non-formal settings; and
- enable other stakeholders to develop and implement CSE policies and programmes.

The toolkit will be a vehicle to scale up Member Associations' CSE interventions and will ensure quality and consistency across the Federation. The focus of the toolkit will be on both content and delivery of CSE; how to introduce sensitive issues for different age groups, including abortion, sexual diversity, pleasure and rights and will introduce a learner-centred approach, especially to reach the most vulnerable groups of young people. Furthermore, guidance will be given on how to introduce CSE in the community and with parents and make linkages with service delivery.

As planned, a guidance document for the Implementation of Young People's Sexual Rights: **Fulfil!** Translating the sexual rights of young people into practice not only involves raising awareness among young people for them to claim their rights, but also needs working with duty bearers, such as health providers, educators and policy makers for them to fulfil these rights in law and in services. In collaboration with the World Association of Sexual Health, and after consultation with a large group of experts from human



IPPF/Jack Robert-Tissot/Vanuatu

rights, SRH and youth communities, Fulfil! was published in 2016. It addresses the most critical issues of young people's sexual rights and gives recommendations on how to move the sexual rights agenda forward for young people.

### Plans for 2017

In 2016 we will further institutionalize our commitment to young people and ensure it is incorporated in our approaches across programmatic areas and work to sustain the impact of our programmes and interventions. There will continue to be a focus on introducing a youth centred approach and provide a united and cohesive framework with clear actions by MAs, Regional Offices (ROs) and Central Office and clear deliverables. To ensure successful mainstreaming and integration of young people in specific areas including access to contraceptives, HIV, abortion etc., we will use past experiences, for example our work on youth friendly services and on abortion and young people have.

## Serve People – Outcome 3

### Review of 2016

In 2016, as well as implementing the new Strategic Framework and plan we continued to develop capacity around the world for SRH services and offer an integrated approach to Family Planning via numerous other projects including:

Four Member Associations new to the **Global Comprehensive Abortion Care Initiative (GCACI)** programme were supported to initiate and strengthen the integration of abortion and contraceptive services – the Integrated Package of Essential Services (IPES).

Technical assistance was provided by our GCACI team to 14 Member Associations to improve quality of care in the clinics through technical support visits, the implementation of clinic quality of care audits, and the dissemination of resources and tools to strengthen quality of care in 117 MA clinics.

**Safe Abortion Action Fund** continued to provide grants to projection which promote safe abortion and prevent unsafe abortion through advocacy and awareness raising, service delivery and research activities.

IPPF **Japan Trust Fund** for HIV and Reproductive Health (JTF) supported the delivery of maternal and child health programmes in Malawi, Tanzania and Sudan to prevent mother to child transmission of HIV. JTF also enabled MAs in Samoa and Morocco to develop new community based service delivery models by partnering with private factories and companies to provide SRH services in workplaces.

The UNFPA supported **Implant Fund** was successfully completed in December 2016. Through the project, over 20 MAs implemented activities to introduce implants as part of the contraceptive method mix or to scale up on-going activities. The range of activities



IPPF/Jane Mingay/Georgia

implemented included training of health providers, demand creation, supply chain management and provision of services. The following MAs implemented the project in 2016: Cambodia, CAR, DRC, Ghana, Guinea, Mali, Mauritania, Palestine, Pakistan, Sudan, Uruguay and Yemen.

The IPPF **Cervical Cancer Scale-up Fund** was set up in 2015, dedicating US\$1 million to the Federation-wide goal to triple the services offered by 2020. The Fund currently supports seven Member Associations (Albania, Côte d'Ivoire, El Salvador, Ethiopia, Honduras, India and Uganda) through individual grants with an implementation period of 18–24 months for projects focused on: strengthening and scaling up the number of cervical cancer services and treatments provided by MAs by at least 20% during the lifespan of the project; incorporating new programmatic or technological innovations for screening or treatment to improve the quality of cervical cancer services; integrating cervical cancer prevention and treatment as part of the regular services offered by the MAs. A total of 15,312 women have been screened through the project to date.

The **Technical Support Facility** based in Kuala Lumpur funded by UNAIDS continues to be support the South East Asia and the Pacific region's response to HIV and AIDS. It offers technical support and capacity building across the region.

**Sustainable Networks** team continued to roll out an integrated approach. For example, in recognition that people living with HIV often have limited access to voluntary FP and reproductive health services than the general population, the GREAT project in Kenya aims to reach young people living with HIV and AIDS with FP messaging and services. In 2016, Family Health Options Kenya trained 20 facility based service providers; 20 community health volunteers, and 20 youth living with HIV and AIDS on all

FP methods. Service delivery was initiated and to date, 799 clients have received a total of 4,720 services because of the project.

Implementation of the **Sexual Gender Based Violence (SGBV) Scale up Fund** started in January 2016 by six MAs (Cambodia, DRC, Honduras, Kyrgyzstan, Mauritania and Pakistan). The MAs implement a range of activities aimed at increasing access to comprehensive SGBV services; addressing the health and psychosocial care of SGBV survivors within IPES; documenting evidence of CSE and masculinity interventions on attitudes and behaviours related to SGBV; and integrating socio-economic empowerment and SGBV service delivery. Key activities included developing relevant protocols, manuals and guidelines, training of providers, demand generation and Information, Education and Communication (IEC) activities, engaging men and boys and strengthening partnerships for effective referrals. The MAs provided a total of 11,645 screening services, 10,593 counselling services and reached over 90,000 people through IEC activities.

The **Quality Of Care (QOC)** Framework was finalized by the QOC Working Group in 2016 and disseminated to the regions for implementation. The development of the framework was informed by the findings of the QOC Survey of 2015 which reviewed the systems, processes and tools used by MAs among others. The QOC Working Group met regularly to deliberate on QOC issues, provide guidance on QOC and support MAs.

**International Medical Advisory Panel (IMAP)**: IMAP met regularly in 2016 to deliberate on issues relevant to IPPF. Key outcomes in 2016 included the development, publishing and dissemination of six statements on: Zika virus and SRH; Human reproductive tissue donation for research; Conscientious objection – refusal of care and professional conduct of reproductive health services in the context of legal restrictions; Preventing Cervical

Cancer; Youth peer provision models to deliver SRH services to young people; and Safeguarding reproductive rights in the face of declining fertility. IMAP also finalized and adopted the 'Procedures of the International Medical Advisory Panel'.

### Plans for 2017

To continue to support member associations to deliver an Integrated Package of Essential Services (IPES) at IPPF service delivery points and expansion of comprehensive service provision particularly HIV and abortion. Implement a strengthened Quality of Care approach across service delivery points.

## Unite and Perform – Outcome 4

### Review of 2016

In 2016 we embarked on a **gender audit** of the organization, looking at our organizational policies and programmes with a view to ensuring continued learning and gender representation across the Federation.

### Membership accreditation

IPPF launched a systematic and comprehensive accreditation system in 2003. This scheme reviews and measures the extent to which all Member Associations comply with IPPF's 65 essential standards of membership. These standards cover issues of governance, management, constitutional requirements, programming and service delivery.

Following independent evaluation, a revised accreditation system was approved by the IPPF Governing Council in May 2008. The streamlined system is organized around 10 principles covering 49 membership standards to ensure that Member Associations are: open and democratic; well governed; strategic and progressive; transparent and accountable; well managed; financially healthy, a good employer; committed to results; committed to quality, and a leader in the sexual and reproductive health and rights movement in their country. Following the review of the second accreditation phase and the subsequent development of the third accreditation system, IPPF launched the effective implementation of its third accreditation phase in January 2016. The 10 membership principles remain. 48 standards form the pillars of the system which are supported by 201 checks. By December 2016, 12 reviews were carried out and those MAs are currently implementing their post accreditation action plan in order to be accredited in 2017.

### Resource mobilization

The Addis Ababa Action Agenda, agreed by the 193 UN member states in 2015, laid out the financial future for the implementation of the Sustainable Development Goals. In 2016 we witnessed the first tentative steps made by national and donor governments, the private sector and individuals to drive progress against these interconnected Goals. At the same time, we witnessed increased donor support for humanitarian actions.

In line with the Addis Ababa Action Agendas emphasis on the private sector, IPPF similarly established a number of **strategic partnerships**. For example, IPPF agreed a multi-faceted partnership with UK condom manufacturer Durex. The partnership covers: Shared value programme to raise awareness and improve sexual health and wellbeing through advocating for safe sex, for example: Zika-focused campaign in Brazil (during 2016 Olympics) in which Durex Brazil also provided free condoms; social enterprise opportunities in key countries where Durex is looking to raise their profile and increase local market share through provision of low-cost condoms to the MAs which can be sold at a surplus (Nigeria, India, South Africa); corporate social responsibility – Durex and the IPPF in Thailand will collaborate to deliver essential health services to workers in the Durex supply chain.

Additionally, IPPF agreed a shared value programme partnership with Canadian B-Corp, Lucky Iron Fish: The partnership is exploring ways to incorporate the company's product which reduces anaemia, into MAs' social enterprise and health service delivery plans. A MoU between IPPF and Lucky Iron Fish has been signed and a pilot social enterprise programme will commence early in 2017.

2016 for IPPF also signalled a major shift in the emphasis of programmes. Through the new strategic framework we noted the **elevation of humanitarian, fragile and post conflict programming** that attracted support from the Australian, Danish, Dutch, Japanese and German governments. Most notably, IPPF was awarded the Australian government's flagship sexual and reproductive health and rights in emergencies contract. This funding provides support for the administration of a global humanitarian programme with specific emphasis on Asia and the Pacific. IPPF is seeking support from other donors to provide the investments needed to reach populations in Africa, Middle East and Latin America.

### Plans for 2017

Recommendations of the gender audit will be rolled out through the development of a Gender Strategy, Gender Assessment tools and training of trainers in 2017 as part of our efforts to strengthen rights and gender mainstreaming, to improve staff and volunteer gender competencies and support ROs in rolling out and monitoring implementation.

## Achievements and performance

### Global baseline results

IPPF has developed a new performance dashboard to monitor progress of the new Strategic Framework.

	2016 baseline results	Number of Member Associations reporting	Number of Secretariat Offices reporting
<b>1</b> Number of successful policy initiatives and/or legislative changes in support or defence of SRHR and gender equality to which IPPF advocacy contributed	<b>175</b>	72	6
<b>2</b> Proportion of countries that are on track with their Sustainable Development Goal targets improving sexual and reproductive health*	–	n/a	n/a
<b>3</b> Number of youth and women's groups that took a public action in support of SRHR to which IPPF engagement contributed	<b>661</b>	81	6
<b>4</b> Number of young people who completed a quality-assured comprehensive sexuality education programme	<b>28.1m</b>	144	n/a
<b>5</b> Proportion of young people who completed a quality-assured comprehensive sexuality education programme who increased their SRHR knowledge and their ability to exercise their rights**	–	n/a	n/a
<b>6</b> Number of people reached with positive SRHR messages	<b>112.4m</b>	91	5
<b>7</b> Number of SRH services provided	<b>145.1m</b>	134	n/a
<b>8</b> Number of couple years of protection	<b>18.8m</b>	130	n/a
<b>9</b> Number of first-time users of modern contraception (FP2020 countries only)	<b>6.3m</b>	59	n/a
<b>10</b> Proportion of IPPF's clients who would recommend our services to family or friends	<b>90%</b>	77	n/a
<b>11</b> Number of SRH services enabled	<b>37.4m</b>	57	n/a
<b>12</b> Total income generated by the Secretariat (US\$)	<b>130.4m</b>	n/a	7
<b>13</b> Total income generated locally by unrestricted grant-receiving Member Associations (US\$)	<b>291.2m</b>	116	n/a
<b>14</b> Proportion of IPPF unrestricted funding used to reward Member Associations through a performance-based funding system	<b>6%</b>	n/a	5
<b>15</b> Number of IPPF volunteers	<b>172,279</b>	154	n/a
<b>16</b> Number of IPPF activists	<b>10.2m</b>	111	3

#### Key

– data not available

n/a not applicable

\* Data to be collected in 2019.

\*\* IPPF is currently developing and testing a methodology to measure this indicator.

**Outcome 1:** In 2016, IPPF contributed to 175 changes in policy or legislation in support or defence of SRHR. This includes 25 sub-national and 127 national changes in 72 countries. This is the highest number of wins ever achieved by IPPF. Our advocacy efforts also contributed to 14 policy changes at the regional level, and nine at the global level. These legal and policy changes cover a range of themes. The most common were promoting sexual and reproductive rights, increasing budget allocations, and providing CSE and SRH to young people. IPPF resists opposition groups attempting to bring about policy and legislative changes that would be harmful to the health and well-being of people in both developed and developing countries. In 2016, ten of the national-level wins involved blocking proposed changes that would have limited access to safe abortion, CSE and contraception. IPPF also worked with 661 youth and women's groups to take public action in support of SRHR. Examples of actions include supporting an SRHR issue in a letter to or meeting with a public official, or adding the group's name to a campaign event.

**Outcome 2:** IPPF is expanding access to CSE around the world, both in and out of schools, and with a focus on reaching the most marginalized young people. In 2016, Member Associations provided CSE to 28.1 million young people, an increase of 2.4 million, or 9 per cent, from 2015. To enable people to act freely on their SRHR, and to bring about changes in public attitudes and opinions, IPPF reached 112.4 million people with positive messages about SRHR, using both online and offline channels of distribution.

**Outcome 3:** IPPF is committed to the delivery of an essential package of SRH services that are rights-based, client-centred, gender-sensitive and youth friendly. IPPF provides information, education, and services to the most under-served people, including our work in humanitarian settings to improve access before, during and after conflict and crisis situations.

In 2016, 182.5 million SRH services were delivered, an increase of 7.2 million, or 4 per cent, from 2015. This included 145.1 million services provided by IPPF directly, and a further 37.4 million services that IPPF enabled through partnerships with public and private partnerships. Globally, the number of SRH services delivered to young people was 74.6 million, or 41 per cent of all services. There were also significant increases in the number of gynaecological, obstetric, abortion-related, and sexual and gender-based violence services provided, and these are all critical to women's and girl's health outcomes. Nearly eight in ten of IPPF clients, or 47.2 million people, are poor and vulnerable, and would not otherwise be adequately reached by SRH programmes due to a lack of political will, expertise or institutional capacity.

In 2016, IPPF provided 18.8 million couple years of protection, an increase of 3.1 million, or 20 per cent, from 2015. The largest increases were from implants (45 per cent), intrauterine devices (33 per cent), and oral contraceptive pills (23 per cent). IPPF also provided contraception to 6.3 million first-time users of modern contraception in 59 countries that are aligned with the FP2020 countries, and this means we are on track to reach our target of 60 million between 2012 and 2020.

