

Financial statements

2012



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

Income in 2012 of US\$144.8 million

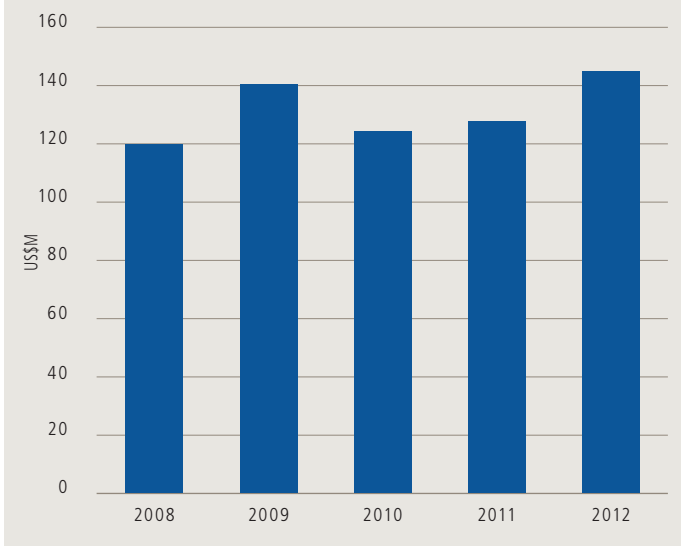
IPPF's total income from governments, foundations and other sources rose by US\$17.1 million between 2011 and 2012, an increase of 13%. This comprised a rise of US\$16.4 million in restricted income (32%), and a rise in unrestricted income of US\$0.7 million (1%). Over the past five years, total income from governments, foundations and other sources has increased by US\$25.1 million (21%).

The growth in restricted income was due to increased programme funding by the governments of Australia (US\$5.5 million), Canada (US\$1.0 million), China (US\$0.6 million) and Sweden (US\$3.0 million). In addition IPPF's Western Hemisphere office received a restricted legacy of US\$15 million to support activities in respect of adolescents and/or work in Mexico. These increases were offset by reductions in restricted funding provided by the governments of the United Kingdom (US\$5.3 million), Denmark (US\$1.9 million) and the Government of Spain (US\$1.2 million), following the completion of programmes funded by these donors in prior years.

Unrestricted funding from governments decreased by US\$2.4 million (4%), with a reduction of US\$1.3 million from the government of Switzerland following a non recurrent additional grant in 2011, and US\$0.6 million from the government of Norway. These were partially offset by increases of US\$0.4 million each from the Governments of Australia and Finland. In addition the Federation received a donation of commodities from UNFPA of US\$2.3 million, an increase of US\$0.2 million compared to 2011. Unrestricted income also increased due to additional external sales of commodities by the subsidiary company of US\$0.6 million, and the early termination of the leasehold of a flat for which IPPF is the freeholder (US\$1.2 million), held as an investment property on the balance sheet.

The unrestricted funding we receive from our major donors provides for 10% of the total income received by the Federation's grant receiving Member Associations (based on 2011 Member Association financial statements), and provides the investment in strengthening of service delivery, advocacy and performance that underpins the Federation's improvement in 23 of its 30 global indicators since 2008. This improvement includes delivery of over 45 million services to young people (a rise of 119% since 2008), 2.1 million abortion services (a rise of 86%), HIV services of 19.2 million (a rise of 123%) and Couple Years Protection (CYP) of 11.8 million (a 51% rise from 2008 and 32% growth from 2011 levels). Unrestricted funding will continue to play a key role in enabling IPPF to meet its commitment to double services delivered by 2015 from 2010 levels.

Figure 1: IPPF Income 2008-2012



“Unrestricted funding will continue to play a key role in enabling IPPF to meet its commitment to double services delivered by 2015.”

Expenditure in 2012 of US\$123 million

IPPF made grants to Member Associations (MAs) and partner organizations of US\$71.8 million, a decrease of US\$5 million (7%) from 2011 and a rise of US\$0.4 million compared to 2008 levels. This decrease is driven by a US\$5.7 million fall in unrestricted grants. Grant levels were set based upon the expectation of income when the 2012 budget was originally developed in May 2011 – a point in time when the global economic outlook was very poor. Resources received over and above those budgeted levels have been committed to supporting IPPF’s MAs and other partners in implementing initiatives in 2013-2015 to radically scale up service delivery and deliver sustained improvement in performance across the Federation.

Expenditure on abortion programmes decreased by US\$6.7 million (34%) in 2012, driven by a reduction in grant expenditure on anonymous-donor funded global abortion initiatives, and also on the Safe Abortion Action Fund initiative hosted by IPPF. Expenditure on HIV and AIDS programmes reduced by US\$3.3 million (25%), driven by a reduction in the level of 2012 unrestricted IPPF MA grants being allocated by MAs to HIV specific programmes. As evidenced in the improvement in global indicators referred to above, these movements do not represent a reduction in investment in the areas of HIV and abortion work, but largely reflect timing differences between the disbursement of grants and local implementation and expenditure by IPPF’s Member Associations. Expenditure on programmes targeted at adolescents increased by US\$2 million (17%), due to 2012 having been the first full year of the Netherlands-funded ‘The Choices and Opportunities Fund’.

Figure 2: Expenditure in 2012 of US\$123 million by type

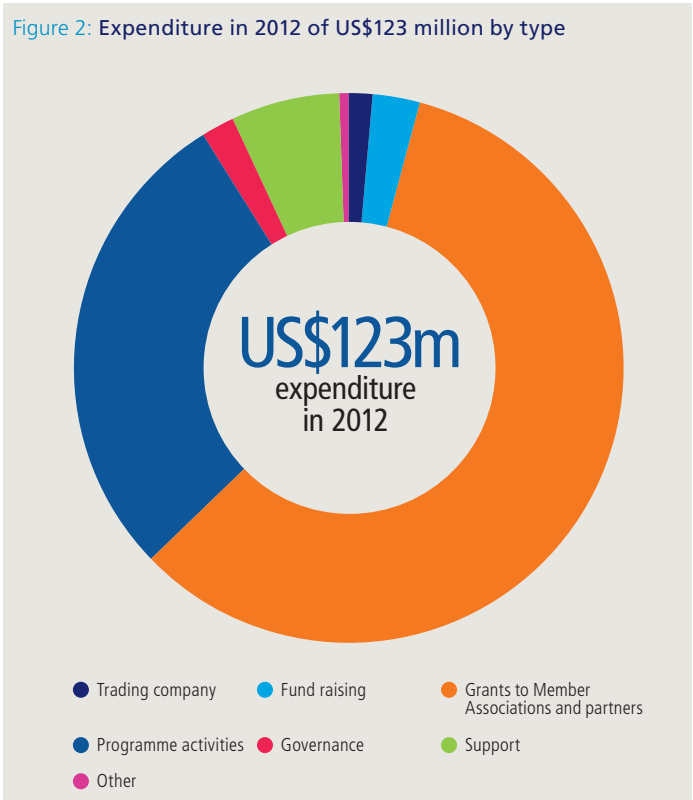
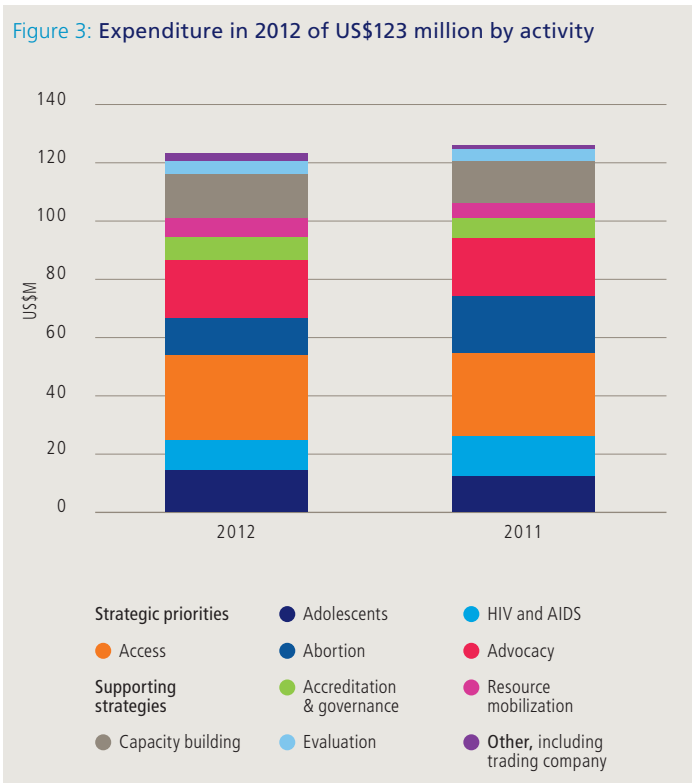


Figure 3: Expenditure in 2012 of US\$123 million by activity



Total funds and reserves increased by US\$23 million to US\$133.7 million

As at 31 December 2012 IPPF held an unrestricted general reserve of US\$22.9 million, a reduction of US\$1.2 million (5%) compared to 2011. Unrestricted designated reserves, committed by IPPF's Governing Council to support specific areas of work, total US\$82.6 million, an increase of US\$7.7 million (9%). The growth in designated funds reflects IPPF's decision to commit US\$10.6 million of unrestricted funds to long-term initiatives including the next phase of the IPPF innovation fund (US\$4.0 million) and programmes to double service delivery across the Federation (US\$5.5 million). IPPF will continue to use unrestricted reserves to ensure that it has the resources in place to meet its strategic objectives whilst managing key financial risks. In May 2013 the Governing Council approved a new risk based reserves policy, under which IPPF currently estimates maintaining the general reserve balance within the range of US\$18 million to US\$24 million to be appropriate.

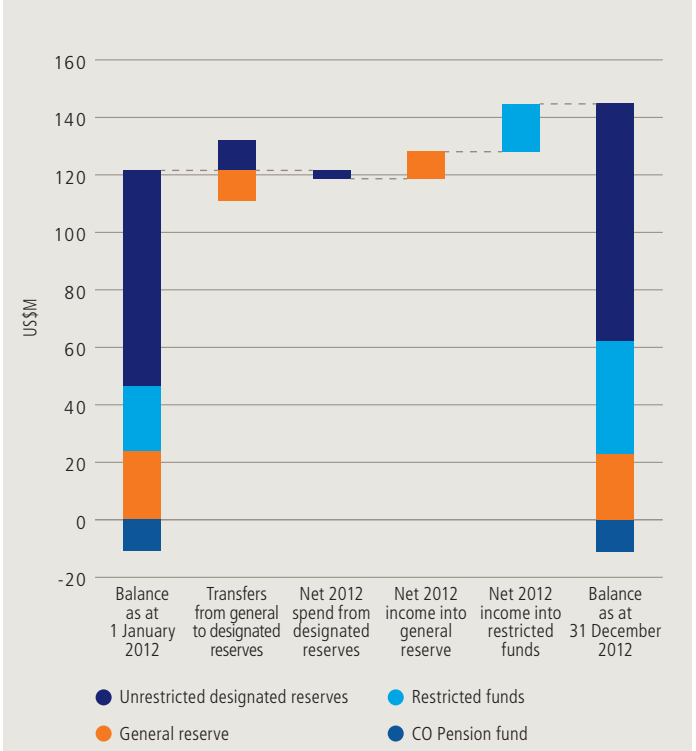
Restricted and endowment funds total US\$39.2 million, an increase of US\$16.7 million arising from the significant levels of restricted funds received in 2012. These unrestricted and restricted balances are offset by a statutory pension liability of US\$11.1 million required under UK accounting standards.