Of all service users surveyed in IPPF clinics, 90 per cent said they would recommend the services to family or friends, confirming the highest quality of care standards provided by IPPF to support clients' choices and to provide services that respect, protect and fulfil the most basic human right to SRH.

**Outcome 4:** IPPF is continually investing in structures and systems to adapt to changing environments and to increase organizational effectiveness. In 2016, overall income generated by the Secretariat increased by US\$14.2 million from 2015 to US\$130.4 million in 2016. This 12 per cent increase reflects a rise in both unrestricted and restricted funding. Unrestricted grant-receiving Member Associations raised a total of US\$291.2 million, an increase of US\$30.1 million, or 12 per cent, from 2015. These funds are raised through the sale of commodities, in-kind donations, and funds from local and international sources, including governments.

IPPF's performance-based funding system was used in five regions to make data-driven decisions about resource allocation to Member Associations. For each Association, grant levels were adjusted according to performance against a number of key indicators. The system rewards Member Associations that are most effective in delivering SRH services, CSE and advocacy programmes, and enables IPPF to invest further resources in those Associations that achieve the greatest results. In 2016, 6 per cent of IPPF's unrestricted income was used to reward Member Associations.

IPPF was supported by nearly 172,300 volunteers, including peer educators, medical personnel, members of IPPF's governing bodies, legal advisers, and fundraisers. All volunteers make a significant contribution to the work and performance of IPPF. The activities of opposition groups, a vocal minority in many places, pose a threat to the gains achieved by the SRHR movement. IPPF is responding by recruiting and organizing activists who support and defend SRHR. In 2016, 10.2 million activists agreed to take action for political and social change in support of IPPF's work. Actions included participating in campaigns and sharing campaign messages on social media, as well as educating and empowering others to exercise their rights.

# Financial review

## Statement of reserves

The members of the Governing Council have reviewed the level of reserves. Note 15 to the financial statements show the split of reserves between the general, designated, restricted, and endowment funds.

The Governing Council in May 2013 approved a target general reserve level of between US\$18 million and US\$24 million. This policy will ensure that IPPF has the resources in place to invest in strategies to achieve the goals set out in its current Strategy and deliver the outcomes laid out in its new Strategic framework, whilst also safeguarding the charity from the increasing levels of economic volatility affecting the sector.

The general reserve level as at 31 December 2016 of US\$24.9 million, an increase of US\$3.1 million from the balance as at 31 December 2015, is marginally above this range. The unrestricted expenditure programme budget for 2017 is US\$55.2 million. The current general reserve balance of US\$24.9 million represents 45% of this budgeted amount and provides necessary cash flow as majority of unrestricted funding is received in the second half of the financial year.

Unrestricted funds are designated at the discretion of the Governing Council. The largest designated fund relates to the Western Hemisphere Sustainability Fund. This fund of US\$20.1 million was created in 2002 following the receipt of a legacy in the Western Hemisphere Region.

## Statement on investments

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

### Shares and securities

Most of the investments are shares and securities which are held and traded on the New York Stock Exchange. The Western Hemisphere Regional Board has an Investment Committee to monitor these investments. The Committee is comprised of five members, including the chair, who also serves as WHR's honorary legal counsel, the treasurer of the WHR board, and three other members who have specific and relevant investment experience. One of the three investment managers, GMO LLC provides quarterly performance reports to the Investment Committee detailing all asset information as well as investment returns against appropriate indices. The investments are within the GMO Global Balanced Allocation Fund. The targeted allocation benchmark is 65% equities (31.6% U.S.A., 6.9% emerging markets and 26.5% other countries) and 35% fixed income. The committee is currently reviewing how social, environmental and ethical considerations should be taken into consideration by the investment managers in relation to shares and securities held by IPPF. The IPPF WHR board of directors and the Investment Committee continue to closely monitor the performance of their investments.

### Financial Summary

Income for the year increased by US\$14.2 million (12%) to US\$130.4 million and led to net operating surplus for the year of US\$7.6 million.

Total unrestricted expenditure of US\$73.9 million covers grants to member associations and partners (US\$38.6 million), secretariat expenditure (US\$30.1 million), and fundraising costs (US\$4.9 million). The net operating unrestricted surplus for the year was US\$2.8 million (2015: US\$13.4 million deficit).

There was a restricted surplus of US\$3.9 million. The majority of this was accounted for by the new US\$10 million Zika funding which was received in 2016 but for activities that will continue into 2017. This was offset by activities using funds received in prior years including Safe Abortion Action Fund US\$1.0 million, and projects spending funds where future funding is expected, for example USAID Sustainable Networks where activities were undertaken of US\$2.4 million with funding contracted to be received for this in 2017. A full analysis of restricted projects balances and 2016 income and expenditure is available in note 15.

## Income

The overall income of IPPF has risen by US\$14.2 million (12%) to US\$130.4 million (2015: US\$116.2 million). Unrestricted total income rose by US\$4.5 million and restricted income by US\$9.6 million respectively.

IPPF's main source of funding is government grants, which account for 60% (2015: 68%) of total income. In 2016 unrestricted government funding increased by US\$2.0 million (3%) to US\$66.0 million. The main reason for the year on year increase was the securing of additional funds from the Government of the Netherlands. The strengthening of the US dollar has had a significant impact; the most significant was on the United Kingdom DFID income which, although remained at the same level in sterling, decreased by US\$1.4 million when compared with the previous year.

Restricted government funding amounted to US\$12.8 million, down from US\$14.6 million in 2015. A full analysis of restricted projects balances and 2016 income and expenditure is available in note 15. The Government of Australia continued to provide support (US\$3.3 million) in relation to the global SPRINT Initiative to provide sexual and reproductive health services to crisis and post crisis areas in South East Asia, the Pacific, South Asia, and Africa and to fund our Fiji office which supports Pacific MAs. The Government of the Netherlands provided a further US\$3.2 million of funding for a number of programmes including to support a major initiative on adolescents work and the Get Up Speak Out Programme. The Government of Japan provided US\$0.6 million for work on HIV and AIDS and the Government of Germany US\$0.6 million to improve access to promote sexual reproductive health services in Syria and to displaced persons in Sudan.

The governments of the Netherlands, Norway and United Kingdom and an anonymous donor also provided funding of US\$1.9 million to the Safe Abortion Action Fund.

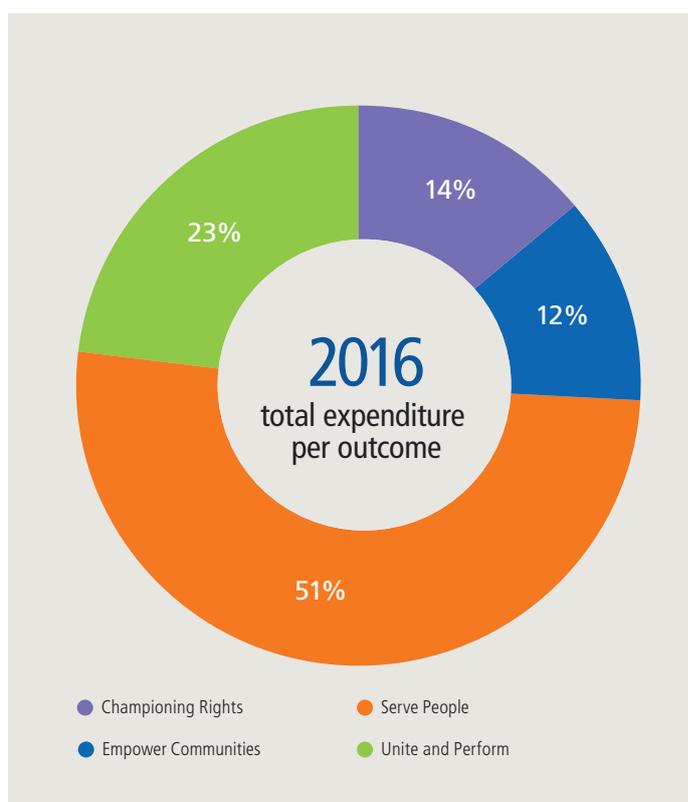
Grants from multilateral donors and other sources increased by 44% from US\$35.2 million to US\$50.6 million. A significant factor in the increase was the US\$10 million received from the David and Lucile Packard Foundation to enable IPPF to respond to the Zika crisis in the Western Hemisphere Region. The multilateral and other unrestricted funding came mainly from the Bill and Melinda Gates Foundation (US\$5.1 million), The William & Flora Hewlett Foundation (US\$2.0 million) and public donations, chiefly in the Western Hemisphere Region including legacy income of US\$4 million.

## Expenditure

IPPF spent US\$123.8 million in 2016 compared to US\$131.8 million in 2015, a decrease of US\$8.0 million (6%).

Grants to Member Associations and partner organizations fell by US\$4.0 million (6%) in 2016.

Total expenditure across the secretariat was split as follows:



## Funds (including pension fund deficit)

Overall there was a surplus before investment gains of US\$6.5 million compared to a deficit of US\$15.6 million in 2015. This surplus was reduced by actuarial losses on the defined benefit pension scheme of US\$9.5 million, foreign exchange gains on the pension liability of US\$1.1 million and increased by the gains on investment assets of US\$1.1 million, leading to an overall decrease in IPPF's total funds and reserves from US\$125.7 million to US\$124.8 million.

The general fund has increased by US\$3.0 million, from US\$21.9 million to US\$24.9 million. Designated reserves have decreased by US\$0.6 million, from US\$73.3 million to US\$72.7 million. These movements reflect the use of designated funds to provide support to a number of areas. The main movements in the designated fund include: support for defined benefit scheme (US\$1.7m) and support for resource mobilization at regional and central level (US\$1.4 million). The asset revaluation reserve remains at US\$12.5 million.

IPPF's balance sheet includes restricted and endowment funds of US\$29.2 million in respect of funds received in advance of the project-related activities being completed, an increase of US\$3.7 million from 2015. A number of projects are currently showing a negative balance where a decision has been made to carry out expenditure ahead of committed funding being received from donors. Those with a negative balance of more than US\$100,000 comprise: the Canadian funded project delivering the Mushoka promise US\$135,000, the Netherlands government funded Civil Society and ICPD (US\$120,000) and the USA funded Sustainable Networks US\$3.1 million. In addition the following projects funded by multilaterals and other donors show a negative balance of more than US\$100,000 where there is a future commitment from donors to receive the funds: John Hopkins University (US\$201,000), UNFPA Systems strengthening for RHCS (US\$425,000), and Anonymously funded projects (US\$539,000). The funds related to these programmes are contractually committed by the donors involved and in many cases funding will be received in the first half of 2017.

The 2016 balance sheet contains a net pension liability of US\$14.5 million. This represents an increased liability from the 2015 balance of US\$7.5 million. The majority of this movement is accounted for by actuarial losses of US\$9.5 million net of employer contributions of US\$1.6 million. The main driver of the decrease in actuarial losses is a change in assumptions relating to the discount rate for future liabilities. The pension liability forms part of unrestricted funds and represents the total net future liability arising from the Central Office defined benefit pension scheme. A specific designated reserve has been established to meet this liability. The defined benefit scheme was closed in 2007; further details on the scheme are included in note 20 to the financial statements.

## Plans for future periods

IPPF continues to build on the initial implementation of the new strategy to ensure that the four outcomes are achieved by 2022. In 2017 the secretariat is investing in resource planning systems across the regional offices to improve efficiencies and allow more joined up working.

IPPF Hub will open in March 2017 in Bangkok and will comprise the East and South East Asia and Oceania Region (ESEAOR), the South Asia Region (SAR), and the new IPPF Humanitarian Hub.

### Future Funding

The election of the Republican Party in the USA in November 2016 has witnessed again the imposition of the Mexico City Policy. This also known as the Global Gag Rule and could have a devastating impact on women living at the margins of society, the poorest, the most remote and those under the age of 25. The policy as it will be applied extends the reach beyond family planning into HIV, maternal health, and infectious disease programmes. Organizations such as IPPF, as well as partners including UNFPA are now faced with significant funding cuts. Reaction to this funding threat by other donors has been encouraging. IPPF welcomed the She Decides initiative held in Brussels in March 2017 focused on safeguarding women's sexual and reproductive health and rights. The announcement by the Government of Canada support of US\$4 million of funding to be provided to IPPF is greatly appreciated. We know that other donors are also reviewing to see whether additional resources can be identified to meet this gap.

IPPF continues to work on diversifying its funding base for both IPPF itself and Member Associations, by increasing the number of fundraising opportunities among non-governmental organizations including trusts, foundations, the private sector and individuals. Using an earmarked Resource Mobilization fund established in 2010, IPPF is building the capacity of Member Associations to access funding from key donors at a local level. This need to prioritize national funding was emphasized by the decision in 2016 by UK DFID to no longer fund organizations such as IPPF with a core unrestricted grant. From 2017 onwards IPPF globally and through Associations at the national level will compete for available funding for SRHR through restricted funding mechanisms.

IPPF continues to respond to the changing donor funding landscape and is currently finalizing what will become a three year rolling financial plan that outlines the challenges and opportunities ahead. This will help ensure that we can continue to operate as a Federation with a Unified Secretariat but also be conscious that the move away from an unrestricted funding environment to one focused on restricted funding in donor specific programmes and/or countries will require us to adapt and change some of our structures and approaches.

## Structure, governance and management

### Governing document

IPPF was formed in 1952 and incorporated in 1977 under a UK Act of Parliament: *The International Planned Parenthood Federation Act 1977*. The Governing Council confirms that the Strategic Framework (as described on pages 5–8) is in alignment with the purposes stated in the Act.

### Public benefit

The Charity Commission guidance on public benefit has been considered and the recommended self-assessment for the public benefit principles undertaken. The Governing Council confirms that the aims of the organization as stated in The International Planned Parenthood Federation Act 1977 meet the charitable purposes as outlined in the Charities Act 2011. Specifically, IPPF is engaged with purposes in relation to the “advancement of health or the saving of lives” and the “advancement of human rights”.

IPPF’s mission is to improve sexual and reproductive health and rights for millions of women, men and young people around the world in its Strategic Framework. The Strategic Framework demonstrates that IPPF is engaged in activities which have general public benefit in the 171 countries in which IPPF currently works with its Member Associations or collaborative partners. IPPF works through one Member Association in each of these countries but sometimes with collaborative partners as well. Member Associations do not currently pay any fee to become or maintain their membership of IPPF. Through monitoring global indicators IPPF assesses its ability to meet the needs of the poor, marginalized, socially-excluded and/or under-served groups, ensuring that those in poverty have the opportunity to access the services IPPF provides.

### Governance

IPPF is governed by a Governing Council, composed of 24 volunteers from Member Associations, and appoints a Director-General as its Chief Executive Officer responsible for managing the affairs of the Federation as determined by the Governing Council.

Governing Council members are elected for a period of three years and the last elections took place in 2014. Each Regional Council elects four members to serve as Governing Council members. Each region also elects a “Regional Executive Committee” to govern the affairs of the region. Each Member Association has a volunteer governing body (elected by the membership of the Association) and sends one or more as a delegate to Regional Council depending on membership category.

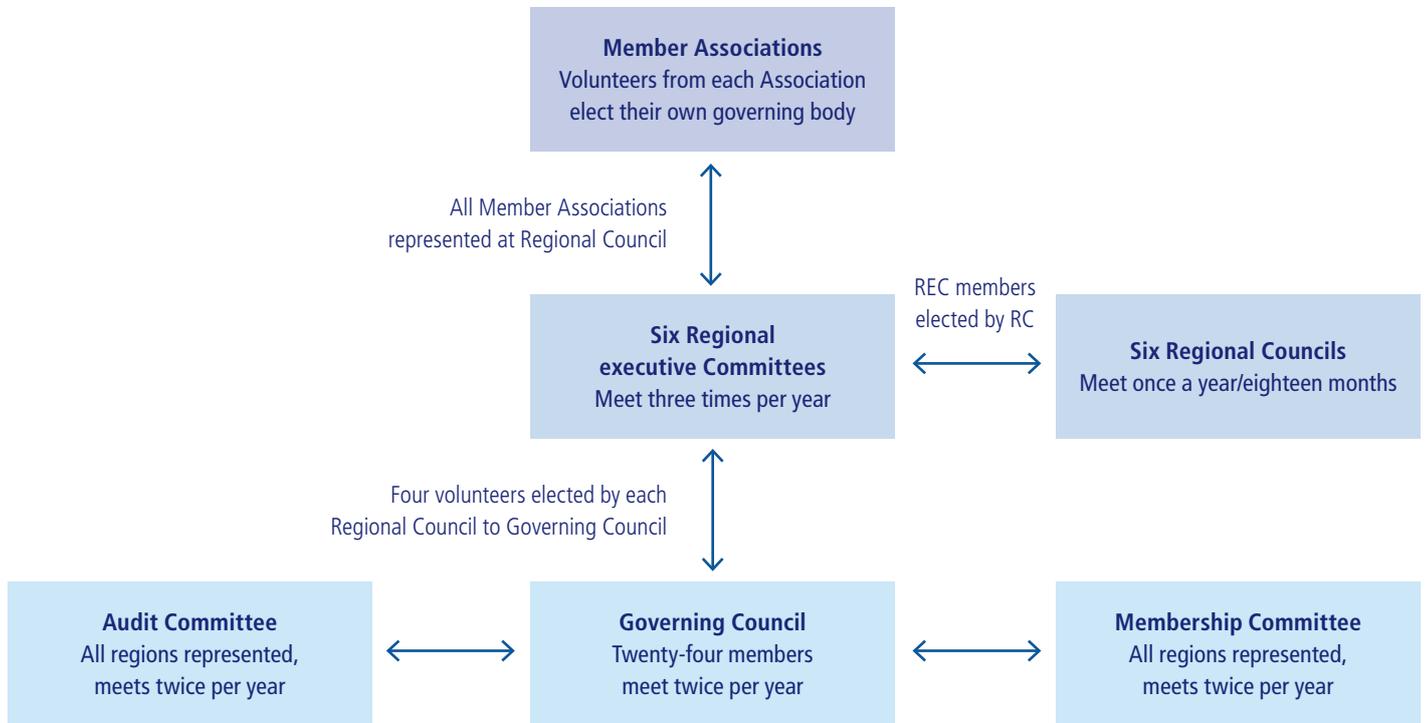
The Governing Council meets twice per year, for three days. This Council has two sub-committees; the Membership Committee and the Audit Committee which meet twice per year for one day at a time. Members are detailed on page 55.

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

Reforms to the Governing Council will take place in November 2017. The number of volunteers from Member Associations will reduce from 24 to 18. Of the 18, one third will be a young person 25 years of age and below (currently one-fourth).

In addition, six external advisors will act as subject matter experts and advise the Governing Council on IPPF policy. A new staggered appointment process will see two-thirds continue for at least another year to ensure continuity of decision making. All Governing Council members will have their performance assessed in three stages: self-assessment; peer review; and, by the global and regional President.

## IPPF's current governance structure



## Statement of the Governing Council's responsibilities in respect of the Governing Council's annual report and the financial statements

Under the trust deed of the charity and charity law, the members of the Governing Council are responsible for preparing the Governing Council's Annual Report and the financial statements in accordance with applicable law and regulations.

The members have elected to prepare the financial statements in accordance with FRS102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The charity's financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the charity's excess of income over expenditure for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material de-partures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the charity will continue in business.

The Governing Council is required to act in accordance with the trust deed of the charity, within the framework of trust law. It is responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the Governing Council to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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

## Organization

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

There are six Regional Offices: Africa (Nairobi, Kenya), Arab World (Tunis, Tunisia), East and South East Asia and Oceania (ESEAO) (Kuala Lumpur, Malaysia), Europe (Brussels, Belgium), South Asia (New Delhi, India), and Western Hemisphere (New York, USA). These Regional Offices all act as branches of IPPF, in accordance with The International Planned Parenthood Federation Act 1977.

In addition to this secretariat functions are also carried out in Ethiopia (Africa Union Liaison Office), Fiji (Sub-Regional Office for the Pacific), and Australia (resource mobilization office). During 2016 permission to operate a Hub office was obtained in Bangkok, Thailand.

From 2017 the offices based in Malaysia and India will relocate to Thailand and the global Humanitarian team will operate from there. With support from the Government of Switzerland, an advocacy/resource mobilization office is also being established in Geneva, Switzerland.

Within the Western Hemisphere Region there are the following entities; the Regional Office, IPPF Western Hemisphere Inc. and a separate entity used for investing significant bequests, the IPPF WHR Fund. The results of these entities are reported within these financial statements. The UN Liaison office in New York is also supported by WHR.

The senior management comprises: the Director-General is based in the Central Office, London. There are six Regional Directors who report to the Director-General together with four Central Office Divisional Directors.

## Remuneration

IPPF remuneration is benchmarked against the UN median salaries for similar roles and benefits data for the not for profit sector from a leading benefits provider. Annual performance and salary reviews are conducted through IPPF's Annual Performance Development Review process.

## Risk management

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

The key elements of the system of internal control are:

- **Delegation:** there is a clear organizational structure with lines of authority and responsibility for control, together with procedures for reporting decisions, actions and issues;
- **Reporting:** the Governing Council approves and reviews the annual programme budget and income predictions and monitors actual and forecast income and expenditure on a regular basis;
- **Risk management:** there are processes in place for identifying, evaluating and managing significant risks faced by IPPF. A consultative process across the senior staff in the Secretariat identified the key risks under each of the Strategic Framework Outcomes. These were reviewed by the Directors' Leadership Team (DLT) and the significant risks identified. The DLT then identified the mitigating strategies in place in order to arrive at the final overall risk assessment. Two additional risks that apply regardless of the strategic focus were also added; the first relates to foreign currency movements and the second relates to safety and security risks. The register once approved by the DLT was reviewed in detail by the Audit Committee and presented to the Governing Council for approval. Also identified are actions required to manage that risk and the person who will be responsible for undertaking this. These are reviewed annually by the Audit Committee and the Governing Council, who believe that all the major risks to which IPPF is exposed have been identified and reviewed and systems have been established to mitigate those risks;
- **Internal audit:** the internal audit function, which has been outsourced to Crowe Clark Whitehill LLP, assesses risks and reviews controls within IPPF. Using a risk based approach the firm undertook a number of audits in 2016.
- **Review:** the Audit Committee is comprised of four members elected by the Governing Council who are volunteers of member organizations but who are not members of the Governing Council or are individuals willing to volunteer their services to IPPF, as well as the President and Treasurer. The Committee oversees the adequacy of the system of internal control, and ensures IPPF compliance with relevant statutory and other financial regulations.

## Principal risks and mitigation strategies

Risk	Mitigation strategy
Reliance on a small number of funders	Having readily available information and evidence which is relevant to donors (technical and political), and of high quality and adequate quantity to respond to donor interests and policies. Clearly understanding our cost structures for greater efficiency and effectiveness.
A highly organized opposition to sexual reproductive health and rights	Countering opposition through better outreach, stronger relationships with decision-makers and advisors, and use of legal processes Ensuring strong links between our communications, campaigns and advocacy work.
Exchange rate fluctuations	General reserve maintained at levels adequate to protect the Federation from short term exchange rate movements. Access to financial products to provide protection from lower than budgeted income receipts. Regular financial monitoring.
A failure to clearly demonstrate the impact of the organization	Enhance current utilization of technology to make reporting more efficient. The implementation of the third cycle of the IPPF accreditation cycle.
Remaining relevant to our member constituency	Connecting, harnessing and utilizing the rich and varied capital across our Member Associations. Aligning the Secretariat to the new strategic framework. Accessing skills, expertise and opportunities from across our global reach. Governance reforms to be implemented from late 2016 onwards.

## Thanks

### Disclosure of information to auditor

The Governing Council members who held office at the date this report was approved, confirm that, so far as they are each aware, there is no relevant audit information of which the charity’s auditor is unaware; and each Governing Council member has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charity’s auditor is aware of that information.

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

Approved on behalf of the Governing Council on 19 May 2017.



Dr Naomi Seboni  
President



Mrs Sujatha Natarajan  
Treasurer



# Independent auditor's report to the members of the Governing Council of International Planned Parenthood Federation (IPPF)

We have audited the charity's financial statements (the "financial statements") of International Planned Parenthood Federation (IPPF) for the year ended 31 December 2016 set out on pages 25 to 54. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS102 The Financial Reporting Standard applicable to the UK and Republic of Ireland.

This report is made solely to the charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Statement of Members of the Governing Council's Responsibilities set out on page 21 the members are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2016 and of the charity's income and expenditure for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Governing Council's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



## Ian Pennington

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

30 May 2017

KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# Statement of financial activities

## Statement of financial activities for the year ended 31 December 2016

	Notes	Unrestricted US\$'000	Restricted US\$'000	Endowment US\$'000	2016 Total US\$'000	Unrestricted US\$'000	Restricted US\$'000	Endowment US\$'000	2015 Total US\$'000
<b>Income and endowments</b>									
<b>Donations and Legacies</b>									
Grants from governments	2	65,970	12,779	–	<b>78,749</b>	63,985	14,647	–	<b>78,632</b>
Grants from multilaterals and other sources	3A	9,822	40,782	–	<b>50,604</b>	6,093	29,074	–	<b>35,167</b>
Donations in kind from multilaterals and other sources	3B	10	1	–	<b>11</b>	881	–	–	<b>881</b>
<b>Other trading activities</b>		–	–	–	–	150	78	–	<b>228</b>
<b>Income from investments</b>	4	532	140	–	<b>672</b>	411	259	–	<b>670</b>
<b>Other income</b>		355	–	–	<b>355</b>	641	2	–	<b>643</b>
<b>Total income and endowments</b>		<b>76,689</b>	<b>53,702</b>	–	<b>130,391</b>	<b>72,161</b>	<b>44,060</b>	–	<b>116,221</b>
<b>Expenditure</b>									
<b>Expenditure on raising funds</b>									
Central fundraising	7	2,256	93	–	<b>2,349</b>	2,655	–	–	<b>2,655</b>
Regional fundraising	6	2,669	91	–	<b>2,760</b>	2,282	638	–	<b>2,920</b>
Investment management costs		61	–	–	<b>61</b>	54	36	–	<b>90</b>
<b>Expenditure on charitable activities</b>									
Grants to Member Associations & partners	5	38,572	29,745	–	<b>68,317</b>	49,115	23,146	72	<b>72,333</b>
Central expenditure	7	10,112	6,016	–	<b>16,128</b>	12,305	6,730	–	<b>19,035</b>
Regional expenditure	6	20,003	14,005	–	<b>34,008</b>	18,788	15,619	–	<b>34,407</b>
<b>Pension finance charge</b>		224	–	–	<b>224</b>	399	–	–	<b>399</b>
<b>Total expenditure</b>		<b>73,897</b>	<b>49,950</b>	–	<b>123,847</b>	<b>85,598</b>	<b>46,169</b>	<b>72</b>	<b>131,839</b>
<b>Net operating income (expenditure)</b>		<b>2,792</b>	<b>3,752</b>	–	<b>6,544</b>	<b>(13,437)</b>	<b>(2,109)</b>	<b>(72)</b>	<b>(15,618)</b>
Gains/(losses) on investment assets		897	131	69	<b>1,097</b>	(857)	(213)	(55)	<b>(1,125)</b>
<b>Net income (expenditure)</b>		<b>3,689</b>	<b>3,883</b>	<b>69</b>	<b>7,641</b>	<b>(14,294)</b>	<b>(2,322)</b>	<b>(127)</b>	<b>(16,743)</b>
<b>Transfer between funds</b>		158	(158)	–	–	–	–	–	–
<b>Other recognized gains/(losses)</b>									
Actuarial gain/(loss) on defined benefit pension scheme		(9,517)	–	–	<b>(9,517)</b>	2,688	–	–	<b>2,688</b>
Foreign exchange movements on pension liability		1,116	–	–	<b>1,116</b>	487	–	–	<b>487</b>
<b>Net movement in funds</b>		<b>(4,554)</b>	<b>3,725</b>	<b>69</b>	<b>(760)</b>	<b>(11,119)</b>	<b>(2,322)</b>	<b>(127)</b>	<b>(13,568)</b>
<b>Reconciliation of funds</b>									
Total funds brought forward at 1 January		100,196	24,329	1,145	<b>125,670</b>	111,988	26,651	1,272	<b>139,911</b>
Unrealized foreign exchange loss taken to reserves		(74)	(8)	–	<b>(82)</b>	(673)	–	–	<b>(673)</b>
<b>Total funds carried forward at 31 December</b>		<b>95,568</b>	<b>28,046</b>	<b>1,214</b>	<b>124,828</b>	<b>100,196</b>	<b>24,329</b>	<b>1,145</b>	<b>125,670</b>

There are no recognized gains and losses other than those included above. All the above results arise from continuing operations. The notes on pages 29 to 54 form part of these financial statements.