The overall surplus position, including investment and pension fund movements, of US\$23 million reflects the nature of IPPF's income and expenditure streams as both a grant receiving and grant making organization, and does not represent an underlying accumulation of funds. Between 2008 and 2011 IPPF reported a net deficit of US\$0.4 million, and the 2012 surplus will be utilised in future years as the funds received in 2012 are invested in earmarked activities to enable IPPF to meet its strategic objectives.

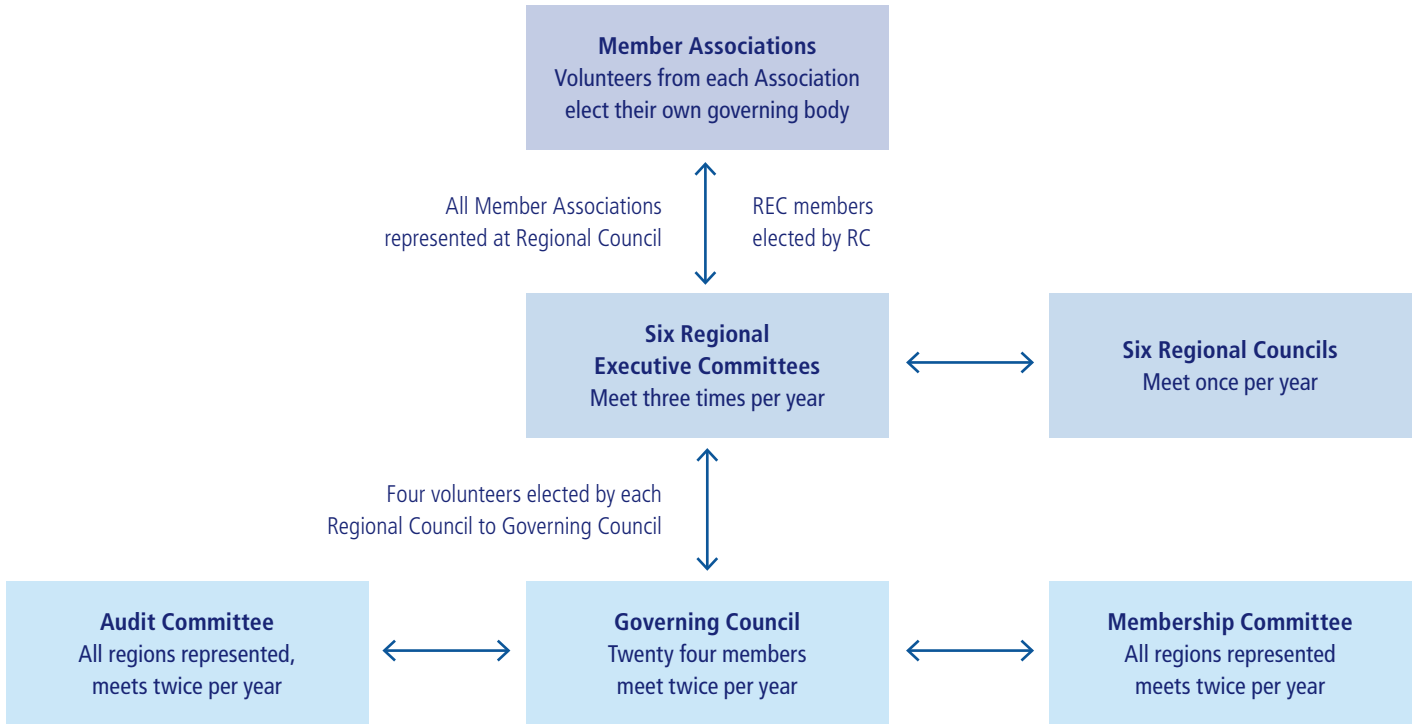
Audit opinion

Our auditors, KPMG LLP, have provided an unqualified audit opinion on our 2012 financial statements.

Figure 4: Movement in reserves



IPPF's governance structure



4.9 million unintended pregnancies were averted in 2012.



IPPF/Jenny Matthews/Nicaragua

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 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 152 Member Associations (MAs). These Member Associations are working in 164 countries (the Caribbean Family Planning Affiliation operates in 13 countries). In addition, IPPF is active in a further eight countries where there is not currently a Member Association. This brings the total number of countries in which IPPF is working to 172.

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

The accounts contained herein have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities', as issued by the Charity Commission in 2005.

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 at www.ippf.org.



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 is in alignment with the purposes stated in the Act.

Public benefit

The Charity Commission guidance on public benefit was 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'.

As discussed on pages 9 and 10, IPPF has set out its mission 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 172 countries in which IPPF currently works with its Member Associations. IPPF works through one organization in each of these countries. Member Associations do not 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 benefit from 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 2011. 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.

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.

The responsibilities of the Governing Council

Under Charity Law, the members of Governing Council are responsible for preparing the Trustee Report and the financial statements for each financial year which show a true and fair view of IPPF and the results for that period.

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

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

The Governing Council's members are required to act in accordance with *The International Planned Parenthood Federation Act 1977*, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees 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's members are responsible for the maintenance and integrity of the financial and other information included on the IPPF website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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/South East Asia and Oceania (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*.

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

IPPF has a trading subsidiary, International Contraceptive & SRH Marketing Limited (trading as ICON), based in Central Office, London. The company primarily engages in commodity supply services, and the social marketing of contraceptives in conjunction with Member Associations.

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 both these entities are reported within these accounts.

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 work programme budget and income predictions and monitors actual and forecast income and expenditure on a regular basis;
- Risk management: there are processes in place for identifying, evaluating and managing significant risks faced by IPPF. Each regional office and the Central Office prepare individual risk maps on an annual basis. These risks are classified according to type (governance, strategic, operational, financial, compliance and external/reputational). From these the 'top 10 organizational risks are identified' with an assessment of the impact and likelihood of the risk occurring. Also identified are

actions required to manage that risk and the person who will be responsible to undertake 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 that systems have been established to mitigate those risks;

- Internal audit: the internal audit function, which has been outsourced, assesses risks and reviews controls within IPPF; During 2012 the organization undertook an in-depth review of its internal audit requirements prior to tendering for a new Internal Audit partner. The internal audit team will ensure that management processes in place to reduce risk are effective and well managed.
- Review: the Audit Committee is comprised of four members elected by Governing Council who are volunteers of member organizations but who are not members of 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.

Objectives and activities

Strategic framework

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

- **Adolescents/Young People:** Providing youth friendly services to meet the needs and rights of young people.
- **HIV and AIDS:** Increasing access to prevention, care, support and treatment globally, and to reduce barriers that make people vulnerable to infection.
- **Abortion:** Advocating for the right to safe abortion services and providing them to the fullest extent permitted by law.
- **Access:** Ensuring access to information and services to improve sexual and reproductive health with particular focus on marginalized communities.
- **Advocacy:** Strengthening recognition of the importance of sexual and reproductive health within the context of international development and increasing resources in support of sexual and reproductive health services.

The *Strategic Framework* is not intended to impose a rigid set of rules or constraints and reflects the diversity of situations Member Associations and Regions face. Underpinning the Five 'A's is a commitment to organizational accountability, efficiency and effectiveness. The IPPF accreditation system is dedicated to ensuring that Member Associations are well governed and managed and that they provide relevant up-to-date information and high quality training and clinical services. There is also an emphasis on building Member Associations' capacity, and that of the Federation as a whole, to develop the skills and technical knowledge needed to implement and resource the new framework.

In order to assess progress against each of the Five 'A's a series of global indicators have been developed. These were gathered from Member Associations across the Federation and enable IPPF to review, monitor and evaluate performance against key goals. Since developing the Strategic framework further work was undertaken to develop the Change Goals which provide focus and priority to achieve accelerated results and impact by 2015. The three change goals are:

Goal 1: Unite – a global movement fighting for sexual rights and reproductive rights for all

IPPF is committed to promoting, defending and monitoring sexual and reproductive health and rights for all, and it will achieve this in the following ways:

Promote – IPPF will fight for international agreement on the meaning and importance of human rights in sexual and reproductive health. We will similarly fight for national fulfilment of these rights in every country in which we operate;

Defend – IPPF will defend international, regional and national conventions and commitments. IPPF will defend the right of all young people to enjoy their sexual lives free from ill health, unwanted pregnancy, violence and discrimination. IPPF will ensure that women are not put at unnecessary risk of injury, illness and death as a result of pregnancy and childbirth supporting a woman's right to choose to terminate her pregnancy legally and safely. We strive to ensure that people enjoy their sexual lives free from fear of infection; and

Monitor – IPPF will monitor the rights of all individuals in our communities to have access to the sexual and reproductive rights that have been granted in law and policy ensuring that resources are provided and that governments are held accountable to the promises they have made.

Goal 2: Deliver – access for all to reduce unmet need by doubling IPPF services

IPPF as a service provider will strengthen its existing network to improve the range of services, the quality of those services and to build upon the need to ensure comprehensive services are provided to all service users. IPPF key objectives will be:

- 1 To reduce unmet need for contraceptive services by targeting services to those most in need – including young people, people who are marginalised and socially excluded;
- 2 To ensure universal access to SRH services; and
- 3 To ensure that through social marketing/franchising the unmet needs of the emerging middle classes are addressed and income generated to provide suitable services to the poor, marginalized and young people.

Goal 3: Perform – a relevant and accountable Federation

IPPF is committed to a performance culture and will maintain a triangle of mutual accountability for the promises we have made – to ourselves, to our donors and partners and to public citizens across the world. The organization will monitor the effectiveness of internal systems and processes in order to support organizational learning and governance in ways that will best serve our clients. As well as looking for opportunities to improve the effectiveness and efficiency of the organization IPPF will focus on improving data collection and analysis to better demonstrate that donor investment yields important results in human development and social justice.

In December 2015 the current IPPF Strategic Framework 2005–2015 will come to an end. In developing its forward strategic plan IPPF will adopt an approach that;

- 1 Will be inclusive of all Member Associations so that the future needs of service delivery, advocacy and non-grant receiving Associations are all reflected in order that the future strategy reflects the Federation as a whole.

- 2 Take the input from Member Associations to ensure country level views are well represented and make sure this is a 'bottom-up approach'.
- 3 Seek donors', partners' and other external expert's views.
- 4 Build upon the current Framework, Mid-term Review and Change Goals and retain the focus of the Federation on current key priorities(doubling of services and influencing the post-2015 development framework, in particular).

Grant making procedures

IPPF allocates resources using criteria relating to the level of need and performance in each of the five 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 electronic Integrated Management System (eIMS). 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.

In 2012 the linkage between grants and performance was further strengthened with the introduction of a Federation-wide performance-based funding system, under which unrestricted grant levels are adjusted for each MA 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 Member Associations for whom an audited set of financial statements have been received, and who have been assessed as meeting the IPPF accreditation criteria (see page 14).

Areas of work

The following provides a brief overview of some of IPPF's activities and achievements in 2012. Further information is available at www.ippf.org and in our Annual Performance Report, which has more extensive information regarding each of the strategic areas, together with case studies highlighting achievements in a range of Member Associations.

During 2012 we distributed more than 190 million condoms.



Adolescents and young people

Comprehensive sexuality education (CSE)

In 2012, through support from the Danish and Dutch governments, IPPF supported Member Associations to develop and implement evidence-based CSE guidelines and curricula. Member Associations also developed advocacy strategies to ensure a political framework is established and fully implemented to support CSE in schools. IPPF's Member Association in Togo, for example, successfully coordinated a joint initiative with the Ministries of Education and Health and civil society to develop and pilot a new sexuality education curriculum at primary and secondary level.

At the beginning of 2012, IPPF hosted an expert meeting with UN agencies, national and international experts, academics and practitioners to discuss and explore new territories for CSE delivery and measurement. In 2013 IPPF and DANIDA will hold follow up meeting to share and explore these issues further at the policy making level.

IPPF worked in partnership with UNESCO to develop a new evidence-based tool to assess the quality and comprehensiveness of sexuality education programmes. As it is piloted and rolled out in 2013, the tool will generate data that can inform and guide the development or improvement of CSE programmes and inform debates and advocacy.

Youth leadership and participation

In 2012, IPPF launched a brand new youth-led SRHR movement, MYX. In addition to a dedicated youth site and social media presence, an online sexuality education game, and communications platform, MYX provided a small fund for youth-led projects. The first round focused on projects to strengthen regional youth networks. The second round, launched in late 2012 and continuing into 2013, focuses on country-level work to empower girls and develop young women's leadership.

At the 45th session of the Commission on Population and Development (CPD), in collaboration with the governments of Norway, Germany, Kenya, Finland and the Netherlands, IPPF organized side events with speakers on CSE, young people's rights and evolving capacity of the child. IPPF supported young advocates to participate at the session and make connections with other youth activists from across the world.

During the Family Planning Summit held in July, our young advocates co-organized the youth participation side event; two of IPPF's young advocates were invited for a special session with Melinda Gates and David Cameron.

In September 2012 IPPF organized The Emerging Leaders Summit (ELS) in Oslo to kick-start a multi-year initiative with outcomes feeding into IPPF's vision for the future. IPPF brought together 40 people under the age of 30 from its six regions,

and from diverse communities and fields to develop the Young Leader's Roadmap for the 21st Century.

In December IPPF youth volunteers from different parts of the world attended the Bali Global youth forum on ICPD, which set the agenda for Youth participation and development going forward.

Youth friendly services

In 2011 IPPF provided 37.4 million sexual and reproductive health services to young people, maintaining its presence as one of the main global service providers for young people. To ensure services are youth friendly, easily accessible and address the real needs and wants of all young people, we introduced the Quality Improvement (QI) approach, building on successful Quality of Care projects implemented across the Federation to implement quality improvement projects.

IPPF also started a partnership with the Guardian newspaper to create greater awareness of the importance of addressing sexuality and sexual rights of young people to achieve sexual health. Articles and online discussions on sexual and reproductive health issues were hosted on the Guardian's site on a weekly basis, and a round table discussion with experts and young people was documented in a short film and shown just before the Family Planning Summit.

HIV and AIDS

During 2012, IPPF continued to support Member Associations in the development of a more comprehensive response to HIV that promotes our unique organizational position as a leader in linking sexual and reproductive health and HIV. The HIV strategy is built around the following key areas:

Maintaining sustainable partnerships

Strategic partnerships with governments, UN agencies and other civil society organizations are a key part of the IPPF response. To support our work to meet the needs of those most vulnerable to HIV, IPPF continued to work closely with both the Network of Sex Work Projects (NSWP) and the Global Forum on MSM and HIV (MSMGF). IPPF also sits on the Interagency Task Team (IATT) on Comprehensive Condom Programming, the IATT on the Prevention of Mother to Child Transmission, and the Interagency Working Group on SRH and HIV Linkages. The David Kato Vision & Voice Award, launched in 2011 and continued in 2012, honours the life of David Kato, a human rights advocate and activist in Uganda. IPPF has been the inaugural convenor of the award, working with a multi-sector steering committee including Sexual Minorities Uganda (SMUG), the Global Forum on MSM & HIV (MSMGF), ILGA Europe, Herbert Smith LLP, and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ). The breadth, depth and engaged nature of these partnerships ensures that IPPF's HIV portfolio remains relevant and responsive to the nuances of the global HIV response.



Linking HIV and SRH

As a leader in the field, in 2012 IPPF convened and coordinated a Steering Group of 15 SRH and HIV monitoring and evaluation experts, which includes country, donor, UN agency and civil society representatives, to support the compilation of a compendium of SRH and HIV linkages indicators. The compendium of indicators aims to assist countries and other stakeholders to measure linkages and integration at policy, systems and service delivery levels and to minimise the data collection and reporting burden by using indicators that are recommended to countries in existing guidelines and frameworks. IPPF continues to strengthen the evidence base for integrating HIV and SRH services through the Integra Initiative – a five-year operations research project in collaboration with the London School of Hygiene & Tropical Medicine and the Population Council, funded by the Bill and Melinda Gates Foundation. Preliminary results from Integra were presented at various International HIV, SRH, family planning, primary health care and health systems conferences in 2012, promoting discussion with academics and policy makers about the research findings and the policy and programme implications.

Promoting human rights

IPPF's 'Criminalize Hate – Not HIV' campaign grew stronger during 2012 and was very visible at the International AIDS Conference in Washington DC. IPPF's presence added momentum to the growing

international awareness about HIV, the law and human rights as well as domestic campaigning in the USA against the criminalization of HIV transmission, exposure and non-disclosure. The campaign and associated resources raises awareness about how criminalization impacts efforts to reduce stigma and discrimination of people living with HIV and people most vulnerable to HIV. The campaign was profiled in the summary materials from the International AIDS Conference, and featured on the national news in the USA. IPPF continues to work alongside its core partners to provide technical assistance and support for countries implementing The People Living with HIV Stigma Index. In 2012 the second David Kato Vision & Voice Award was announced at IPPF's 60th birthday celebration, recognizing the inspiring leadership of Ali Erol from Turkey, as one of the leaders and advocates who follow in the footsteps of David Kato to uphold the human rights of LGBTI people around the world.

Building capacity

The eighth IPPF global HIV Competencies Workshop was held in Washington DC, USA (July). This provided an opportunity for the participants from 25 Member Associations, and across the Secretariat, to meet together to build collective HIV technical knowledge, and share best practice and lessons learned. This workshop helps build collective HIV technical knowledge surrounding the four pillars of IPPF's HIV strategy: prevention; treatment, care and support; stigma and discrimination; and

“Increasing access to quality and affordable sexual and reproductive health services is at the heart of IPPF’s work.”

linking sexual and reproductive health and HIV. IPPF is committed to HIV excellence in the workplace, protecting human rights in how we work as well as what we promote, and in 2012 developed a training resource that can be adopted and adapted across the Federation to support HIV workplace programmes.

Abortion

In 2012, the Abortion programme at IPPF has strengthened and consolidated efforts to increase access to safe abortion services, a basic right of any woman faced with an unwanted pregnancy. The Abortion Strategic Action Plan (ASAP) came into effect on 1 January 2012, providing a framework of indicators and targets under which IPPF will accelerate progress on the implementation of the IPPF Strategic Framework, and specifically the goal for universal recognition of a woman’s right to choose and have access to safe abortion.

Work has been intensified to support the Member Associations to deliver on the commitments of the ASAP, including the goal that 95 per cent of Member Associations with clinical facilities will be providing essential abortion related services, including post-abortion care, by the end of 2014. Member Associations have been supported in the development of strategies and work plans for taking forward the ASAP. Technical support activities including values clarification workshops and training sessions on comprehensive abortion care were held with Member Associations across the Federation. These activities have strengthened commitment to, and built capacity for, the provision of quality, stigma-free, safe abortion services.

The Global Comprehensive Abortion Care Initiative (GCACI) continued to make significant progress in twelve focus Member Associations (Bangladesh, Burkina Faso, Cameroon, Ethiopia, Ghana, India, Indonesia, Kenya, Kyrgyzstan, Nepal, Pakistan and Sudan), which scaled-up their work to provide quality safe abortion services through 75 clinics. Through increased investment and technical expertise, the number of clients provided with a safe abortion service in the clinics increased by 28 per cent, from 32,474 in 2011 to 41,411 in 2012. The GCACI programme will continue to build on these achievements with the dissemination and replication of good practices approaches.

Coordinated advocacy action took place across the Federation for the International Day of Action for the Decriminalization of Abortion on the 28th September, in partnership with the International Campaign for Women’s Right to Safe Abortion. IPPF Member Associations and Regional Offices took part in the campaign, calling for the recognition of woman’s right to decide the outcome of her pregnancy as a fundamental human right and highlighting the essential need for access to safe and legal abortion services in all corners of the globe. Specific activities included the launch of a video developed by the East & South East Asia and Oceania Regional Office to highlight the level and impact of unsafe abortion in the Region and call for the removal of legal and other barriers.

Access

Increasing access to quality and affordable sexual and reproductive health (SRH) services is at the heart of IPPF’s strategic framework and this is reflected in our commitment to doubling services and to ensuring that at least 80% of its services will reach the poorest, marginalized, socially excluded and underserved (PMSU) populations by 2015.

In order to ensure that all Member Associations meet the most pressing sexual and reproductive health needs of our clients and that missed opportunities to deliver key services are avoided, IPPF is rolling out the Integrated Package of Essential Services (IPES) across the Federation. This package of services, which focuses on client centred service delivery, includes: counselling, contraception, safe abortion care, reproductive tract infections/sexually transmitted infections (STIs), HIV, gynaecology, prenatal and post-natal care, and sexual and gender-based violence. Compliance with the IPES forms part of IPPF’s Performance Based Funding approach.