# Balance sheet

## Balance sheet as at 31 December 2016

	Notes	2016 Total US\$'000	2015 Total US\$'000
<b>Fixed assets</b>			
Tangible assets	9	31,579	30,039
Investments	10	36,329	36,403
Long term loans	11	696	767
<b>Total fixed assets</b>		<b>68,604</b>	<b>67,209</b>
<b>Current assets</b>			
Stock of goods		586	799
Debtors	12	3,689	3,897
Cash at bank and in hand		79,200	72,814
<b>Total current assets</b>		<b>83,475</b>	<b>77,510</b>
<b>Creditors: amounts falling due within one year</b>		<b>(12,096)</b>	<b>(10,989)</b>
<b>Total current liabilities</b>		<b>(12,096)</b>	<b>(10,989)</b>
<b>Net current assets excluding pension liability</b>		<b>71,379</b>	<b>66,521</b>
Provisions for liabilities	14	(615)	(544)
<b>Net assets excluding pension liability</b>		<b>139,368</b>	<b>133,186</b>
Defined benefit pension scheme liability	20	(14,540)	(7,516)
<b>Total net assets including pension liability</b>		<b>124,828</b>	<b>125,670</b>
<b>Represented by</b>			
Unrestricted:	15		
General		24,927	21,857
Designated		72,695	73,334
Revaluation reserve		12,486	12,521
Restricted	15	28,046	24,329
Endowment		1,214	1,145
<b>Total funds and reserves excluding pension liability</b>		<b>139,368</b>	<b>133,186</b>
Pension liability	20	(14,540)	(7,516)
<b>Total funds and reserves including pension liability</b>		<b>124,828</b>	<b>125,670</b>

Approved on behalf of the Governing Council on 19 May 2017. The notes on pages 29 to 54 form part of these financial statements.



Dr Naomi Seboni  
President



Ms Sujatha Natarajan  
Treasurer

# Cash flow statement

## Statement of cash flows for the year ended 31 December 2016

	Notes	2016 US\$'000	2015 US\$'000 As restated
<b>Net cash provided by (used in) operating activities</b>	A	<b>4,808</b>	<b>(23,878)</b>
<b>Cashflow from investing activities</b>			
Interest received and similar income		672	717
Purchase of tangible assets		(2,498)	(176)
Purchase of marketable securities		–	(353)
Sale of marketable securities		5,451	5,042
<b>Net cash provided by investing activities</b>		<b>3,625</b>	<b>5,230</b>
<b>Cashflows from financing activities</b>			
Loan repayments received		328	226
Loans issued		(459)	(309)
Release of endowment		72	–
<b>Net cash used in financing activities</b>		<b>(59)</b>	<b>(83)</b>
<b>Increased/(decreased)</b>	B	<b>8,374</b>	<b>(18,731)</b>

### Note A: Reconciliation of net income (expenditure) to net cash inflow (outflow) from operating activities

	2016 US\$'000	2015 US\$'000
<b>Net operating income (expenditure)</b>	<b>6,544</b>	<b>(15,618)</b>
Unrealized exchange losses (as restated)	1,906	1,929
Interest receivable and similar income	(672)	(670)
Depreciation	958	1,048
Exchange movements on tangible assets	–	3
Defined benefit pension scheme cost less contributions payable	(1,601)	(1,748)
Defined benefit pension scheme finance cost	224	399
Endowment fund movement	(72)	–
Donations in kind	(4,280)	(4,245)
Decrease in stock	213	1,860
Decrease in debtors	410	333
Increase (decrease) in creditors	1,107	(7,431)
Increase in provisions	71	262
<b>Net cash provided by (used in) operating activities</b>	<b>4,808</b>	<b>(23,878)</b>

**Note B: Reconciliation of net cash flow to movements in net funds**

	<b>2016</b>	<b>2015</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Increase/(decrease) in cash in the year	8,374	(18,731)
Movement on foreign exchange	(1,988)	(2,602)
Movement in net funds for the period	6,386	(21,333)
Net funds at 1 January	72,814	94,147
<b>Net funds at 31 December</b>	<b>79,200</b>	<b>72,814</b>

**Note of explanation**

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

# Notes to the Financial Statements

## 1 Accounting policies

### Basis of accounting

These financial statements have been prepared under the historical cost convention with items recognized at cost or transaction values unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice ("SORP"), Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Charities Act 2011. IPPF meets the definition of a public benefit entity under FRS 102.

The members of Governing Council have reviewed IPPF's financial position including its recent annual deficits and its level of net assets, considering the impact of future activities, and believe it is appropriate to continue to produce the financial statements on a going concern basis.

### Basis of preparation

IPPF exists as an entity incorporated in the UK under the provisions of the IPPF Act. Its registered address is at 4 Newhams Row, London, SE1 3UZ United Kingdom and its activities are undertaken through a central office and six regional offices. All of the regional offices act as branches of IPPF and therefore fall under the term 'branches' in accordance with FRS 102 and the Charities SORP.

IPPF Arab World Regional Office (Tunis, Tunisia), IPPF East and South East Asia and Oceania Regional Office (Kuala Lumpur, Malaysia) and IPPF South Asia Regional Office (New Delhi, India) are not separate entities and their results are included in those of the Central Office. IPPF (Bangkok Hub) was established in 2016 and their results are included with those of the charity.

IPPF Africa Regional Office (Nairobi, Kenya) and IPPF Europe Regional Office (Brussels, Belgium) are separate legal entities in their respective regions, and are treated as branches of the Central Office. Their results are included with those of the charity.

The IPPF Western Hemisphere Regional Office (New York, US) – IPPF Western Hemisphere Inc. 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 the charity, 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. In addition to the regional office, there are two other entities within this region – The IPPF WHR Fund and IPPF Worldwide Inc.

The IPPF WHR Fund is a separate entity used for investing significant bequests, the results of which are reported within these accounts. This entity is also considered to be a branch of IPPF.

IPPF Worldwide Inc. (established in 2006) is a separately registered not-for-profit organization. This is established for the purpose of receiving funding from organizations based in the United States of America with income received being reflected within these financial statements. This entity is also considered to be a branch of IPPF.

IPPF has a dormant trading subsidiary, International Contraceptive and SRH Marketing Limited (trading as ICON). Up until 31 August 2013 this engaged in commodity supply services and social marketing of contraceptives in conjunction with Member Associations. With effect from 1 September 2013 the activities previously carried out by ICON have been transferred to the main charity.

### Income

Income is recognized in the period in which it is receivable, when it meets recognition criteria: entitlement, certainty, and measurable with accuracy. See also the separate deferred income policy.

### 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.

### Commercial trading activities

Income from commercial trading activities is included in the period in which they are earned.

### Donations and grants

Grants from governments and other agencies have been included as donations as these relate to core funding or are provided for a general purpose rather than being service agreements. These are included in income when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in income until the conditions for use have been met.
- Assets given for distribution are recognized as income for the year only when received.

### Legacies

Legacies are recognized when the following three conditions are met a) the charity is entitled to control the legacy resource and determine its future application, b) receipt is probable and c) the resource can be measured monetarily with sufficient accuracy.

### Investment income and interest

Investment income in the form of dividends together with interest and rental income from the investment property is included when receivable by the charity.

### Intangible income

Donations in kind are included in donations and similar income where the amounts are material at their market value. Commodities donated to IPPF for distribution to Member Associations are recognized at their market value as income to the extent that they have been received in the year.

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

### Expenditure and basis of allocation of costs

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

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

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

Programme activities represent expenses directly attributable to the issuing or monitoring of grants to Member Associations as well as providing technical assistance to allow the grant recipients to implement programmes effectively. At the regional offices most staff will be involved as focal points for a selected number of Member Associations as well as being an expert in a technical area e.g. HIV/AIDS, Advocacy, and Accreditation. Central Office staff generally provide technical support to Regional Office staff and indirectly to Member Associations.

Support costs represent expenses on activities that are not directly attributable to programme activities and include general management, finance, office facilities, human resources and information technology and governance. Support costs are allocated to programme activities based on staff costs.

Where IPPF acts as an agent for another party upon specific projects, all costs and overheads recovered are netted off against those costs. Third party arrangements are detailed in note 19. 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.

### Redundancy costs

Termination payments are recognized as a liability and an expense in the statement of financial activities when a detailed formal plan for the termination is in place and there is no realistic possibility of withdrawal from the plan.

### Fixed assets

All assets costing more than US\$5,000 are capitalized. All assets are stated at cost or deemed cost. All assets are depreciated in line with their expected useful lives using the straight line method at the following rates:

Freehold land	no depreciation
Freehold buildings	2–5%
Office furniture	10%
Office equipment	20%
Computer hardware	33%
Vehicles	33%
Freehold improvements	10%
Leasehold improvements	Period of lease

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

### Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### Investments

Investments are valued at their market value at the balance sheet date. All gains and losses are taken to the Statement of Financial Activities as they arise.

Investment properties are included within fixed assets, valued at open market value, and not depreciated. Full valuations are made every five years by a qualified external valuer, and in each other year there is a management assessment of market value. Any material increase or decrease in value is reflected in the Statement of Financial Activities.

### Stock of goods

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

Donated stock is recognized on receipt at fair value and is carried at the lower of cost or net realizable value.

## Foreign currency

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, and the gains and losses on translation are included in the statement of financial activities.

The results from overseas branches with operations denominated in foreign currency are translated into US Dollars at the average rate of exchange during the year for the statement of financial activities, and the year end rate for the assets and liabilities. Gains and losses arising on these translations are taken to the General Reserve.

## Leased assets

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

## Provisions

Provision is made, where material, for the present value of future liabilities and losses which have occurred during the financial year and identified up to the date on which the financial statements are approved by Governing Council. The recognition of a provision is in accordance with FRS 102. The charge for a provision is made against the expenditure to which it relates.

## Contingent liabilities

Contingent liabilities are disclosed in accordance with FRS 102. No recognition is made in the Statement of Financial Activities. Where it becomes probable that there will be a future outflow of resources the liability will cease to be contingent and is accrued in the financial statements. Full details on each contingent liability are disclosed in note 18.

## Financial instruments

IPPF only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured at their settlement value.

## Pension contributions

IPPF contributes to both a closed, defined benefit scheme and a number of 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 defined benefit pension scheme (closed to new members from 1 September 2003 and current members from 1 September 2007) based on the advice from triennial actuarial valuations. Any material deficiencies or surpluses that arise are dealt with by changes to the level of contributions. In accordance with FRS 102, the Statement of Financial Activities includes: the cost of benefits accruing during the year in respect of current and past service (charged against net expenditure); the expected return on the scheme's assets and

the increase in the present value of the scheme's liabilities arising from the passage of time (shown as pensions finance charge); actuarial gain recognized in the pension scheme (shown within net movement of funds). The balance sheet includes the deficit in the scheme taking assets at their year-end market value and liabilities at their actuarially calculated values.

## Critical accounting judgements and key sources of estimation uncertainty

In the application of IPPF's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed.

**Accruals:** Accruals are measured at management's best estimate of the expenditure required to settle the obligation for goods and services acquired at the balance sheet date.

**Pensions:** Estimates of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate of which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension funds' assets. A firm of consulting actuaries is engaged to provide IPPF with expert advice reporting the assumptions to be applied. During the year the liability moved from US\$7.5 million to US\$14.5 million as a result of assumptions being updated, differences in actual experiences against expectation, and exchange rate movements. Further details are in note 20.

There are no other critical estimates or judgements.

## Funds

IPPF maintains five types of fund:

- **Expendable 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;
- **Pension Reserve** – in accordance with FRS 102, the liability attributed to the Central Office Defined Benefit Scheme is shown as a separate fund. As the scheme is currently in deficit this is a negative reserve;
- **Designated** – where the funds are unrestricted, but where the Governing Council have designated them for a specific purpose; and
- **Unrestricted** – where the funds are not restricted as to use but may be applied for any purpose within the charity's objects.

Transfers between funds are made where the donor restrictions allow with appropriate disclosure in note 15.

## 2 Grants from governments

	Local currency (LC)	2016 LC'000	2015 LC'000	2016 US\$'000	2015 US\$'000
<b>Unrestricted</b>					
Australia	Australian \$	8,200	5,000	6,081	3,888
People's Republic of China	US\$	285	292	285	292
Denmark	Danish Krone	50,000	40,000	7,333	5,709
Finland	Euro	1,700	1,600	1,871	1,736
Germany	Euro	6,000	6,000	6,659	6,674
Japan	US\$	7,124	7,772	7,124	7,772
South Korea	US\$	77	84	77	84
Malaysia	US\$	15	15	15	10
Netherlands	Euro	3,600	–	4,023	–
New Zealand	New Zealand \$	2,500	2,500	1,629	1,832
Norway	Norwegian Krone	30,000	40,000	3,534	4,902
Pakistan	Pakistan Rupee	–	200	–	2
Sweden	Swedish Krona	110,000	135,000	13,588	15,741
Switzerland	Swiss Franc	2,000	2,000	1,970	2,082
United Kingdom	£ Sterling	8,600	8,600	11,777	13,261
Other	US\$	4	–	4	–
<b>Unrestricted</b>				<b>65,970</b>	<b>63,985</b>
<b>Restricted</b>					
Australia	Australian \$	4,465	2,476	3,255	2,254
Denmark	Danish Krone	778	2,138	114	316
Finland	Euro	(6)	499	(7)	554
Germany	Euro	500	637	554	725
Ireland	Euro	31	6	34	7
Japan	US\$	639	692	639	692
The Netherlands	Euro	1,476	4,258	1,976	4,859
	US\$	2,847	1,707	2,847	1,707
Norway	Norwegian Krone	7,698	8,557	915	940
South Africa	South African Rand	–	200	–	17
Switzerland	Swiss Franc	180	–	177	–
Sweden	US\$	–	(141)	–	(141)
United Kingdom	£ Sterling	(22)	446	(29)	674
United States of America	US\$	2,304	2,043	2,304	2,043
<b>Restricted</b>				<b>12,779</b>	<b>14,647</b>
<b>Total restricted and unrestricted grants from governments</b>				<b>78,749</b>	<b>78,632</b>