In 2012, IPPF developed an evidence-based Quality Improvement Toolkit to provide guidance to Member Associations on how to improve the effectiveness of their service provision. The tool will be widely disseminated across IPPF through a web-based publication, webinars and a CD-ROM and will be used as the basis of our Federation-wide technical assistance efforts on quality of care and scaling up of services.

With the aim of informing future efforts to expand access to sexual and reproductive health services, IPPF has also undertaken a number of activities to gather evidence on best practice and lessons learned relating to service delivery approaches and mechanisms to reduce demand-side barriers to access. Included in this work was a literature review of journal articles and programmatic documents as well as a Federation-wide mapping exercise of existing service delivery and health financing approaches. In addition to shedding light on the strengths and challenges of each mechanism, this work was used to assess how each intervention can be used to balance IPPF’s sustainability goals with those of serving underserved populations.

IPPF continues to work at the forefront of promoting sexual and reproductive rights at the global and country level. In the last year, IPPF launched an online sensitization module aimed at orienting staff and volunteers on how to protect and promote sexual rights. In addition, the IPPF International Medical Advisory Panel (IMAP) issued a guidance statement targeted at our Member Associations on sexual health and rights. Progress will be measured by numbers of staff and volunteers who have taken the module and by number of MAs implementing programmes and services aligned with IPPF’s sexual rights principles. Further monitoring will be linked to the IPPF accreditation process which has a sexual rights component.

Young people in Bosnia-Herzegovina campaign for their rights.



Advocacy

The Commission on Population and Development (CPD) 2012 re-affirmed the commitments of the International Conference on Population and Development (ICPD), particularly regarding adolescent sexual and reproductive health and rights (SRHR). IPPF was the civil society representative on the United Kingdom government delegation and held successful training for mission staff, advising them on sexual and reproductive health and rights. This resulted in increased support for SRHR as shown in the outcome document, which recognized the need for CSE, private and confidential SRH services and the need for counselling for SRH and sexuality.

FP2020 (London summit on family planning) dominated the first half of the year as IPPF was tasked with coordinating civil society outreach across the globe for the Summit. This involved liaising with donor countries to increase engagement and commitment to family planning, and working at national level to generate commitments particularly in African and Asia. The Summit repositioned family planning as critical to achieving global sustainable development and also helped to reprioritize the goals of ICPD, which had lost some political and financial will.

At the summit IPPF acted as a convener of civil society, and played a key role in holding governments accountable for commitments made. IPPF's work contributed to the:

- Inclusion of rights and women's empowerment in the FP2020 business plan.
- Global movement of 1,300 activists (80% from the South), who were successfully mobilised and able to influence the outcomes of the Summit.
- Participation of civil society groups in all national government delegations.
- Adoption of IPPF recommendation to use national contraceptive security committees as a mechanism for accountability and coordination.
- The coordination of global and national accountability for FP2020.

Through the Advance Family Planning group IPPF mobilized partners to influence WHO, UNICEF and UNFPA. The Priority Medicines for Mothers and Children List was published in 2011 with no reference to contraceptives, despite them being a cost effective method of reducing maternal mortality. By mobilizing the our MAs and African Women Leaders Network, IPPF managed to have the list revised so that it contained oral contraceptives, condoms, IUD and implants and emergency contraception.

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. The accreditation reviews continued during 2008 and the total number of reviews carried out since 2003 under the first phase stands at 142. At the end of 2010, one hundred and twenty-eight Member Associations had been accredited, and five Member Associations have been expelled from the Federation for failing to comply with all the standards. Two Member Associations have resigned and two are currently suspended as a result of not complying with all standards. Three Associate Members could not meet the standards to become Full Members and one has been exempted from the first phase because of the country situation.

Following independent evaluation, a revised accreditation system was approved by IPPF Governing Council in May 2008. The streamlined system is organized around ten 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. Accreditation reviews using the revised system began in 2009 and up to the end of 2012 the Federation has carried out 89 accreditation reviews under the revised system and a total of 40 Member Associations have been accredited.

Achievements and performance

Global Indicators

By having a clear understanding of performance using the global indicators enables the organization to ensure progress is being made towards its strategic goals. Using the global indicators

IPPF is able to demonstrate to donors and other stakeholders our collective achievements and performance. The latest figures for 2012, along with 2008 comparatives, are summarized below.

Global Indicator	Results (2008)	Latest available results (2012)
ADOLESCENTS		
1 Proportion of Member Associations with 20% or more young people aged under 25 on their Governing Board	44.6%	58.3%
2 Percentage of Member Association staff who are under 25 years of age	4.2%	8.1%
3 Proportion of Member Associations providing sexuality information and education to young people	92.6%	89.1%
4 Proportion of Member Associations providing sexual and reproductive health services to young people	95.9%	88.5%
5 Proportion of Member Associations advocating for improved access to services for young people	99.3%	95.5%
6 Number of sexual and reproductive health services (including family planning) provided to young people under 25 years of age	20,575,371	45,057,287
HIV and AIDS		
7 Proportion of Member Associations with a written HIV and AIDS workplace policy	56.1%	85.3%
8 Proportion of Member Associations providing HIV-related services along the prevention to care continuum	43.9%	55.1%
9 Proportion of Member Associations advocating for increased access to HIV and AIDS prevention, treatment and care, and reduced discriminatory policies and practices for those affected by HIV and AIDS	56.1%	82.1%
10 Proportion of Member Associations with strategies to reach people particularly vulnerable to HIV infection	79.1%	92.9%
11 Proportion of Member Associations conducting behaviour change communication activities to reduce stigma and promote health-seeking behaviour	66.2%	89.7%
12 Number of HIV-related services provided	8,559,506	19,150,962
13 Number of condoms distributed	139,811,914	190,019,707
ABORTION		
14 Proportion of Member Associations advocating for reduced restrictions and/or increased access to safe legal abortion	66.2%	71.8%
15 Proportion of Member Associations conducting IEC/education activities on (un)safe abortion, the legal status of abortion and the availability of legal abortion services	56.8%	56.4%
16 Proportion of Member Associations providing abortion-related services	86.5%	78.2%
17 Number of abortion-related services provided	1,134,549	2,114,829
ACCESS		
18 Proportion of Member Associations conducting programmes aimed at increased access to SRH services by poor, marginalized, socially excluded and/or under-served groups	92.6%	87.8%
19 Estimated percentage of Member Associations clients who are poor, marginalized socially excluded and/or under-served	66.4%	76.9%
20 Number of Couple Years of Protection (CYP)	7,804,675	11,806,262

21	Number of contraceptive services provided	34,623,827	52,668,290
22	Number of non-contraceptive sexual and reproductive health services provided	32,245,455	60,041,203
23	Number of service delivery points	60,858	65,491
24	Proportion of Member Associations with gender-focused policies and programmes	70.9%	80.8%
25	Proportion of Member Associations with quality of care assurance systems, using a rights-based approach	81.8%	89.9%

ADVOCACY

26	Proportion of Member Associations involved in influencing public opinion on sexual and reproductive health and rights	81.8%	71.2%
27	Proportion of Member Associations involved in advancing national policy and legislation on sexual and reproductive health and rights	92.6%	88.5%
28	Number of successful national policy initiatives and/or positive legislative changes in support of sexual and reproductive health and rights to which the Member Association's advocacy efforts have contributed	56	97
29	Proportion of Member Associations involved in counteracting opposition to sexual and reproductive health and rights	82.4%	92.9%
30	Proportion of Member Associations advocating for national governments to commit more financial resources to sexual and reproductive health and rights	81.8%	77.6%

23 out of the 30 indicators have improved between 2008 and 2012, with significant improvements in a number of key areas, particularly in respect of number of services provided. Total number of sexual and reproductive health services provided by IPPF Member Associations increased by 69%, and number of services provided to young people increased by 119% from 20 million to over 45 million. CYP has increased by 51% to 11.8 million (a 30% increase on 2011). HIV-related services also increased by 123% from 8.6 million in 2008 to 19.1 million in 2012.

Resource mobilization

Following the approval of IPPF's Global Resource Mobilization Strategy in 2012, a new structure for IPPF's London-based Resource mobilization team was approved in November 2012. This structure will seek to accelerate efforts to diversify and devolve IPPF's resource mobilisation efforts across the Federation. In effect it will act as a catalyst for the One-Federation approach that has already seen six new Resource mobilization positions created at IPPF's Regional Offices. The new structure will provide the capacity for the London-based Resource mobilization team to pursue funding from a number of new income streams. Namely, corporate sector, high net worth individuals and government tenders. Excitingly, it also provides the means for IPPF to actively pursue South to South collaboration with a new wave of emerging economies. This decision has been taken following initial success with this market. Additionally, IPPF will establish an in-country resource mobilization presence in Australia, Germany and Washington DC as part of its overall exercise to devolve its efforts and allow for greater interaction

with key decision-makers. Recruitment for these positions will take place in the first half of 2013.

The agreement of this new structure by the Senior Management Team is a key element of IPPF's plans to double total secretariat income and to increase locally raised income by grant-receiving Member Associations significantly by 2015.



IPPF/Peter Caton/Bangladesh

Financial review

Statement of reserves

The members of the Governing Council have reviewed the level of reserves. Note 16 to the financial statements shows the funds of IPPF. This indicates the split of reserves between the general, designated, restricted and endowment funds.

During 2012 the Federation undertook a review of its general reserve policy and committed to implement a more explicitly risk based approach based on key financial risks, including volatility in income levels, and required minimum working capital levels which can be significant given timing differences between grant expenditure and the receipt of funds from donors. As a result of this work, 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 three Change Goals by 2015, whilst also safeguarding the charity from the increasing levels of economic volatility affecting the sector.

The general reserve level as at 31 December 2012 of US\$22.9 million, a drop from the balance US\$24.1 million as at 31 December 2011, falls within this approved range. Prior to the approval of this policy, IPPF's target general reserve balance was 35% of the next year's (4.2 months) approved unrestricted expenditure. This policy was approved by the Governing Council in May 2008. The unrestricted expenditure programme budget for 2013 is US\$65.8 million. The current general reserve balance of US\$22.9 million represents 35% of this budgeted amount.

Unrestricted funds are designated at the discretion of the trustees. The largest designated fund relates to the Western Hemisphere Sustainability Fund. This fund of US\$19.9 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 hold investments in terms of shares and securities as well as cash deposits and short term investments.

Shares and securities

All shares and securities held are traded on the New York Stock Exchange. The Western Hemisphere Regional Board has appointed an Investment Committee to monitor these investments. The Committee is comprised of 6 members, including the Chair, who also serves as WHR's honorary legal counsel, the Treasurer of the WHR board, and four other members who have specific and relevant investment experience. The investment managers GMO (Grantham, Mayo, Otterloo & Co) provide quarterly performance reports to the Investment Committee detailing all asset information as well as investment returns against appropriate indices.

The investments within the GMO Global Balanced Allocation Fund are held with a targeted allocation benchmark of 65% equities (29% U.S.A., 9% emerging markets and 27% 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 continues to closely monitor the performance of their investments. In 2012, an increase in the value of investments of \$15.5 million is due to 10.4% unrealized gains, the receipt of a \$15 million restricted bequest, net of the annual 4% draw.

Cash

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

Financial summary

As a principle the IPPF sets a core unrestricted budget where expenditure and income are aligned. The unrestricted income in local currency from our major donors was in line with budget assumptions with the exception of the government of Japan who held their grant constant despite the economic problems caused by the 2011 Tsunami, resulting in income exceeding budgeted levels by US\$2.2 million. This increase was offset the strengthening of the US\$ resulting in unrestricted income, in dollar terms, being lower than expectations by US\$2.8 million, though this exchange rate variance was in part mitigated by a corresponding decrease in US\$ expenditure on grants, since these are committed in local currencies but remitted in US\$. In addition, IPPF received US\$2.3 million of unrestricted income due to the donation of free stock from UNFPA, and also benefited from the early termination of a lease for which IPPF is the freeholder, valued at US\$1.2 million and held on the balance sheet as an investment property. The net effect of this was that IPPF produced an unrestricted surplus of US\$5.5 million, before transfers, and an unrestricted surplus of US\$6.5 million after accounting for movements on investments and on the pension liability.

The organization made a restricted surplus of US\$16.3 million. As shown in Note 16, US\$8.2 million of this relates to the legacy received by the Western Hemisphere Office in respect of activities in Mexico and activities relating to adolescents,

on which US\$15.3 million was received and US\$7.1 million granted to the Mexican MA in 2012. Significant surpluses of income over expenditure were also reported in respect of the SPRINT crisis situation programme funded by the Government of Australia (US\$2.9 million) and the Africa programme supported by the Government of Sweden (US\$3 million) – detailed plans for the implementation of donor approved activities utilising these funds are in place for 2013 onwards.

Income

The overall income of IPPF has risen by US\$17.2 million (13%) to US\$144.8 million (2011 US\$127.6 million). The main cause of the increase has been an increase in restricted funding of US\$16.4 million (32%) to US\$67.4 million, with restricted funding now representing 47% of IPPF's income compared to 27% in 2008. Unrestricted funding has remained constant, increasing by 1% to US\$77.4 million (2011 US\$76.6 million).

IPPF's main source of funding is government grants, which account for 62% (2011: 70%) of total income. In 2012 unrestricted government funding reduced by US\$2.4 million (4%). The grant from Switzerland fell by US\$1.3 million due to a one off payment made in 2011 and the Government of Norway's contribution reduced by US\$0.6 million. These were offset by an increase of US\$0.4 million from both the governments of Australia and Finland. Unrestricted grants from other governments remained constant, with the remaining overall decrease from 2011 levels relating to exchange rate movements, since donations are received in local currencies but recorded in US\$.

IPPF also received income in kind from an unrestricted commodity grant of US\$2.3 million from UNFPA. These commodities have been used to support Member Associations who work in areas of high unmet need. In addition a leasehold for a flat owned by the Federation was surrendered generating unrestricted income of US\$1.2 million.

Restricted government funding amounted to US\$24.7 million, up from US\$22.4 million in 2011. The Government of Australia provided US\$9.3 million in relation to the global SPRINT initiative to provide sexual and reproductive health services to crisis and post crisis areas in the Southeast Asia and Pacific Region, South Asia Region and Africa region. The Government of Sweden has provided US\$3 million to implement a number of initiatives in the Africa region. The Government of Netherlands provided US\$3.6 million in funding to support a major initiative on adolescents work, the 'Choices and Opportunities Fund'. The Government of the United Kingdom provided funding of US\$1.5 million to support a joint Western Hemisphere/European Office accountability programme. The Canadian Government provided US\$1.0 million to support access to conception in five countries and the Government of China (US\$0.6 million) supported a major international conference for the Federation which

developed strategies to ensure the next generation of Millennium development goals continue their focus on sexual reproductive health and rights

Grants from multilaterals and other sources increased by 51%, from US\$32.5 million to US\$49.0 million. The main driver of this has been the receipt of a legacy of US\$15.0 million by IPPF's Western Hemisphere office to support programmes in Mexico and also broader adolescent programmes in that region. The remaining funding is from multi-laterals covering a number of multi-year projects. The Bill and Melinda Gates Foundation's provision of US\$4.8 million includes US\$2.5 million in respect of the multi-year project 'assessing the benefits of integrated HIV and reproductive health in Africa', a research project focussed on the HIV patient experience in a number of African countries. The Gates Foundation also contributed US\$2.3 million in respect of the 'Tackling the Supply Challenge' programme. The William and Flora Hewlett Foundation provided funding of US\$5 million, including unrestricted funding of US\$1.4 million, US\$2.9 million in respect of Global Advocacy activities. The David and Lucile Packard Foundation provided \$0.8 million for advocacy programmes, aimed to increase political and financial commitments to Sexual Reproductive Health.

Expenditure

IPPF spent US\$122.9 million in 2012. This compares to US\$125.7 million in 2011, a reduction of US\$2.8 million (2%).

Grants to Member Associations and partner organizations fell by US\$5.0 million (7%) in 2011, comprising a decrease in unrestricted grants of US\$5.7 million (13%) and an increase in restricted grants of US\$0.7 million. The unrestricted grant reduction reflects the fact that the core grant levels were set at a time when the economic outlook was poor – unrestricted income streams which became available to IPPF after the original budget was set have therefore contributed to the unrestricted surplus position. The surplus that this has created has been used to establish earmarked funds to support IPPF's change goals of doubling services and ensuring that sexual reproductive health and rights remains at the heart of the development agenda, discussed in more detail in the next section.

The 2012 total grant expenditures drove projects across all five of the strategic priority areas, as well as the supporting strategies. Of resources available to fund grants 37% was spent on access (32% in 2011), 11% on advocacy (15% in 2011), 11% on abortion (20% in 2011), 15% on adolescents (11% in 2011), and 8% on HIV programmes (10% in 2011). Overall expenditure on abortion programmes decreased by US\$6.7 million (34%) in 2012, driven by a reduction in grant expenditure on anonymous-donor funded global abortion initiatives, and also on the Safe Abortion Action Fund initiative hosted by IPPF. Expenditure on HIV and AIDS programmes reduced by US\$3.3 million (25%), driven by a reduction in the level of 2012 unrestricted IPPF MA grants being

allocated by MAs to HIV specific programmes. As evidenced in the improvement in global indicators referred to on pages 12 and 13, these movements do not represent a reduction in investment in the areas of HIV and abortion work, but largely reflect timing differences between the disbursement of grants and local implementation and expenditure by IPPF's Member Associations. Expenditure on programmes targeted at adolescents increased by US\$2 million (17%), due to 2012 having been the first full year of the Netherlands-funded 'The Choices and Opportunities Fund'.

Funds (including pension fund deficit)

Overall the organization made a surplus, before investment losses, of US\$21.8 million compared to a surplus of US\$1.9 million in 2011. This comprised an unrestricted surplus of US\$5.8 million and a restricted surplus of US\$16.0 million. The overall surplus was increased by a gain on investment assets of US\$2.7 million and offset by actuarial losses on the defined benefit pension scheme of US\$1.1 million and foreign exchange losses of US\$0.4 million, leading to an overall increase in IPPF's total funds and reserves from US\$110.9 million to US\$133.7 million.

The general fund has decreased by US\$1.2 million, from US\$24.1 million to US\$22.9 million. Designated Reserves have increased by US\$7.8 million, from US\$74.9 million to US\$82.6 million. These movements reflect the decision to transfer US\$10.6 million of general funds into a number of specific unrestricted designated reserves established to support IPPF's work in developing innovative models of intervention (US\$4 million transferred into the Innovation Fund) and providing support for its Change Goals to double service delivery and to scale up commitment to promoting, defending and monitoring sexual and reproductive health and rights for all (US\$5.5 million transferred into the MA performance fund, and US\$2.6 million committed to a number of other performance and advocacy initiatives). These are offset by a transfer out of the translation reserve of US\$4.2 million. This was originally set up to provide for exchange rate risk on income and expenditure – since IPPF moved to commit MA grants in local currencies instead of US\$, IPPF has been able to offset the impact of exchange rate risk on income against the impact on grants, and therefore the funds sitting in this reserve have been contributed towards the new initiatives described above.

IPPF's balance sheet includes restricted and endowment funds of US\$39.2 million in respect of funds received in advance of the project-related activities being completed, an increase of US\$16.7 million from 2011. The majority of this increase is due to the receipt of the US\$15 million legacy by IPPF WHR (US\$8.6 million unspent at year end), US\$2.9 surplus of income over expenditure received in respect of phase 2 of the SPRINT programme funded by the Government of Australia, and US\$3 million provided by the Government of Sweden for initiatives in Africa. In addition, late in 2012 US\$1.2 million was received from Marie Stopes International, who are the leader partner in a major

project on cervical screening and preventative therapy funded by the Bill and Melinda Gates Foundation. The increase in restricted funds resulting from the above movements are offset by a number of funds where expenditure in 2012 has exceeded income due to income receipts in prior years. 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\$100k comprise the Canadian project Delivering the Muskoka promise (US\$433k), the Government of United Kingdom funded joint advocacy programme between the Western Hemisphere and Europe offices (US\$233k) the Australia-funded project capacity building in the Pacific (US\$325k), the EC project improving SRHR of youth(213k), and South Asia advocacy (274k), and the UNFPA funded SRH/HIV linkages campaign (US\$217k).

The closing 2012 balance sheet contains a net pension liability of US\$11.1 million. This represents an increased liability from the 2011 closing balance of US\$10.6 million. The majority of this movement is accounted for by an actuarial loss of US\$1.1 million. This is driven by changes in by the fund generating higher returns than anticipated by US\$1.4 million, offset by changes in the assumptions used to calculate the schemes liabilities (US\$2.1 million). 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 of US\$10 million has been established to meet this liability.

The Defined Benefit scheme was closed in 2007. The assumptions used to calculate the FRS17 pension liability are in line with typical market practice at the time of commissioning our FRS17 report. However, market conditions are constantly changing, and the FRS17 valuation can be sensitive to changes in the underlying assumptions. The triennial valuation, which is used to calculate the funding shortfall, was completed on 1 July 2012. At that date there was a shortfall on the scheme of US\$14.5 million. An agreement has been made with the pension regulator to eliminate the funding shortfall by making payments until 2020. The payment was US\$1.6 million in 2012 which will increase annually by 3.4%.

Trading subsidiary

IPPF's trading subsidiary ICON primarily engages in commodity supply services and with the social marketing of contraceptives in conjunction with Member Associations. In 2012 the company made a trading profit before tax of US\$53k for the year to 31 December 2012. This result includes intercompany income from IPPF, which is eliminated from the consolidated IPPF financial statements.