### 3 Income from multilaterals and other sources

#### Note A: Grants from multilaterals and other sources

	Unrestricted US\$'000	Restricted US\$'000	2016 Total US\$'000	2015 Total US\$'000
Bayer HealthCare	–	150	150	93
Bill & Melinda Gates Foundation	–	5,074	5,074	3,673
Brodsky Family Foundation	20	–	20	20
Comic Relief	–	–	–	10
Cordaid	–	166	166	–
David & Lucile Packard Foundation	–	10,809	10,809	613
Del Mar Global Trust	15	–	15	15
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	–	409	409	229
EcoTrust	16	–	16	15
Erik E. and Edith H. Bergstrom Foundation	–	561	561	636
EuroNGOs	60	20	80	12
European Commission (EC)	–	503	503	780
The Flora Family Foundation	–	50	50	45
The Ford Foundation	–	563	563	405
The Global Fund to Fight AIDS, Tuberculosis and Malaria	–	2	2	11
Health Pooled Funds	–	137	137	–
The John D. and Catherine T. MacArthur Foundation	–	250	250	350
Johns Hopkins University	–	508	508	–
The Libra Foundation	–	–	–	50
The Liz Clairborne & Art Ortenberg Foundation	25	–	25	25
The NoVo Foundation	–	298	298	167
Open Society Foundation New Executive	–	125	125	–
Overbrook Foundation	–	–	–	40
PATH Foundation	–	–	–	37
Reproductive Health Supplies Coalition	–	24	24	68
Swedish Association for Sexuality Education (RFSU)	–	817	817	867
The Richard A. Busemeyer Foundation	25	–	25	25
Smith Family Legacy Foundation	–	–	–	6
The Summit Foundation	–	225	225	214
Union for International Cancer Control	–	6	6	24
United Nations Development Programme (UNDP)	–	66	66	–
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)	–	(1)	(1)	138
United Nations Fund for Population Activities (UNFPA)	–	930	930	1,152
United Nations Programme on HIV/AIDS (UNAIDS)	–	3,033	3,033	3,065
Virginia B. Toulmin Foundation	–	300	300	70
Waterloo Foundation	–	–	–	191
Watson Institute for International and Public Affairs at Brown University	–	130	130	21
The Wrather Family Foundation	20	–	20	–
WestWind Foundation	100	90	190	175
The Wildflower Foundation	–	40	40	40
The William and Flora Hewlett Foundation	1,000	1,070	2,070	1,865
William J and Sally Siegel Foundation	9	–	9	9
World Health Organization (WHO)	–	104	104	34
Anonymous (At donor's request)	–	13,873	13,873	14,469
Legacies	3,998	2	4,000	460
Other < \$50,000 or individuals not wishing to be disclosed	4,534	448	4,982	5,048
<b>Total</b>	<b>9,822</b>	<b>40,782</b>	<b>50,604</b>	<b>35,167</b>

**Note B: Donations in kind from multilaterals and other sources**

	Unrestricted US\$'000	Restricted US\$'000	2016 Total US\$'000	2015 Total US\$'000
United Nations Fund for Population Activities (UNFPA)	–	–	–	881
Other	10	1	11	–
<b>Total</b>	<b>10</b>	<b>1</b>	<b>11</b>	<b>881</b>

**4 Investment income and interest**

	Unrestricted US\$'000	Restricted US\$'000	2016 Total US\$'000	2015 Total US\$'000
Interest receivable from cash deposits	338	59	397	451
Investment property income	38	–	38	–
Dividends and similar income from US listed securities	156	81	237	219
<b>Total</b>	<b>532</b>	<b>140</b>	<b>672</b>	<b>670</b>

**5 Grants to Member Associations and partner organizations**

	Unrestricted			Restricted			2016 Total US\$'000	2015 Total US\$'000
	2016 Cash grants US\$'000	2016 Commodity grants US\$'000	2016 Technical assistance US\$'000	2016 Cash grants US\$'000	2016 Commodity grants US\$'000	2016 Endowment cash grants US\$'000		
Africa	14,374	625	1,716	5,568	26	–	22,309	28,063
Arab World	1,943	103	460	2,067	3	–	4,576	4,728
E, SE Asia & Oceania	4,456	67	–	1,372	–	–	5,895	7,934
Europe	1,762	–	–	2,414	–	–	4,176	3,737
South Asia	5,171	–	–	4,709	–	–	9,880	14,270
Western Hemisphere	5,244	1,180	1,471	13,586	–	–	21,481	13,601
<b>Total 2016</b>	<b>32,950</b>	<b>1,975</b>	<b>3,647</b>	<b>29,716</b>	<b>29</b>	<b>–</b>	<b>68,317</b>	<b>72,333</b>
<b>Total 2015</b>	<b>41,358</b>	<b>3,983</b>	<b>3,774</b>	<b>23,098</b>	<b>48</b>	<b>72</b>		<b>72,333</b>

Commodity grants consist of contraceptives and related goods.

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

**Grants to Member Associations and partner organizations by strategic outcomes**

	2016 Unrestricted US\$'000	2016 Restricted and Endowment US\$'000	2016 Total US\$'000
<b>Strategic Outcomes (2016–2022)</b>			
Championing rights	3,197	3,987	7,184
Empower communities	4,425	2,876	7,301
Serve people	21,535	22,117	43,652
Unite and perform	9,415	765	10,180
<b>Total</b>	<b>38,572</b>	<b>29,745</b>	<b>68,317</b>

In 2015 the strategic priorities were based on the 5 'A's; the grants were split as follows: Adolescents (US\$8,984,000); HIV/AIDS (US\$2,581,000); Access (US\$26,020,000); Abortion (US\$12,471,000); and Advocacy (US\$6,938,000).

## Grants to Member Associations

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

Rank	Country	Name of Member Association/partner organization	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
1	India	Family Planning Association of India	1,752	882	2,634
2	Pakistan	Rahnuma-Family Planning Association of Pakistan	1,683	1,584	3,267
3	Ethiopia	Family Guidance Association of Ethiopia	1,434	577	2,011
4	Nepal	Family Planning Association of Nepal	1,284	1,361	2,645
5	Nigeria	Planned Parenthood Federation of Nigeria	1,200	79	1,279
6	Uganda	Reproductive Health Uganda	1,045	1,209	2,254
7	Tanzania	Uzazi na Malezi Bora Tanzania	931	57	988
8	Bolivia	Centro de Investigación, Educación y Servicios	795	1,520	2,315
9	Ghana	Planned Parenthood Association of Ghana	747	325	1,072
10	Kenya	Family Health Options Kenya	661	918	1579
11		Caribbean Family Planning Affiliation Ltd	200	7	207
	Antigua	Antigua Planned Parenthood Association	48	–	48
	Aruba	Foundation for the Promotion of Responsible Parenthood (Aruba)	23	–	23
	Bahamas	Bahamas Family Planning Association	1	–	1
	Curacao	Foundation for the Promotion of Responsible Parenthood (FPRP)	47	–	47
	Dominica	Dominica Planned Parenthood Association	60	–	60
	Grenada	Grenada Planned Parenthood Association	65	–	65
	St. Lucia	Saint Lucia Planned Parenthood Association	165	47	212
	St. Vincent	St. Vincent Planned Parenthood Association	31	–	31
12	Burkina Faso	Association Burkinabé pour le Bien-Etre Familial	582	284	866
13	Congo, Dem. Republic	Association pour le Bien-Etre Familial/Naissances Désirables	537	201	738
14	Colombia	Asociación Pro-Bienestar de la Familia Colombiana	519	3,867	4,386
15	Côte d'Ivoire	Association Ivoirienne pour le Bien-Etre Familial	512	94	606
16	Benin	Association Béninoise pour la Promotion de la Famille	498	269	767
17	Peru	Instituto Peruano de Paternidad responsable	486	2,015	2,501
18	Venezuela	Asociación Civil de Planificación Familiar	471	38	509
19	Togo	Association Togolaise pour le Bien-Etre Familial	470	7	477
20	Burundi	Association Burundaise pour le Bien-Etre Familial	462	–	462
21	Guatemala	Asociación Pro-Bienestar de la Familia de Guatemala	459	217	676
22	Sudan	Sudan Family Planning Association	458	607	1065
23	Zambia	Planned Parenthood Association of Zambia	450	32	482
24	Sierra Leone	Planned Parenthood Association of Sierra Leone	446	–	446
25	Mali	Association Malienne pour la Protection et la Promotion de la Famille	441	16	457
26	Mozambique	Associação Moçambicana para Desenvolvimento da Família	421	–	421
27	Senegal	Association Sénégalaise pour le Bien-Être Familial	407	11	418
28	Madagascar	Fianakaviana Sambatra	400	–	400
29	Dominican Republic	Asociación Dominicana Pro-Bienestar de la Familia	390	732	1122
30	El Salvador	Asociación Demográfica Salvadoreña/Pro-Familia	387	228	615
31	Guinea-Conakry	Association Guinéenne pour le Bien-Etre Familial	379	6	385
32	Honduras	Instituto Peruano de Paternidad Responsable	378	377	755
33	Cameroon	Cameroon National Association for Family Welfare	353	210	563
34	Liberia	Planned Parenthood Association of Liberia	353	45	398
35	Afghanistan	Afghan Family Guidance Association	332	(26)	306
36	Korea, Dem. People's Rep of	Korean Family Planning & Maternal Child Health Association of DPRK	329	–	329
37	Niger	Association Nigérienne pour le Bien-Etre Familial	325	–	325
38	Egypt	Egyptian Family Planning Association	317	(14)	303
39	Lesotho	Lesotho Planned Parenthood Association	317	(4)	313
40	Congo	Association Congolaise pour le Bien-Etre Familial	316	57	373

Rank	Country	Name of Member Association/partner organization	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
41	Central African Republic	Association Centrafricaine pour le Bien-Etre Familial	299	11	310
42	Philippines	The Family Planning Organization of the Philippines, Inc.	296	70	366
43	Indonesia	The Indonesian Planned Parenthood Association	294	229	523
44	Chad	Association Tchadienne pour le Bien-Etre Familial	291	–	291
45	Palestine	Palestinian Family Planning and Protection Association	288	153	441
46	Malawi	Family Planning Association of Malawi	277	190	467
47	Cambodia	Reproductive Health Association of Cambodia	276	68	344
48	Paraguay	El Centro Paraguayo de Estudios de Población	270	8	278
49	Guinea-Bissau	Associação Guineense para o Bem Estar Familiar	266	54	320
50	Suriname	Stichting Lobi	259	10	269
51	Morocco	Association Marocaine de Planification Familiale	255	93	348
52	Solomon Islands	Solomon Islands Planned Parenthood Association	241	116	357
53	Rwanda	Association Rwandaise pour le Bien-Etre Familial	220	–	220
54	Puerto Rico	PROFAMILIAS	218	26	244
55	Vietnam	Vietnam Family Planning Association	217	18	235
56	China	China Family Planning Association	209	–	209
57	Botswana	Botswana Family Welfare Association	209	72	281
58	Swaziland	Family Life Association of Swaziland	208	–	208
59	Vanuatu	Vanuatu Family Health Association	201	99	300
60	Guyana	Guyana Responsible Parenthood Association	197	18	215
61	Sri Lanka	Family Planning Association of Sri Lanka	192	157	349
62	Thailand	Planned Parenthood Association of Thailand	190	20	210
63	Albania	Qendra për Popullsinë dhe Zhvillimin (Center for Population and Development)	189	9	198
64	Mauritania	Association Mauritanienne pour la Promotion de la Famille	185	8	193
65	Ecuador	Centro Ecuatoriano para la Promoción y Acción de la Mujer de Guayaquil, Ecuador	182	71	253
66	Namibia	Namibia Planned Parenthood Association	178	–	178
67	Tunisia	Association Tunisienne de la Santé de la Reproduction	176	10	186
68	Comoros	Association Comorienne pour le Bien-Etre de la Famille	175	–	175
69	Kiribati	Kiribati Family Health Association	172	61	233
70	Samoa	Samoa Family Health Association	166	138	304
71	Papua New Guinea	Papua New Guinea Family Health Association	166	71	237
72	Cape Verde	Associação Caboverdiana para a Proteção da Família	162	–	162
73	Chile	Asociación Chilena de Protección de la Familia	162	185	347
74	Belize	Belize Family Life Association	158	60	218
75	Lebanon	Association Libanaise pour une Famille Moderne	156	–	156
76	Trinidad and Tobago	Family Planning Association of Trinidad and Tobago	153	23	176
77	Tuvalu	Tuvalu Family Health Association	150	72	222
78	Jamaica	Jamaica Family Planning Association	148	–	148
79	Kyrgyzstan	Reproductive Health Alliance of Kyrgyzstan	146	21	167
80	Tajikistan	Tajik Family Planning Alliance	144	3	147
81	Panama	Asociación Panameña para el Planeamiento de la Familia	142	4	146
82	Mongolia	Mongolian Family Welfare Association	142	6	148
83	Malaysia	Federation of Reproductive Health Associations, Malaysia	139	–	139
84	Tonga	Tonga Family Health Association	138	103	241
85	Syria	Syrian Family Planning Association	138	327	465
86	Fiji	Reproductive & Family Health Association of Fiji	138	53	191
87	Algeria	Association Algérienne pour la Planification Familiale	133	–	133
88	Maldives	Society for Health Education	131	42	173
89	Costa Rica	Asociación Demográfica Costarricense	128	9	137
90	Bosnia and Herzegovina	Association for Sexual and Reproductive Health XY	123	8	131

Rank	Country	Name of Member Association/partner organization	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
91	Iran	Family Health Association of Iran	123	19	142
92	Cook Islands	Cook Islands Family Welfare Association	114	110	224
93	Republic of Serbia	Serbian Association for Sexual and Reproductive Rights	108	10	118
94	Barbados	The Barbados Family Planning Association	106	3	109
95	Bulgaria	Bulgarian Family Planning and Sexual Health Association	106	–	106
96	Mauritius	Mauritius Family Planning & Welfare Association	93	–	93
97	Somaliland	Somaliland Family Health Association	92	405	497
98	Republic of Macedonia	Health Education and Research Association	87	10	97
99	Georgia	Association HERA XXI	86	–	86
100	Ukraine	NGO Women Health and Family Planning	73	–	73
101	Kazakhstan	Kazakhstan Association on Sexual and Reproductive Health	71	10	81
102	Latvia	Latvijas Ģimenes Plānošanas un Seksualas Veselības Asociācija	69	–	69
103	Lithuania	Seimos Planavimo ir Seksualines Sveikatos Asociacija	57	–	57
104	Bahrain	Bahrain Reproductive Health Association	52	–	52
105	Denmark	Sex & Samfund – The Danish Family Planning Association	44	178	222
106	Mexico	Fundación Mexicana para la Planeación Familiar, A.C.	18	2,283	2,301
107	Spain	Federación de Planificación Familiar de España	18	105	123
108	Netherlands	RutgersWPF	–	265	265
109	Norway	Sex og Politikk	–	219	219
110	Finland	Väestöliitto	–	218	218
111	Sweden	Riksförbundet för Sexuell Upplysning	–	214	214
112	Switzerland	SANTÉ SEXUELLE Suisse	–	132	132
113	Ireland	Irish Family Planning Association	–	130	130
114	Belgium	SENSOA VZW	–	108	108
115	Bangladesh	Family Planning Association of Bangladesh	(454)	23	(431)
116	Various	Grants below \$50,000 and Adjustments	179	–	179
<b>Total grants to Member Associations</b>			<b>35,102</b>	<b>24,973</b>	<b>62,044</b>

## Grants to other organizations

The following organizations received cash and commodity grants as shown below. This list includes organizations where IPPF are requested by donors to act as a Secretariat for their funds and issue grants to groups they have identified.