Plans for future periods

Plans for 2013

In 2013 IPPF will continue to focus on the delivery of the three change goals outlined on page 7. Key initiatives that will underpin this work are set out below:

Goal 1: Unite – a global movement fighting for sexual rights and reproductive rights for all

IPPF will continue to strive to influence, policy and resource allocation for all aspects of the ICPD Programme of Action globally, regionally and nationally and with support from the government of Netherlands to deliver a programme that:

- a Mobilizes and convenes civil society towards a new development framework that integrates SRHR from the outset;
- b Ensures strong accountability mechanisms for governments and civil society that are aligned with global policy trends particularly those outlined in the London Family Planning Summit, and the BRICS and the G20 meetings; and
- c Advocates for a concerted process that merges the Sustainable Development Goals (SDGs), post-MDGs and ICPD+20 into a single process for the next development framework.

IPPF will continue to pioneer work on linking sexual and reproductive health and HIV responses at the policy, systems and services levels, while also promoting services that are free from stigma and accessible to all. Highlights in 2013 will include: the launch of the results from the Integra Initiative at a high profile event at the Houses of Parliament in the UK (March) and a series of national events in Kenya, Malawi and Swaziland (April–June); developing HIV capacity and workplace policy implementation across the Federation through the rollout of the new 'HIV Works' training resource; strengthening membership and visibility of IPPF+; and continued international advocacy through participation in inter-agency fora on HIV prevention, maternal and child health, SRH and HIV linkages, human rights, and clinical best practice.

Goal 2: Deliver – access for all to reduce unmet need by doubling IPPF services

As part of its commitments to doubling services by 2015 and to ensuring that at least 80% of its services will reach the poorest, most marginalized, vulnerable and underserved sectors of society IPPF will continue strengthening its MAs' capacity to deliver high quality and integrated sexual and reproductive health services. We will be providing targeted support to focus countries to address supply and demand-related issues, particularly issues related to the implementation of new service delivery approaches, health financing mechanisms and innovative quality improvement tools. In addition, IPPF will develop and implement a more systematic approach to health systems strengthening.

Building on the work done with the Keys to Youth-friendly Services publication series, in 2013 IPPF will continue to focus on improving

young people's access to an integrated package of essential sexual and reproductive health services. IPPF believes that CSE and services must go hand-in-hand to truly enable young people to access and claim their rights to health. IPPF is working with multiple international partners, including the WHO, Coram Children's Legal Centre, and Advocates for International Development on ground-breaking research on new tools and frameworks for understanding the legal barriers to SRH services for young people. IPPF is also supporting MAs to better understand and advocate for young people's sexual and reproductive health through the new Demystifying Data tool for understanding DHHS data.

These tools will feed into the design and implementation of a new multi-country, multi-partner initiative to advocate for, and improve access to, youth-friendly SRH services: the Access, Services and Knowledge (ASK) programme. The ASK programme will work with young people as partners to increase uptake of SRH services and access to information and decision-making by 2015.

In 2013, IPPF will build on these achievements and continue to drive forward the ASAP and expand service delivery in all regions including dissemination of the new WHO abortion guidance, registration of medical abortion drugs and addressing barriers to services such as cost and stigma. A global abortion competency workshop planned in the last quarter of the year will bring together Member Associations from across the Federation to share their experiences and technical expertise, and build capacity in the provision of quality safe abortion services. In addition an abortion service providers' protection scheme will be launched in April to enable Member Associations to provide abortion services to the fullest extent of the law without fear of persecution from state or public forces.

Goal 3: Perform – a relevant and accountable Federation

IPPF is committed to continuous performance improvement across the entire organization. To support this a number of key initiatives have been implemented including; the rollout of performance-based funding across the Federation, the implementation of clinical management information systems, introduction of tools to better analyse and understand service delivery performance and the introduction of tools to understand the vulnerability of clients using our services

Future funding

IPPF is working to increase longer term sustainability and income. The current uncertain economic outlook is a concern for IPPF. Whilst a number of donors have committed long term funding, which goes some way to reducing this risk, others only confirm their funding levels on an annual basis.

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 Mobilisation fund established in 2010, IPPF is building the capacity of Member Associations to access funding from key donors at a local level. From 2011 to 2012 overall income for grant receiving Member Associations rose by 10% from US\$398 million to US\$437 million.

Disclosure of information to auditors

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 auditors are unaware; and each Governing Council member has taken all steps that s/he ought to have taken to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Thanks

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

Approved on behalf of the Governing Council on 10 May 2013.



Dr Naomi Seboni
President



Mrs Sujatha Natarajan
Treasurer

We provided 45.1 million sexual and reproductive health services to young people.



IPPF/Graeme Robertson/Nepal

Independent auditor's report to the Governing Council of the International Planned Parenthood Federation

Independent auditor's report to the Trustees of International Planned Parenthood Federation Charity

We have audited the group and charity financial statements (the 'financial statements') of International Planned Parenthood Federation for the year ended 31st December 2012 set out on pages 23 to 61.

The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on pages 5 and 6 the trustees 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 (APB'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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charity's affairs as at 31st December 2012 and of the group's and charity's incoming resources and application of resources 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 Trustees' 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.



Marianne Fallon

For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

13 May 2013

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

Statement of financial activities

Consolidated statement of financial activities for the year ended 31 December 2012

	Notes	Unrestricted \$'000	Restricted \$'000	Endowment \$'000	2012 Total \$'000	2011 Total \$'000
Incoming resources						
Incoming resources from generated funds:						
Voluntary income:						
Grants from governments	2	64,475	24,671	–	89,146	89,277
Grants from multilaterals and other sources	3a	6,911	42,131	–	49,042	32,456
Donations in kind from multilaterals and other sources	3b	2,294	–	–	2,294	2,114
Investment income and interest	4	402	94	–	496	286
Incoming resources from charitable activities:						
Income of subsidiary trading company	11	1,514	–	–	1,514	923
Other incoming resources:						
Foreign exchange gains		539	–	–	539	–
Other incoming resources		1,237	524	–	1,761	2,588
Total incoming resources		77,372	67,420	–	144,792	127,644
Resources expended						
Cost of generating funds:						
Central fundraising	7	1,272	–	–	1,272	1,037
Regional fundraising	6	1,729	434	–	2,163	2,022
Investment management costs	5	55	–	–	60	2
Expenditure of subsidiary trading company	11	2,007	–	–	2,007	1,323
Charitable activities:						
Grants to Member Associations & Partners	5	39,509	32,306	–	71,815	76,831
Central expenditure	7	8,500	5,330	–	13,830	13,623
Regional expenditure	6	16,048	12,928	–	28,976	28,563
Governance costs	8	2,221	23	–	2,244	2,209
Pension finance charge	20	580	–	–	580	117
Total resources expended		71,871	51,076	–	122,947	125,727
Net incoming resources before other recognised gains and losses		5,501	16,344	–	21,845	1,917
Gain on investment assets	11	2,296	288	105	2,689	482
Actuarial loss on defined benefit pension scheme	20	(1,139)	–	–	(1,139)	(5,175)
Foreign exchange movements on pension liability	20	(439)	–	–	(439)	(46)
Net movement in funds		6,219	16,632	105	22,956	(2,822)
Funds brought forward at 1 January	16	88,420	21,518	1,010	110,948	113,640
Unrealized foreign exchange (loss)/ gain taken to reserves		(208)	–	–	(208)	130
Funds carried forward at 31 December	16	94,431	38,150	1,115	133,696	110,948

There are no recognized gains and losses other than those included above. All the above results arise from continuing operations. The notes on pages 28 to 59 form part of these accounts.

Balance sheets

Consolidated balance sheet as at 31 December 2012

	Notes	Unrestricted \$'000	Restricted \$'000	Endowment \$'000	2012 Total \$'000	2011 Total \$'000
Fixed assets						
Tangible assets	10	20,320	–	–	20,320	21,123
Investments	11	25,793	13,956	1,115	40,864	25,169
Long term loans	12	139	550	–	689	839
Total fixed assets		46,252	14,506	1,115	61,873	47,131
Current assets						
Stock of goods		1,094	–	–	1,094	1,350
Receivable from donors	13	1,266	2,355	–	3,621	3,765
Receivable from associations		461	307	–	768	1,202
Receivable from others		1,463	147	–	1,610	1,312
Prepayments		477	37	–	514	566
Funds held on short term deposit		38,443	–	–	38,443	40,620
Cash at bank		23,031	30,106	–	53,137	38,396
Total current assets		66,235	32,952	–	99,187	87,211
Creditors: amounts falling due within one year						
Accounts payable		1,547	3,135	–	4,682	2,275
Payable to associations		1,825	4,273	–	6,098	6,168
Accruals and other creditors		2,157	189	–	2,346	2,513
Deferred income	14	1,011	1,711	–	2,722	1,650
Total current liabilities		6,540	9,308	–	15,848	12,606
Net current assets		59,695	23,644	–	83,339	74,605
Provisions for liabilities and charges	15	413	–	–	413	215
Pension liability	20	11,103	–	–	11,103	10,573
Total net assets including pension liability		94,431	38,150	1,115	133,696	110,948

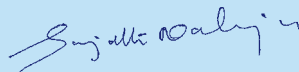
Represented by:

Unrestricted:						
General		22,903	–	–	22,903	24,131
Designated		82,631	–	–	82,631	74,862
Restricted		–	38,150	–	38,150	21,518
Endowment		–	–	1,115	1,115	1,010
Total funds and reserves excluding pension liability	16	105,534	38,150	1,115	144,799	121,521
Pension liability	20	(11,103)	–	–	(11,103)	(10,573)
Total funds and reserves including pension liability	16	94,431	38,150	1,115	133,696	110,948

Approved on behalf of the Governing Council on 10 May 2013. The notes on pages 28 to 59 form part of these accounts.



Dr Naomi Seboni
President



Mrs Sujatha Natarajan
Treasurer

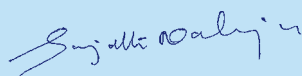
Balance sheet (charity) as at 31 December 2012

	Notes	2012 Total \$'000	2011 Total \$'000
Fixed assets			
Tangible assets		20,320	21,123
Investments	11	41,214	25,520
Long term loans		690	839
Total fixed assets		62,224	47,482
Current assets			
Stock of goods		1,247	1,016
Receivable from donors	13	3,621	3,765
Receivable from associations		769	1,202
Receivable from others		1,479	1,222
Prepayments		494	522
Funds held on short term loan		38,443	40,620
Cash at bank		52,546	37,539
Total current assets		98,599	85,886
Creditors: amounts falling due within one year			
Accounts payable		4,400	1,512
Payable to associations		6,098	6,168
Accruals and other creditors		2,314	2,494
Deferred income	14	2,722	1,650
Total current liabilities		15,534	11,824
Net current assets		83,065	74,062
Provisions for liabilities and charges	15	413	215
Pension liability	20	11,103	10,573
Total net assets including pension liability		133,773	110,756
Represented by:			
Unrestricted:			
General		22,978	23,939
Designated		82,633	74,862
Restricted		38,150	21,518
Endowment		1,115	1,010
Total funds and reserves excluding pension liability		144,876	121,329
Pension liability		(11,103)	(10,573)
Total funds and reserves including pension liability		133,773	110,756

Approved on behalf of the Governing Council on 10 May 2013. The notes on pages 28 to 59 form part of these accounts.



Dr Naomi Seboni
President



Mrs Sujatha Natarajan
Treasurer

Cash flow statement

Consolidated cash flow statement for the year ended 31 December 2012

	Note	\$'000	2012 \$'000	\$'000	2011 \$'000
Net cash inflow/ (outflow) from operating activities	A		5,545		(1,892)
Returns on investments					
Interest received and similar income			400		273
Capital expenditure and financial investments					
Purchase of tangible assets		(430)		(4,267)	
Purchase of marketable securities		–		2	
Sale of tangible assets		1		11	
Sale of marketable securities		6,587		9,094	
Long term loan repayments received		289		255	
Long term loans issued		(139)		(12)	
			6,308		5,083
Management of liquid resources					
Cash withdrawn from short-term deposits		(1,425,312)		(1,891,034)	
Cash invested on short-term deposit		1,427,489		1,885,554	
			2,177		(5,480)
Increase/(decrease) in cash	B		14,430		(2,016)

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

	2012 \$'000	2011 \$'000
Net incoming resources	21,845	1,917
Interest receivable and similar income	(497)	(301)
Depreciation	1,233	1,113
Exchange movement on tangible assets	(1)	(364)
Exchange movement on pension liability	(439)	(46)
Increase in pension liability	530	3,745
Actuarial loss on pension scheme	(1,139)	(5,175)
Loss on disposal of fixed assets	–	5
Donations in kind	(19,604)	(5,715)
Decrease/ (increase) in stock	256	(812)
Decrease in receivables from donors	144	4,706
Decrease in receivables from associations	434	418
(Increase)/ decrease in receivables from others (excluding interest)	(194)	99
Decrease/ (increase) in prepayments	52	(20)
Increase in accounts payable	2,407	731
(Decrease)/ increase in payable to associations	(70)	1,689
(Decrease) in accruals and other creditors	(167)	(483)
Increase/ (decrease) in deferred income	1,072	(3,599)
Increase/ (decrease) in provisions	198	(16)
Exchange movement on net funds	(515)	216
Net cash outflow from operating activities	5,545	(1,892)

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

	Note	2012 \$'000	2011 \$'000
Increase/(decrease) in cash in the year		14,430	(2,016)
Movement on foreign exchange		311	(80)
Movement in net funds for the period		14,741	(2,096)
Net funds at 1 January		38,396	40,492
Net funds at 31 December	C	53,137	38,396

Note C: Analysis of changes in net funds:

	At 1 Jan 2012 \$'000	Cash flows \$'000	Exchange movements \$'000	At 31 Dec 2012 \$'000
Cash in hand and at bank	38,396	14,430	311	53,137

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, as modified for the revaluation of certain investments, and in accordance with applicable United Kingdom accounting standards, applicable United Kingdom law and the Statement of Recommended Practice ("SORP"), Accounting and Reporting by Charities (revised 2005), issued by the Charity Commission.

The members of Governing Council have reviewed IPPF's financial position, 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 under the provisions of the IPPF Act. There are six regions within the Federation and the accounts of these are combined to form the IPPF. All of the regional offices act as branches of IPPF and therefore fall under the term 'branches' in accordance with FRS 2 'Accounting for Subsidiary Undertakings' and the Charities SORP.

IPPF Arab World Regional Office (Tunis, Tunisia), IPPF East and Southeast 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 (London, UK).

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 in London. 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 United States of America based organizations with income received being reflected within these

financial statements. This entity is also considered to be a branch of IPPF.

IPPF has a trading subsidiary, International Contraceptive & SRH Marketing Limited (trading as ICON). This primarily engages in commodity supply services and social marketing of contraceptives in conjunction with Member Associations. Its results for the trading period to 31 December 2012 have been consolidated in accordance with FRS 2 'Accounting for Subsidiary Undertakings' on a line by line basis. These financial statements present the consolidated statement of financial activities only, and both a consolidated and charity balance sheet.

Incoming resources

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.

Commercial trading activities

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

Donations and grants

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

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.
- Assets given for distribution are recognised as incoming resources for the year only when distributed with an equivalent amount being included as resources expended.

Legacies

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

Investment income 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 incoming resources where the amounts are material and an estimated market value is readily attainable. Commodities donated to IPPF for distribution to Member Associations are recognized as incoming resources to the extent that they have been distributed (or allocated for distribution) in the year.

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

Resources expended 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, London, which serve IPPF as a whole.

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

Programme activities represent expenses directly attributable to the issuing or monitoring of grants to Member Associations 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 and AIDS, Access, Accreditation etc. 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 the issuing or monitoring of grants to Member Associations and include general management, finance, office facilities, human resources and information technology.

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

governance structures (Regional Council Meetings and Regional Executive Meetings) are also included.

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

Deferred income

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

Fixed assets

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

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

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

Investments

Investments are valued at market value as at 31 December 2012. All gains and losses are taken to the Statement of Financial Activities as they arise.

Investment properties are included as an investment within fixed assets, valued at open market value, and not depreciated. Full valuations are made every year 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

Stock is valued at the lower of cost and net realizable value and consists of contraceptives and related medical equipment. Goods donated for distribution are not included in stock.

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 up to the date on which the financial statements are approved by Governing Council. The recognition of a provision is in accordance with FRS 12 'Provisions, Contingent Liabilities and Contingent Assets'. The charge for a provision is made against the appropriate resources expended category to which it relates.

Contingent liabilities

Contingent liabilities are disclosed in accordance with FRS 12, 'Provisions, Contingent Liabilities and Contingent Assets'. 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.

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 17 'Retirement Benefits', the Statement of Financial Activities includes: the cost of benefits accruing during the year in respect of current and past service (charged against net outgoing resources); the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time (shown as pensions finance charge); actuarial gain or loss recognized in the pension scheme (shown within net movement of funds). The balance sheet includes the deficit in the scheme taking assets at their year-end market value and liabilities at their actuarially calculated values.

Funds

IPPF maintains five types of fund:

Permanent endowment – where the capital is held in perpetuity to generate income to further the charitable objects of IPPF;

Restricted – where the purposes for which the funds can be used have been restricted by donors or the terms of an appeal;

Pension reserve – in accordance with FRS 17 'Retirement Benefits', the liability attributed to the Central Office Defined Benefit Scheme is shown as a separate 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;

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 16.

2 Grants from governments

	Local currency (LC)	2012 LC'000	2011 LC'000	2012 \$'000	2011 \$'000
Unrestricted					
Australia	Australian \$	5,500	5,000	5,704	5,333
Barbados	US\$	–	4	–	4
China	US\$	160	160	160	160
Denmark	Danish Krone	40,000	40,000	6,937	7,225
Finland	Euro	1,250	850	1,581	1,211
Germany	Euro	4,100	4,100	5,236	5,765
Japan	US\$	9,202	9,390	9,202	9,390
South Korea	US\$	87	87	87	87
Malaysia	US\$	–	15	–	15
New Zealand	New Zealand \$	2,500	2,500	2,098	1,862
Norway	Norwegian Krone	40,000	42,500	6,962	7,609
Pakistan	Pakistan Rupee	–	100	–	1
Sweden	Swedish Krona	80,000	80,000	12,015	12,234
Switzerland	Swiss Franc	1,000	2,000	1,047	2,356
Thailand	US\$	2	2	2	2
United Kingdom	£ Sterling	8,450	8,575	13,444	13,655
Unrestricted				64,475	66,909
Restricted					
Australia	Australian \$	8,948	2,641	9,299	3,839
Canada	Canadian \$	1,000	–	1,009	–
China	US\$	600	–	600	–
Denmark	Danish Krone	3,553	13,796	613	2,483
Germany	Euro	843	445	1,105	636
Ireland	Euro	8	–	11	–
Japan	US\$	819	906	819	906
The Netherlands	Euro	2,904	2,500	3,621	3,497
New Zealand	Australian \$	400	430	431	482
Norway	Norwegian Krone	13,020	13,000	2,289	2,261
Scotland	£ Sterling	–	6	–	10
Spain	US\$	39	1,244	39	1,244
Sweden	Swedish Krona	20,000	–	3,015	–
United Kingdom	£ Sterling	1,070	4,393	1,705	7,010
USA	US\$	115	–	115	–
Restricted				24,671	22,368
Total restricted and unrestricted grants from governments				89,146	89,277

3 Income from multilaterals and other sources

Note A: Grants from multilaterals and other sources

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
American Jewish World Service	–	60	60	60
Americares	–	240	240	–
Arab Gulf Fund United Nations Development Programme	–	–	–	135
Bayer	–	79	79	–
Beyond Our Borders	–	–	–	8
Erik E and Edith H Bergstrom Foundation	–	168	168	314
Compton Foundation	–	–	–	(11)
Comic Relief	–	190	190	284
Del Mar Global Trust	–	–	–	15
Education For Choice	–	–	–	59
EuroNGOs	–	75	75	21
European Commission (EC)	–	–	–	499
European Commission (EC) Unmet Need	–	147	147	161
Ford Foundation	–	300	300	85
Forthcoming Fund	10	–	10	–
Fox Foundation	–	–	–	2
Francis & Christine Martin Family Foundation	5	–	5	–
Bill & Melinda Gates Foundation	–	6,059	6,059	6,822
German Foundation for World Population (DSW)	–	–	–	27
The Global Fund	–	–	–	10
Good Gifts	–	–	–	5
Gesellschaft für Internationale Zusammenarbeit (GIZ) formerly Gesellschaft für Technische Zusammenarbeit (GTZ)	–	313	313	17
Herbert Smith (in memory of David Kato)	–	–	–	20
William & Flora Hewlett Foundation	1,350	3,614	4,964	3,869
IPAS	–	39	39	–
James Starr Moore Memorial Foundation	3	–	3	–
John Hopkins University	–	–	–	44
Babette Kabak Trust	–	–	–	1
Laney Thornton Family Foundation	3	–	3	–
Libra Foundation	50	–	50	50
Liz Clairborne & Art Ortenberg Foundation	25	–	25	–
The John D & Catherine T MacArthur Foundation	–	500	500	54
MAC AIDS Fund	–	94	94	198
Make a Difference Trust (MAD)	–	6	6	67
Management Sciences For Health (MSH)	–	–	–	30
Natembea Foundation	10	–	10	10
New Venture Fund via Gates Foundation	–	175	175	–
Nirvana Mañana Institute Foundation	–	–	–	5
Overbrook Foundation	40	–	40	40
David & Lucile Packard Foundation	–	780	780	1,415
Palatin Foundation	–	10	10	–