Rank	Country	Name of Member Association/partner organization	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
1	Haiti	Association pour la Promotion de la Famille Haïtienne	479	476	955
2	Various	Japanese Organization for International Cooperation in Family Planning (JOICFP)	560	–	560
3	Various	World Health Organization	150	353	503
4	Uruguay	Iniciativas Sanitarias	132	176	308
5	South Sudan	Reproductive Health Association of South Sudan	196	5	201
6	France	Equilibres & Populations	–	272	272
7	Yemen	Yemeni Association for Reproductive Health	227	15	242
8	Cuba	Sociedad Científica Cubana Para el Desarrollo de la Familia	162	–	162
9	Myanmar	Myanmar Maternal and Child Welfare Association	143	26	169
10	Argentina	FUSA Para la Salud Integral con Perspectiva de Genero y Derechos, Asociacion Civil	77	91	168
11	Brazil	CEPIA – Cidadania, Estudo, Pesquisa, Informação e Ação	151	14	165
12	Zimbabwe	Zimbabwe National Family Planning Council	147	6	153
13	Brazil	GESTOS – Soropositividade, Comunicação e Gênero	151	–	151
14	Brazil	Instituto de Bioética, Direitos Humanos e Gênero	–	150	150
15	Laos	Promotion of Family Health Association of Lao PDR	123	–	123

Rank	Country	Name of Member Association/partner organization	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
16	Bhutan	Respect Educate Nurture Empower Women	37	106	143
17	Japan	Asian Population and Development Association	115	–	115
18	Chile	ONG de Desarrollo Miles Chile	100	–	100
19	Ghana	African Womens Development Fund	–	100	100
20	Sao Tome & Principe	Associação Santomense para Promoção Familiar	99	–	99
21	Seychelles	Alliance of Solidarity for the Family	77	–	77
22	Belgium	European Parliamentary Forum on Population & Development	–	77	77
23	Republic of South Africa	Partners in Sexual Health	70	–	70
25	United Kingdom	University of Leicester	75	–	75
26	Peru	Catolicas por el Derecho – CDD Peru	–	70	70
27	El Salvador	El Salvador, Colectiva De Mujeres Para El Desarrollo Local	–	69	69
28	Bangladesh	icddr	65	–	65
29	Uganda	Volunteers for Development Association in Uganda	–	65	65
30	India	The Dove Foundation	–	64	64
31	Congo, Dem. Republic	Sos Femme et Enfant en Catastrophe	–	62	62
32	Uruguay	Mujer y Salud en Uruguay (MYSU)	–	61	61
33	United Kingdom	London School of Hygiene & Tropical Medicine	59	–	59
34	Bangladesh	Bangladesh Association for Prevention of Septic Abortion	–	57	57
35	Bangladesh	Shimantik	–	55	55
36	Peru	Centro De LA Mujer Peruana Flora Tristan	–	54	54
37	Bangladesh	Research, Training And Management International	–	54	54
38	Ghana	Sustainable Aid Through Voluntary Establishment (SAVE – Ghana)	–	51	51
39	Bangladesh	Reproductive Health Services Training & Education Program	–	50	50
40	Nepal	Youth Action Nepal	–	50	50
41	Various	Grants below \$50,000 and adjustments	75	2,143	2,218
<b>Total grants to partner organizations</b>			<b>3,470</b>	<b>4,772</b>	<b>8,242</b>
<b>Total grants to Member Associations and partner organizations</b>			<b>38,572</b>	<b>29,745</b>	<b>68,317</b>

## 6 Regional activities

### Regional activities by strategic outcomes

	Programme activities US\$'000	Support costs US\$'000	2016 Total programmatic US\$'000	Fundraising US\$'000	2016 Total US\$'000
<b>Strategic Outcomes (2016–2022)</b>					
Championing rights	5,875	2,026	7,901	–	7,901
Empower communities	3,169	1,071	4,240	–	4,240
Serve people	7,591	3,207	10,798	–	10,798
Unite and perform	7,356	3,713	11,069	2,760	13,829
<b>Total 2016</b>	<b>23,991</b>	<b>10,017</b>	<b>34,008</b>	<b>2,760</b>	<b>36,768</b>
<b>Total 2015</b>	<b>27,185</b>	<b>7,222</b>	<b>34,407</b>	<b>2,920</b>	<b>37,327</b>

Support costs allocated to regional activities are those are those costs incurred directly at a regional level and are allocated to the strategic priorities based on programmatic staff costs.

### Regional activities by IPPF strategic priorities and supporting strategies – 2015

	Support costs US\$'000	Programme activities US\$'000	Fundraising US\$'000	Total US\$'000
<b>Strategic priorities</b>				
Adolescents	486	1,942	–	2,428
HIV and AIDS	443	2,870	–	3,313
Access	830	2,485	–	3,315
Abortion	725	3,277	–	4,002
Advocacy	1,408	5,906	–	7,314
<b>Supporting strategies</b>				
Accreditation & governance	216	1,259	638	2,113
Resource mobilization	640	1,447	2,282	4,369
Capacity building	1,143	6,095	–	7,238
Communications	870	363	–	1,233
Evaluation	461	1,541	–	2,002
<b>Total 2015</b>	<b>7,222</b>	<b>27,185</b>	<b>2,920</b>	<b>37,327</b>

### Regional activities by type of expenditure

	Fundraising costs US\$'000	Programme activities US\$'000	Support costs US\$'000	2016 Total US\$'000	2015 Total US\$'000
Personnel costs	1,370	11,594	5,899	18,863	18,142
Consultancies	274	3,736	606	4,616	5,344
Travel	82	6,095	1,021	7,198	8,058
Occupancy	49	354	1,162	1,565	2,093
Communications	902	265	188	1,355	1,077
Other costs	83	1,947	1,141	3,171	2,613
<b>Total 2016</b>	<b>2,760</b>	<b>23,991</b>	<b>10,017</b>	<b>36,768</b>	<b>37,327</b>

## 7 Central activities

### Central activities by strategic outcomes – 2016

	Programme activities US\$'000	Support costs US\$'000	2016 Total programmatics US\$'000	Fundraising US\$'000	Total US\$'000
<b>Strategic Priorities (2016–2022)</b>					
Championing rights	1,308	777	2,085	–	2,085
Empower communities	1,394	1,177	2,571	–	2,571
Serve people	5,148	3,099	8,247	–	8,247
Unite and perform	1,287	1,939	3,226	2,349	5,575
<b>Total 2016</b>	<b>9,137</b>	<b>6,992</b>	<b>16,129</b>	<b>2,349</b>	<b>18,478</b>
Total 2015	11,643	7,392	19,035	2,655	21,690

### Central activities by IPPF strategic priorities and supporting strategies – 2015

	Support costs US\$'000	Programme activities & support US\$'000	Central fundraising US\$'000	Total US\$'000
<b>Strategic priorities</b>				
Adolescents	563	1,031	–	1,594
HIV and AIDS	313	902	–	1,215
Access	1,652	2,922	–	4,574
Abortion	997	1,855	–	2,852
Advocacy	1,109	2,203	–	3,312
<b>Supporting strategies</b>				
Accreditation & governance	272	478	–	750
Resource mobilization	1,666	–	2,655	4,321
Capacity building	46	225	–	271
Evaluation	774	2,027	–	2,801
<b>Total 2015</b>	<b>7,392</b>	<b>11,643</b>	<b>2,655</b>	<b>21,690</b>

### Central activities by type of expenditure

	Fundraising costs US\$'000	Programme activities US\$'000	Support costs US\$'000	2016 Total US\$'000	2015 Total US\$'000
Personnel costs	1,488	5,287	2,673	9,448	10,316
Consultancies	247	1,753	504	2,504	3,252
Travel	380	1,449	560	2,389	3,690
Occupancy	62	–	275	337	263
Communications	9	55	171	235	195
Other costs	163	593	2,809	3,565	3,974
<b>Total 2016</b>	<b>2,349</b>	<b>9,137</b>	<b>6,992</b>	<b>18,478</b>	<b>21,690</b>

- 1) Programme activities represent expenses directly attributable to the issuing or monitoring of grants to Member Associations and partners as well as providing technical assistance to allow the grant recipients to implement programmes effectively. Central Office staff are generally not involved in issuing grants to Member Associations but provide technical support to Regional Office staff and Member Associations.
- 2) Support costs represent all other expenses incurred in the running of IPPF, and are allocated across the Strategic Outcomes based on a proportion of direct personnel costs attributable to the implementation of the activities. This is the methodology used as part of the budget cycle in order to measure correctly the overall costs of undertaking projects on the internal electronic Integrated Management System. This methodology is applied to all areas of the IPPF and has been selected for consistency of use and ease of implementation.
- 3) Fundraising costs comprise of activities related to the Federation's global income generation and resource development.

Included within support costs are fees payable (excluding VAT) to the external auditor of US\$228,000 (2015: US\$216,000) for statutory audit and US\$58,000 (2015: US\$29,000) for individual donor grant certificates and other services.

## 8 Employee numbers and emoluments

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

	Central Office 2016	Regional Offices 2016	Total 2016	Total 2015
Technical knowledge and support	39	104	143	145
Strategic planning, external affairs, advocacy & communications	11	37	48	38
Management, governance, accreditation and policy	12	24	36	46
Resource mobilization	9	20	29	29
Support services – finance, information technology, human resources & administration	23	79	102	111
<b>Total</b>	<b>94</b>	<b>264</b>	<b>358</b>	<b>369</b>

The cost of employing these staff was:

	2016 US\$'000	2015 (restated) US\$'000
Gross salaries of individuals on IPPF payroll	21,263	22,470
Social security costs	1,772	1,910
Pension	1,641	1,741
Temporary staff employed through third party agencies	1,085	595
Other employee benefits	2,692	2,956
Redundancy costs	1,031	9
<b>Total</b>	<b>29,484</b>	<b>29,681</b>

Total employment cost of senior staff:

	2016 US\$'000	2015 US\$'000
Total senior staff costs	2,041	2,005

The numbers of staff whose emoluments were over US\$78,000 (£60,000) fell into the following bands:

	2016	2015
US\$78,000 to US\$90,000	27	25
US\$90,000 to US\$100,000	5	2
US\$100,000 to US\$110,000	14	12
US\$110,000 to US\$120,000	7	8
US\$120,000 to US\$130,000	9	10
US\$130,000 to US\$140,000	7	4
US\$140,000 to US\$150,000	4	2
US\$150,000 to US\$160,000	4	1
US\$160,000 to US\$170,000	1	1
US\$170,000 to US\$180,000	1	2
US\$180,000 to US\$190,000	3	–
US\$190,000 to US\$200,000	2	2
US\$210,000 to US\$220,000	1	1
US\$270,000 to US\$280,000	1	–
US\$330,000 to US\$340,000	2	1
US\$380,000 to US\$390,000	–	1

Contributions amounting to US\$942,009 (2015: US\$681,177) were made to defined contribution schemes on behalf of 88 higher paid employees (2015: 52).

Ex-gratia payments totalling US\$5,000 were made during the year (2015: nil)

Redundancy costs relate to the relocation of the SARO and ESEAOR offices and the restructuring of the central office. Subsequent to the year end, the offices in New Delhi and Kuala Lumpur closed on 31 March 2017 and 31 May 2017 respectively, with operations transferring to Bangkok. Costs relating to the closures have been included in the statement of financial activities.

## 9 Tangible fixed assets

	Freehold land and property US\$'000	Leasehold property & improvements US\$'000	Fixtures, fittings, equipment & computers US\$'000	Total US\$'000
<b>Cost or valuation</b>				
At 1 January 2016	31,380	142	5,611	37,133
Additions	2,122	26	350	2,498
Disposals	–	–	(151)	(151)
<b>At 31 December 2016</b>	<b>33,502</b>	<b>168</b>	<b>5,810</b>	<b>39,480</b>
<b>Depreciation and amortization</b>				
At 1 January 2016	2,000	141	4,953	7,094
Charge for the year	633	5	320	958
Released on disposal	–	–	(151)	(151)
<b>At 31 December 2016</b>	<b>2,633</b>	<b>146</b>	<b>5,122</b>	<b>7,901</b>
<b>Net book values</b>				
<b>At 31 December 2016</b>	<b>30,869</b>	<b>22</b>	<b>688</b>	<b>31,579</b>
At 31 December 2015	29,380	1	658	30,039

All tangible fixed assets are held for charity use.

## 10 Investments

	Unrestricted US\$'000	Restricted US\$'000	Endowment US\$'000	Total US\$'000
<b>Listed on the New York Stock Exchange</b>				
<b>Shares and securities at market value</b>				
At 1 January 2016	25,798	8,051	1,145	34,994
Additions	205	4,075	–	4,280
Disposal proceeds	(805)	(4,646)	–	(5,451)
Gains for the year	897	131	69	1,097
<b>Shares and securities at 31 December 2016</b>	<b>26,095</b>	<b>7,611</b>	<b>1,214</b>	<b>34,920</b>
<b>Investment property at market value</b>				
Investment property at 1 January 2016	1,409	–	–	1,409
<b>Investment property 31 December 2016</b>	<b>1,409</b>	<b>–</b>	<b>–</b>	<b>1,409</b>
<b>Total Investments at 31 December 2016</b>	<b>27,504</b>	<b>7,611</b>	<b>1,214</b>	<b>36,329</b>
Total Investments at 31 December 2015	27,207	8,051	1,145	36,403

### Shares and securities at historical cost

<b>At 31 December 2016</b>	<b>7,830</b>	<b>28,997</b>	<b>–</b>	<b>36,827</b>
At 31 December 2015	17,477	21,659	–	39,136

The above figures include no cash held as part of the investment portfolio (2015: nil).

### Investment property at market value

The investment property was acquired on 31 December 2012 for no cost, following the early termination of a lease on a property for which IPPF holds the freehold. It is included in the balance sheet at open market value and the last independent property valuation was carried out as at 31 December 2015 by an external valuer – BNP Paribas Real Estate UK (Chartered Surveyors).

### Investment in subsidiary

International Contraceptive & SRH Marketing Limited (trading as ICON) is a wholly owned dormant trading subsidiary incorporated and registered in England and Wales.

## 11 Long term loans

	2016 Total US\$'000	2015 Total US\$'000
Loans to Member Associations – amounts falling due after more than one year	696	767
<b>Total</b>	<b>696</b>	<b>767</b>

All loans to Member Associations are interest bearing.

## 12 Debtors

	2016 Total US\$'000	2015 Total US\$'000
Receivable from donors	–	10
Ford Foundation	163	–
MSH – Leadership Management Governance	100	247
Population Services International (PSI)	19	63
Other (various)	1,089	672
Receivable from associations	806	1,683
Receivable from others	939	787
Prepayments	573	445
<b>Total</b>	<b>3,689</b>	<b>3,897</b>

## 13 Creditors

	2016 Total US\$'000	2015 Total US\$'000
Accounts payable	2,460	2,190
Payable to associations	6,379	5,700
Accruals and other creditors	3,257	2,867
Deferred income (see below)	–	232
<b>Deferred income balances carried forward</b>	<b>12,096</b>	<b>10,989</b>

## Deferred income

	2016 Total US\$'000	2015 Total US\$'000
Deferred income balances brought forward	232	4,295
Recognition of prior year's deferred income	(232)	(4,295)
Income received for activities in future periods	–	232
<b>Deferred income balances carried forward</b>	<b>–</b>	<b>232</b>

## 14 Provisions

	2016 US\$'000	2015 US\$'000
Opening balance	544	282
Utilized in year	(26)	(130)
Arising in year	97	392
<b>Closing balance</b>	<b>615</b>	<b>544</b>

Following an investigation by the Kenya Revenue Authority in relation to unpaid employment taxes, IPPF has provided US\$459,072. A further provision of US\$40,459 has been made relating to a PAYE and withholding tax claim although application for this to be waived has been submitted.

## 15 Funds and reserves

### Restricted funds

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

	Balance at 1 Jan 2016 US\$'000	Income and investment gains US\$'000	Expenditure and transfers US\$'000	Balance at 31 Dec 2016 US\$'000
<b>Government</b>				
Australia				
SPRINT	1,554	1,917	2,196	1,275
Capacity Building in the Pacific	436	1,077	1,055	458
South Asia Strategic Plan	32	–	2	30
RENEW Advocacy and Institutional Strengthening	–	261	61	200
Canada				
Delivering the Muskoka Promise	(135)	–	–	(135)
Denmark				
Adolescents & Advocacy for SRH (A+)	11	–	–	11
High Level Task Force	349	114	463	–
Finland				
High Level Task Force	926	(7)	919	–
Germany				
Promoting Integrated SRH/HIV Services for Girls at risk and persons with Disabilities in Liberia	42	–	42	–
Enhancing SRH services to displaced populations in Western Cote d'Ivoire	12	–	12	–
Providing assistance to internally displaced populations in Syria	109	385	327	167
Enhancing SRH and addressing GBV among refugees and internally displaced populations in Sudan	–	169	207	(38)
Ireland				
Irish Aid 2013–2015	–	34	13	21
Japan – HIV/STI/AIDS Trust Fund				
	2,588	639	415	2,812
Netherlands				
ASK	467	–	255	212
Choices and Opportunities Fund	(276)	572	209	87
Civil Society and ICPD	(550)	492	62	(120)
Get Up Speak Out	–	1,070	941	129
High Level Task Force	(1,275)	334	(941)	–
Right Here Right Now	8	685	407	286
New Zealand				
Reproductive Health Facility for the Pacific	10	–	–	10
Norway				
UN Resources Databases	6	–	–	6
Expanding and Improving Access to Safe Abortion Services	9	–	8	1
Empowering A First Generation of Somalis to Abandon FGM	460	352	442	370
South Korea				
Access to RH in Burkina Faso, Lesotho and Uganda	41	–	–	41
Sweden				
SIDA funds for ARO	51	–	–	51
Switzerland				
Support for IPPF Geneva Office	–	177	93	84

	Balance at 1 Jan 2016 US\$'000	Income and investment gains US\$'000	Expenditure and transfers US\$'000	Balance at 31 Dec 2016 US\$'000
United States of America				
Western Hemisphere Region Sustainability Fund	1,609	120	–	1,729
MSH – Leadership, Management & Governance	215	281	206	290
PSI – CA & Mexico HIV/AIDS	–	151	151	–
Population Council – The Evidence Project	(65)	335	359	(89)
Sustainable Networks	(670)	1,537	3,959	(3,092)
Multi-donor fund – Safe Abortion Action Fund	2,418	2,205	3,214	1,409
<b>Total government restricted funds</b>	<b>8,382</b>	<b>12,900</b>	<b>15,077</b>	<b>6,205</b>

	Balance at 1 Jan 2016 US\$'000	Income and investment gains US\$'000	Expenditure and transfers US\$'000	Balance at 31 Dec 2016 US\$'000
<b>Multilateral and other sources</b>				
Arab Gulf Fund – Youth Health Protection	90	–	–	90
Bayer HealthCare				
Bayer Barometer 2013	73	–	3	70
Barometer of Women's Access to Contraceptives	–	150	150	–
Bill & Melinda Gates Foundation				
Assessing Benefits of integrated HIV and Reproductive Health – Africa	(41)	–	(1)	(40)
Countdown 2030 Europe	–	1,500	371	1,129
Marie Stopes International – Cervical Cancer Screening & Preventative Therapy	(202)	1,121	840	79
Advance Family Planning	106	156	359	(97)
Joining Voices	287	2,297	2,590	(6)
Cordaid – Jeune S3 IPPFAR	–	166	124	42
Danish Family Planning Association – Family Planning for Gender Equality and Development in the Eastern African Region	3	–	–	3
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)				
Shadows and Light	13	–	13	–
Civil Society and Beyond 2014	(13)	12	(1)	–
Africa Rising Project	18	27	(1)	46
High Level Task Force	–	130	130	–
BACKUP – Integration for Sustainability (I4S)	–	148	14	134
Accelerating ICPD Implementation	–	92	20	72
Erik E & Edith Bergstrom Foundation				
Asociacion Hondurena de la Planificacion (2015–2016)	–	131	131	–
WHR Clinic Services (Bolivia)	137	–	137	–
Expanding Regional Effort in UP and UA	(34)	–	(34)	–
CIES and Potosi Clinic Construction	(136)	370	234	–
UMOSA (Bolivia)	136	–	136	–
CIES Segunda Generacion	–	60	60	–
European Commission				
EC Safe Motherhood Bangladesh	30	–	–	30
SARO Advocacy Project	446	(339)	107	–
Keep Me Safe	2	–	2	–
Capacities/Partnership/Change	98	(96)	2	–
Strengthening MDG 5a and 5b in South Asia	40	938	434	544
The Flora Family Foundation	–	50	–	50

	Balance at 1 Jan 2016 US\$'000	Income and investment gains US\$'000	Expenditure and transfers US\$'000	Balance at 31 Dec 2016 US\$'000
The Ford Foundation				
Declaration of Sexual Rights	150	150	152	148
International Advocacy 2012–2014	199	–	199	–
International Advocacy 2016–2018	–	163	–	163
High Level Task Force	(4)	250	171	75
Health Pooled Fund – Crown Agents – Technical assistance to South Sudan	–	137	–	137
Helen Seymour Fund – University Bursary Fund	79	–	–	79
Ideas42 – GBV	–	35	31	4
The John D. and Catherine T. MacArthur Foundation				
International Advocacy to Advance SRH&R	(28)	–	(28)	–
Building capacity of MA's to enhance governance and management	13	–	–	13
From Rhetoric to Reality: International Advocacy for Sexual and Reproductive Health and Rights	248	250	172	326
John Hopkins University – Advance Family Planning	–	508	709	(201)
Kabak Foundation – grant to Africa Regional Office	151	–	–	151
The MAC Foundation – MAC AIDS Europe & East, Southeast Asia & Oceania	2	–	2	–
The NoVo Foundation – A Future of Empowerment: Creating Supportive, Enriching Environment for Haitian Girls	(95)	298	49	154
Open Society Foundation	–	125	27	98
Overbrook Foundation – Building Stronger Community with SRH Voices	80	–	–	80
The David and Lucile Packard Foundation				
Zika	–	10,008	44	9,964
Women's Leadership ARO	236	–	–	236
Abortion Stigma	236	–	228	8
Abortion Stigma II	–	751	132	619
Strengthening coordination to increase access to SRHR for young people in Africa	208	–	108	100
LAC conference	–	50	50	–
OECD Development Communication Network (DevCom) – Donor Cultivation	17	–	–	17
Reproductive Health Supplies Coalition				
Building a sustainable funding architecture for RH supplies	(12)	24	12	–
Sir David Owen Memorial – University Bursary Fund	36	–	–	36
The Summit Foundation				
Adolescent Sexual Health (2015–2016)	38	20	58	–
Sexual Health of Young People	–	205	162	43
Swedish Association for Sexuality Education (RFSU)				
Sexual Rights are Human Rights	10	–	–	10
International Program for SRHR	(349)	817	396	72
United Nations Fund for Population Activities (UNFPA)				
Reproductive Health Mozambique	21	–	–	21
UNFPA MDG5B Grant (ESEAOR)	2	–	–	2
UNFPA ESEAOR	10	–	–	10
Joint Project on Adolescent Health (SROP)	8	–	1	7
Support for SARYN meeting/APPC	7	–	–	7
Systems strengthening for RHCS	(291)	101	235	(425)
Africa Parliamentary Forum for Population Development	63	220	147	136
SRHR in East and Southern Africa	7	–	–	7
Increased availability and use of integrated SRH services	(23)	185	162	–

	Balance at 1 Jan 2016 US\$'000	Income and investment gains US\$'000	Expenditure and transfers US\$'000	Balance at 31 Dec 2016 US\$'000
Strengthening SRH/HIV Linkages Part VIII	(224)	220	(4)	–
Asia and the Pacific (APRO) – Reaching out to Young People	(70)	114	141	(97)
SRH and HIV linkages Website 2015	(1)	1	–	–
Sub-regional Office in the Pacific: planning and monitoring for youth-friendly health services	1	–	2	(1)
Strengthening SRH/HIV Linkages 2016	–	74	122	(48)
EuroNGOs	–	20	20	
Youth friendly services	67	(12)	34	21
Friendship Retreat	–	7	7	–
United Nations Programme on HIV/AIDS (UNAIDS)				
Technical Support Facility ESEAOR	1,520	–	–	1,520
Technical Support Facility ESEAOR Phase III	66	2,103	2,204	(35)
Technical Support Facility ESEAOR Phase III	(104)	930	433	393
United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)				
“Empowerment + Engagement = Equality!!” UN Women preparatory assistance initiative: Raising voices of the young women and adolescent girls in the HIV/AIDS responses in East and Southern Africa	18	74	88	4
ViiV Healthcare – Young People SRH/HIV in Kenya	24	–	24	–
Virginia B.Toulmin Foundation				
A Sustainable Effort to Reaching Vulnerable and Underserved Populations in Latin America	–	250	282	(32)
Social Enterprise Model	–	50	44	6
Communications	–	–	–	–
Waterloo Foundation				
Extend family planning services in Maya and Simiyu districts of Tanzania	40	–	–	40
Watson Institute for International and Public Affairs at Brown University – Access to HQ S&H in Latin America and the Caribbean	–	130	163	(33)
WestWind Foundation				
General Support	–	75	75	–
Amaze Initiative – WestWind Foundation Awards	–	15	7	8
Wildflower Foundation – 2017	–	40	–	40
The William and Flora Hewlett Foundation				
Global Advocacy Umbrella grant	190	–	(29)	219
General Support and Advocacy	250	250	275	225
Setting Africa’s Agenda on SRH Post-2015	138	420	441	117
General Operating Support	(107)	–	(107)	–
World Health Organization (WHO)				
Rapid Assessment Tool Findings	3	–	–	3
PMNCH	13	47	34	26
Development of an electronic toolkit for SRHR and HIV linkages	4	–	2	2
Joint tools on SRH/HIV linkages	–	5	6	(1)
National dissemination workshops	–	6	–	6
Multi-donor Fund – Euro NGOs	300	400	321	379
Anonymous donors (not disclosed at their request)	6,709	13,873	21,121	(539)
Other (various)	5,038	631	294	5,375
<b>Total multilateral and other sources</b>	<b>15,947</b>	<b>40,933</b>	<b>35,039</b>	<b>21,841</b>
<b>Total restricted funds</b>	<b>24,329</b>	<b>53,833</b>	<b>50,116</b>	<b>28,046</b>

## Unrestricted funds and reserves

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

	Note	Asset Revaluation Reserve US\$'000	Fixed Asset Reserve US\$'000	Staff Reserve US\$'000	Other Designated Funds US\$'000	WHR Sustainability Fund US\$'000	Innovation Fund US\$'000	Pension Fund US\$'000	General Fund US\$'000	Total US\$'000
Additions to Fixed Assets (note 9)	a	–	2,498	–	–	–	–	–	(2,498)	–
Transfer into the Director-General's Contingency and Emergency Funds	b	–	–	–	131	–	–	–	(131)	–
Transfer to the Designated Regional Fund	c	–	–	–	3,108	–	–	–	(3,108)	–
Australia 2016/17 funding set aside for MA grants in 2017	d	–	–	–	1,800	–	–	–	(1,800)	–
ARO office development fund	e	–	–	–	600	–	–	–	(600)	–
Miscellaneous other	f	–	–	–	(139)	–	1,356	–	(1,059)	158
<b>Transfers between funds</b>		<b>–</b>	<b>2,498</b>	<b>–</b>	<b>5,500</b>	<b>–</b>	<b>1,356</b>	<b>–</b>	<b>(9,196)</b>	<b>158</b>
Balance as at 1 January 2015		12,521	17,518	787	30,206	20,114	4,709	(7,516)	21,857	100,196
Net (expenditure)/income		(35)	(923)	(291)	(7,474)	(121)	(1,289)	1,377	11,548	2,792
Net gains/(losses) on investment assets		–	–	–	–	105	–	–	792	897
Actuarial gains/(losses) on defined benefit pension scheme		–	–	–	–	–	–	(9,517)	–	(9,517)
Foreign exchange movements on pension liability		–	–	–	–	–	–	1,116	–	1,116
Foreign currency translation		–	–	–	–	–	–	–	(74)	(74)
<b>Balance as at 31 December 2016</b>		<b>12,486</b>	<b>19,093</b>	<b>496</b>	<b>28,232</b>	<b>20,098</b>	<b>4,776</b>	<b>(14,540)</b>	<b>24,927</b>	<b>95,568</b>

Explanations of movements on unrestricted funds and reserves:

- The Fixed Asset Reserve represents the net book value of fixed assets with fixed asset additions being funded from the General Fund and depreciation being charged to this reserve each period.
- The Director-General's Contingency and Emergency Funds allocated US\$0.25 million to fund unforeseen events and emergency situations respectively.
- Funds allocated to the Designated Regional Fund's from savings on budget allocation for utilization in 2017.
- Donor funds targeted for designated Member Associations in the Pacific.
- Funds earmarked to reduce our operating and infrastructure costs in Nairobi over the longer term.
- Funds set aside for innovation projects and other transfers.

Asset Revaluation Reserve	The Asset Revaluation Reserve represents the difference between the historic cost of fixed assets and the depreciated revalued equivalent.
Fixed Asset Reserve	The Fixed Asset Reserve represents the value of IPPF funds invested in unrestricted fixed assets (see note 9) or allocated for their replacement.
Staff Reserve	Staff Reserve funds have been set aside to provide for redundancy and other separation costs in the event that IPPF should terminate its activities. This requirement only applies to the staff within the Western Hemisphere Regional Office.
Other Designated Funds	Other Designated Funds include the Member Association Performance Fund, the Resource Mobilization Fund, the 21st Century Fund (for sustainability projects in South American Member Associations) and various funds set aside for use by specific Regions.
WHR Sustainability Fund	The WHR Sustainability Fund was established by the Western Hemisphere Region during 2002 following the receipt of a single legacy to be used within that Region. The WHR Board have agreed to keep the legacy intact and to use the income generated for activities within the region. 3.5% of the fund is released per-annum, 50% of which funds Regional Office projects and 50% funds Member Association projects.
Innovation Fund	The Innovation Fund is used to develop innovative projects and try new approaches to our work.
Pension Fund	The Pension Fund represents the value of IPPF's assets and liabilities arising in respect of the Central Office Defined Benefit Pension Scheme, which was closed in 2007. The movements in this fund are detailed in note 20.
General Fund	The General Fund contains the undesignated unrestricted funds of IPPF which are free of donor restrictions for specific activities or countries. These will fund future activities.

## 16 Net assets between funds

	Unrestricted US\$'000	Restricted US\$'000	Endowment US\$'000	2016 Total US\$'000
Fixed assets	59,157	8,233	1,214	68,604
Current assets	58,465	25,010	–	83,475
Current liabilities	(6,899)	(5,197)	–	(12,096)
Provisions for liabilities	(615)	–	–	(615)
Pension liability	(14,540)	–	–	(14,540)
<b>Total</b>	<b>95,568</b>	<b>28,046</b>	<b>1,214</b>	<b>124,828</b>

	Unrestricted US\$'000	Restricted US\$'000	Endowment US\$'000	2015 Total US\$'000
Fixed assets	57,338	8,726	1,145	67,209
Current assets	59,605	17,905	–	77,510
Current liabilities	(8,687)	(2,302)	–	(10,989)
Provisions for liabilities	(544)	–	–	(544)
Pension liability	(7,516)	–	–	(7,516)
<b>Total</b>	<b>100,196</b>	<b>24,329</b>	<b>1,145</b>	<b>125,670</b>

## 17 Forward commitments

	2016 US\$'000	2015 US\$'000
Orders for contraceptives and services due within one year	978	696

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

### Operating lease commitments

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

	2016 US\$'000	2015 US\$'000
Due		
In the next 1–2 years	283	436
Between 2–5 years	139	421
Over 5 years	–	6
<b>Total</b>	<b>422</b>	<b>863</b>

The operating lease charge to the Statement of financial activities for 2016 is US\$409,000 (2015: US\$438,000).

## 18 Contingent liability

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

## 19 Funds held on behalf of third parties

At 31 December 2016, IPPF held funds on behalf of the member association of Guatemala (Asociacion Pro Bienestar de la familia de Guatemala) amounting to US\$14,689,356(2015: US\$13,904,962). These funds are held by IPPF WHR Inc as part of the overall investment portfolio. The funds are not included in the balance sheet as the trustees do not have a legal obligation to ensure their charitable application. The funds are invested as a separate fund, managed by the investment managers GMO.

## 20 Pension schemes

IPPF operates four pension schemes as described below:

### The Central Office defined benefit pension scheme (closed)

This is a defined benefit scheme covering full-time staff in the Central Office, London. The assets of the fund are managed by independent professional investment managers.

The scheme's assets and liabilities are calculated by professional actuaries. The most recent formal actuarial valuation as at 1 July 2015 was performed using the Defined Accrued Benefit Method. The assumption used reflected the Employer Covenant Strength and the average term of the liabilities. The main assumptions used in the valuation were:

- Deferred Pensioners (average term 25 years)
- Investment return 4.95% per annum pre-retirement
- Investment return 3.70 % per annum post retirement
- Pension revaluation before retirement in line with CPI (maximum 5%) – 3.05% per annum
- Pension increases after retirement in line with RPI (maximum 5%) – 3.65% per annum

The report for the actuarial valuation as at 1 July 2015 showed the fund to have an asset value of GBP£29.6 million under the ongoing valuation method. This is equivalent to a funding level of 83% (market value of assets versus liabilities).

A decision was taken to close the scheme to current members in 1 September 2007. This followed the earlier decision in September 2003 to close the scheme to new members. A pension strategy was approved in October 2009 which commits IPPF to reducing the pension deficit to zero by 2020. An updated recovery plan was submitted to the Pensions Regulator from July 2016. This will require the pension deficit to be paid off by January 2021 and require a 3.5% annual increase in payments from the current level of GBP£1.2 million.

From 1 September 2007 the former members of this scheme were offered defined contribution pension arrangements.

IPPF are aware of evolving U.K. case law in relation to final salary schemes and are assessing any possible implications to its defined benefit scheme (closed). It is not yet certain whether any additional liability occurs and therefore any financial impact.

### The Central Office defined contribution pension scheme

Since 2003, a defined contribution pension scheme has been offered to permanent staff in the Central Office, London. IPPF contributes 7% of salary. For staff previously included in the defined benefit scheme a contribution of 10% of salary is made.

The 2016 pension charge for this scheme is US\$495,124 (2015: US\$548,419).

### The Western Hemisphere Regional Office pension scheme

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

The 2016 pension charge for this scheme is US\$623,155 (2015: US\$667,956).

## The overseas staff pension scheme

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

The 2016 pension charge for this scheme is US\$623,155 (2015: US\$316,434).

At 31 December 2016 there were no outstanding or prepaid contributions for any of the defined contribution schemes.

## FRS 102 disclosure note

There is one defined benefit pension scheme providing benefits on final pensionable salary, the Central Office Defined Benefit Pension Scheme. The latest full actuarial valuation of this scheme was carried out at 1 July 2015 and was updated for accounting purposes to 31 December 2016 by a qualified independent actuary.

The pension contributions payable by IPPF to the scheme were as follows:

	2016 US\$'000	2015 US\$'000
Pension contributions	1,601	1,752

There were no outstanding or prepaid contributions at the year end (2015: nil).

The major assumptions used in the FRS 102 valuation were:

	2016 Per annum	2015 Per annum	2014 Per annum
Inflation – RPI	3.60%	3.40%	3.30%
Inflation – CPI	2.90%	2.70%	2.60%
Rate of discount	2.70%	4.05%	3.75%
Pension increases:			
Pre 88 GMP	Nil	Nil	Nil
Post 88 GMP	2.70%	2.70%	2.60%
Excess over GMP accrued pre 1.3.1998	6.00%	6.00%	6.00%
Excess over GMP accrued between 1.3.1998 and 31.7.2002	6.00%	6.00%	6.00%
Excess over GMP accrued between 1.8.2002 and 5.4.2005	3.60%	3.40%	3.30%
Excess over GMP accrued from 5.4.2005	2.50%	2.30%	2.30%
Life expectancy (at age 65)			
	<b>Years</b>		
Males born 1951	22.8		
Females born 1951	24.9		
Males born 1971	25.0		
Females born 1971	27.2		

The present value of the scheme liability was calculated as follows, using the updated year of birth series adjusted for the medium cohort:

	2016	2015
Pre-retirement mortality (male/female)	S1PA / S1PA	S1PA / S1PA
Post retirement mortality for non-pensioner members (male/female)	S1PA / S1PA	S1PA / S1PA
Post retirement mortality for pensioner members (male/female)	S1PA / S1PA	S1PA / S1PA

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

In 2010 the UK Government announced a change in the statutory minimum pension increase for public and private pension schemes. Previously this inflation rate was linked to the Retail Price Index (RPI). The announced change links this inflation rate to the Consumer Price Index (CPI), where this in line with the legal obligations detailed within the rules of the scheme. After clarifying the legal obligations that apply to the scheme IPPF linked the inflation rate to CPI.

## Scheme assets

The fair value of the scheme's assets, which are not intended to be realized in the short term and may be subject to significant change before they are realized, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2016 US\$'000	2015 US\$'000
Equities	7,893	8,196
Bonds	22,713	24,653
Cash	–	9,644
Property	–	913
Liability driven investment	7,892	–
<b>Total market value of assets</b>	<b>38,498</b>	<b>43,406</b>
Present value of scheme liability	53,038	50,922
<b>Deficit in scheme – Net pension liability</b>	<b>(14,540)</b>	<b>(7,516)</b>

The expected rates of return on the assets in the scheme were 2.7% (2015: 4.5%). The actual return on scheme assets was US\$2.4 million (2015: US\$0.3 million).

## Movement in pension fund liability during the year:

	2016 US\$'000	2015 US\$'000
Deficit in scheme at 1 January	(7,516)	(12,040)
Employer's contributions	1,601	1,748
Other finance charge	(224)	(399)
Actuarial (loss)/gain	(9,517)	2,688
Exchange rate gain	1,116	487
<b>Deficit in scheme at 31 December</b>	<b>(14,540)</b>	<b>(7,516)</b>

The scheme closed to future accrual on 1 September 2007, with all active members being given deferred pensions at that date. This means that benefits for those members now increase broadly in line with price inflation. Previously, these benefits increased in line with salary.

The exchange rate gain represents the difference in the exchange rate used to value the balance sheet in 2015 and 2016 as the liability is in GBP.

The actuary has confirmed that the valuations made above under the requirements of FRS 102 do not indicate that there is an immediate funding requirement or that there is any need to change the current funding rates made by the employer to the pension scheme.

The pension fund liability of US\$14.5 million does not exceed the unrestricted funds balance.

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

	2016 US\$'000	2015 US\$'000
Expected return on pension fund assets	(1,463)	(1,619)
Interest on pension funds liabilities	1,687	2,018
<b>Total charge to the Statement of Financial Activities</b>	<b>244</b>	<b>399</b>

## 21 Related parties

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

Some members of the Governing Council are Presidents of Member Associations who receive grants from IPPF in accordance with the volunteer governance structure of IPPF.

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

No remuneration was paid to members of the Governing Council or Audit committee.

Total expenses reimbursed to members the Governing Council and Audit Committee or incurred on their behalf of their for attendance at meetings was US\$223,068 (2015: US\$174,446).

There were no other related party transactions during the period.

## Members of the Governing Council

### Africa Region

Ms Jeanne Francoise	
Leckomba Loumeto Pombo	Democratic Republic of the Congo
Ms Adama Dicko	Mali
Ms Naomi Mmapelo Seboni	Botswana
Mr Kweku Osae Brenu	Ghana

### Arab World Region

Ms Khadija Ghoussain Nader	Morocco
Mr Mohamed Tarek Ghedira	Tunisia
Mr Tawfeeq Nasseeb	Bahrain
Ms Nadine Nabulsi	Palestine

### East, South East Asia & Oceania Region

Mr Charles Kelly	Solomon Islands
Ms Helena O'Dwyer-Strang	New Zealand
Mr Napoleon Hernandez	Philippines
Ms Atashendartini Habsjah	Indonesia

### Europe Region

Ms Lene Stavngaard	Denmark
Mr Bert van Herk	Netherlands
Ms Kristina Ljungros	Sweden
Ms Dilnoza Shukurova	Tajikistan

### South Asia Region

Ms Sujatha Natarajan	India
Mr M M Muzibur Rahman	Bangladesh
Ms Safieh Shahriari Afshar	Iran
Ms Shambhavi Poudel	Nepal

### Western Hemisphere Region

Ms Esther Vicente	Puerto Rico
Ms Diana Barco	Colombia
Ms Deandra Walker	Guyana
Mr Santiago Cosio	Mexico

## Members of the Audit Committee

Dr Moncef Ben Brahim	Tunisia
Dr Kamaruzaman Ali	Malaysia
Ms Khadija Azougagh	France
Ms Kathleen Tait	United States of America (alternate member)

## Members of the Membership Committee

Mr Kweku Brenu	Ghana
Ms Nadine Nabulsi	Palestine
Mr Napoleon Hernandez	Philippines
Ms Lene Stavngaard	Denmark
Dr Safieh Shahriari Afshar	Iran
Ms Diana Barco	Colombia

# Contact names and addresses

## Registered address

4 Newhams Row  
London  
SE1 3UZ  
United Kingdom

Telephone: +44 (0)20 7939 8200  
Facsimile: +44 (0)20 7939 8300  
www.ippf.org  
info@ippf.org

## Directors' leadership team

Director-General  
**Tewodros Melesse**

Director, Programme Division  
**Yilma Melkamu**

Director, Performance Division  
**Snjezana Bokulic**

Director, External Affairs Division  
**Owain James** (currently on career break)

Director, Operations Division  
**Colin Munro**

Africa Regional Director  
**Lucien Kouakou**

Arab World Regional Director  
**Mohamed Kamel**

East and South East Asia and Oceania Regional Director  
**Nora Murat**

European Network Regional Director  
**Caroline Hickson** (currently acting Director, External Affairs)

South Asia Regional Director  
**Anjali Sen** (resigned April 2017)

Western Hemisphere Regional Director  
**Giselle Carino**

## Principal banker

Barclays Bank Plc  
One Churchill Place, London E14 5HP,  
United Kingdom

## Principal investment managers

GMO LLC  
40 Rowes Wharf, Boston, MA 02110,  
Massachusetts, United States of America

## External auditor

KPMG LLP  
15 Canada Square, London E14 5GL,  
United Kingdom

## Internal auditor

Crowe Clark Whitehill LLP  
St Bride's House, 10 Salisbury Square, London EC4Y 8EH,  
United Kingdom

## Solicitor

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

## How to help

If you would like to support the work of IPPF or any of our national affiliates by making a financial donation please visit our website at [www.ippf.org](http://www.ippf.org) or contact IPPF Central Office in London, UK.



# IPPF Financial Statements 2016

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International Planned Parenthood Federation  
4 Newhams Row, London SE1 3UZ, UK

**tel** +44 (0)20 7939 8200

**fax** +44 (0)20 7939 8300

**web** [www.ippf.org](http://www.ippf.org)

**email** [info@ippf.org](mailto:info@ippf.org)

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