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
PATH	–	–	–	25
The Philadelphia Foundation	–	–	–	1
Philip & Danielle Barach Family Foundation	2	–	2	–
The Philip Devon Family Foundation	3	–	3	–
Plumeria Family Foundation	10	–	10	–
Population Action International (PAI)	–	10	10	–
The Population Council	–	34	34	–
Population Services International (PSI)	–	107	107	140
The Prospect Hill Foundation	–	–	–	18
RFSU (The Swedish Association for Sexuality Education)	–	222	222	–
Richard Henry & Kathryn Harjes Foundation	1	–	1	–
Rutgers Nisso Groep (RNG)	–	13	13	–
William J and Sally Siegel Foundation	6	–	6	–
The Summit Foundation	–	199	199	185
The World Conservation Union	–	–	–	41
Tides Foundation	5	–	5	–
The Tim & Starleen Wood Foundation	3	–	3	–
The Virginia B.Toulmin Foundation	–	250	250	–
United Nations Programme on HIV/AIDS (UNAIDS)	–	990	990	81
United Nations Fund for Population Activities (UNFPA)	–	1,141	1,141	1,056
ViiV Healthcare	–	251	251	294
Westwind Foundation	100	75	175	200
Wild Flowers Foundation	40	–	40	80
White Ribbon Alliance (WRA)	–	64	64	–
World Health Organization (WHO)	–	–	–	14
Youth Coalition	–	–	–	9
786 Foundation	–	–	–	5
Anonymous (At donor's request)	–	10,541	10,541	10,906
Legacies	2,089	15,116	17,205	1,515
Other < \$5,000 or individuals not wishing to be disclosed	3,156	269	3,425	3,570
Total	6,911	42,131	49,042	32,456

Note B: Donations in kind from multilaterals and other sources

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
United Nations Fund for Population Activities (UNFPA)	2,294	–	2,294	2,114
Total	2,294	–	2,294	2,114

4 Investment income and interest

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
Interest receivable from cash deposits	399	84	483	283
Dividends and similar income from US listed securities	3	10	13	3
Total	402	94	496	286

5 Grants to Member Associations and partner organizations

	Unrestricted			Restricted			2012 \$'000	2011 \$'000
	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000	2012 \$'000		
	Cash grants	Commodity grants	Technical assistance	Cash grants	Commodity grants	Endowment cash grants	Total	Total
Africa	13,965	1,456	1,823	7,354	239	–	24,837	28,341
Arab World	2,388	186	329	620	48	–	3,571	3,823
E, SE Asia & Oceania	4,382	394	–	1,906	–	–	6,682	8,018
Europe	1,615	2	–	3,787	–	–	5,404	7,631
South Asia	5,724	468	–	7,598	–	–	13,790	11,561
Western Hemisphere	5,359	784	634	10,754	–	–	17,531	17,457
Total 2012	33,433	3,290	2,786	32,019	287	–	71,815	76,831
Total 2011	38,052	3,132	4,063	31,166	92	326	76,831	

Commodity grants consist of contraceptives and related goods.

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

Grants to Member Associations and partner organizations by IPPF strategic priorities and supporting strategies

	2012 \$'000 Unrestricted	2012 \$'000 Restricted	2012 \$'000 Total	2011 \$'000 Total
Strategic priorities				
Adolescents	4,341	6,571	10,912	8,098
HIV and AIDS	2,143	3,312	5,455	7,975
Access	17,469	9,207	26,676	24,371
Abortion	2,210	5,889	8,099	15,016
Advocacy	3,176	4,954	8,130	11,393
Supporting strategies				
Accreditation & governance	2,141	129	2,270	1,787
Resource mobilization	1,521	–	1,521	1,212
Capacity building	4,920	2,244	7,164	5,459
Evaluation	1,588	–	1,588	1,520
Total	39,509	32,306	71,815	76,831

The above figures are based on funding agreements. They are indicative in the sense that ensuring global standards of classifying projects is still something IPPF is refining. For example, a Member Association undertaking projects to increase clinical services to young people and with an emphasis on HIV and AIDS prevention will generally classify this as 'access'. This can lead to the amounts shown for other priority areas being lower than expected.

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 \$	Restricted \$	Total \$
1	Pakistan	Rahnuma – Family Planning Association of Pakistan	1,617,296	490,609	2,107,905
2	Nepal	Family Planning Association of Nepal	1,525,765	1,623,347	3,149,112
3	India	Family Planning Association of India	1,468,930	3,132,335	4,601,265
4	Nigeria	Planned Parenthood Federation of Nigeria	1,123,727	82,210	1,205,937
5	Uganda	Reproductive Health Uganda	943,962	218,715	1,162,677
6	Ethiopia	Family Guidance Association of Ethiopia	887,822	346,017	1,233,839
7	Tanzania	Uzazi na Malezi Bora Tanzania	788,654	178,321	966,975
8	Ghana	Planned Parenthood Association of Ghana	786,181	282,590	1,068,771
9	Bangladesh	Family Planning Association of Bangladesh	782,542	1,220,708	2,003,250
10	Kenya	Family Health Options Kenya	758,690	874,826	1,633,516
11		Caribbean Family Planning Affiliation comprising of:	182,931	–	182,931
	Anguilla	Anguilla Family Planning Association – The Primary Health Care	913	–	913
	Antigua	Antigua Planned Parenthood Association	69,054	–	69,054
	Aruba	Foundation for the Promotion of Responsible Parenthood (Aruba)	20,699	–	20,699
	Bahamas	Bahamas Family Planning Association	9,978	–	9,978
	Bermuda	Teen Services	981	–	981
	Curacao	Foundation for the Promotion of Responsible Parenthood (FPRP)	34,982	–	34,982
	Dominica	Dominica Planned Parenthood Association	88,543	16,842	105,385
	Grenada	Grenada Planned Parenthood Association	67,394	–	67,394
	Guadeloupe	Association Guadeloupéenne pour le Planning Familial	608	–	608
	Martinique	Association Martiniquaise pour l'Information et l'Orientation Familiales	608	–	608
	Nevis and St. Kitts	Nevis Family Planning Association	913	–	913
	St. Lucia	Saint Lucia Planned Parenthood Association	145,154	–	145,154
	St. Vincent	St. Vincent Planned Parenthood Association	44,484	–	44,484
12	Bolivia	Centro de Investigación, Educación y Servicios (CIES)	658,375	654,477	1,312,852
13	Zambia	Planned Parenthood Association of Zambia	578,964	272,735	851,699
14	Togo	Association Togolaise pour le Bien-Etre Familial	566,169	107,400	673,569
15	Benin	Association Béninoise pour la Promotion de la Famille	533,079	53,327	586,406
16	Colombia	Asociación Pro-Bienestar de la Familia Colombiana	532,429	605,000	1,137,429
17	Côte d'Ivoire	Association Ivoirienne pour le Bien-Etre Familial	531,737	–	531,737
18	Madagascar	Fianakaviana Sambatra	516,523	5,000	521,523
19	Burkina Faso	Association Burkinabé pour le Bien-Etre Familial	511,203	281,667	792,870
20	Senegal	Association Sénégalaise pour le Bien-Être Familial	489,628	145,265	634,893
21	Dominican Republic	Asociación Dominicana Pro-Bienestar de la Familia	486,261	537,643	1,023,904
22	Egypt	Egyptian Family Planning Association	485,891	79,928	565,819
23	Burundi	Association Burundaise pour le Bien-Etre Familial	485,139	3,894	489,033
24	Peru	Instituto Peruano de Paternidad Responsable	479,241	143,113	622,354
25	Congo, Dem. Republic	Association pour le Bien-Etre Familial/Naissances Désirables	454,465	–	454,465
26	Mozambique	Associação Moçambicana para Desenvolvimento da Família	447,915	42,480	490,395
27	Lesotho	Lesotho Planned Parenthood Association	441,641	12,340	453,981
28	Brazil	Bem-Estar Familiar	433,207	88,216	521,423
29	Sierra Leone	Planned Parenthood Association of Sierra Leone	431,634	191,811	623,445

Rank	Country	Name of Member Association/partner organization	Unrestricted \$	Restricted \$	Total \$
30	Guinea-Conakry	Association Guinéenne pour le Bien-Etre Familial	418,127	–	418,127
31	Guatemala	Asociación Pro-Bienestar de la Familia de Guatemala	408,131	158,015	566,146
32	Cameroon	Cameroon National Association for Family Welfare	389,999	193,491	583,490
33	Congo	Association Congolaise pour le Bien-Etre Familial	384,016	–	384,016
34	Niger	Association Nigérienne pour le Bien-Etre Familial	370,777	–	370,777
35	El Salvador	Asociación Demográfica Salvadoreña	368,972	–	368,972
36	Mali	Association Malienne pour la Protection et la Promotion de la Famille	357,020	123,088	480,108
37	Mauritania	Association Mauritanienne pour la Promotion de la Famille	354,984	–	354,984
38	Liberia	Planned Parenthood Association of Liberia	353,657	–	353,657
39	Angola	Associação Angolana para o Bem Estar da Familia	338,095	–	338,095
40	Venezuela	Asociacion Civil de Planificacion Familiar	338,086	–	338,086
41	Honduras	Asociación Hondureña de Planificación de Familia	336,744	39,757	376,501
42	Philippines	Family Planning Organization of the Philippines	332,589	248,986	581,575
43	Central African Republic	Association Centrafricaine pour le Bien-Etre Familial	320,719	–	320,719
44	Paraguay	El Centro Paraguayo de Estudios de Población	314,747	–	314,747
45	Afghanistan	Afghan Family Guidance Association	310,893	375,788	686,681
46	Indonesia	The Indonesian Planned Parenthood Association	295,934	362,606	658,540
47	Chad	Association Tchadienne pour le Bien-Etre Familial	292,468	–	292,468
48	Palestine	Palestinian Family Planning and Protection Association	287,602	71,372	358,974
49	Morocco	Association Marocaine de Planification Familiale	264,944	–	264,944
50	Rwanda	Association Rwandaise pour le Bien-Etre Familial	255,916	126,227	382,143
51	Botswana	Botswana Family Welfare Association	252,616	24,600	277,216
52	Malawi	Family Planning Association of Malawi	249,678	353,258	602,936
53	Syria	Syrian Family Planning Association	242,421	9,323	251,744
54	Yemen	Yemeni Association for Reproductive Health	241,303	–	241,303
55	Gabon	Mouvement Gabonais pour le Bien-Etre Familial	233,977	–	233,977
56	Swaziland	Family Life Association of Swaziland	228,388	500,016	728,404
57	Djibouti	Association Djiboutienne pour l'Equilibre et la Promotion de la Famille	227,591	–	227,591
58	Namibia	Namibia Planned Parenthood Association	222,032	90,459	312,491
59	Nicaragua	Asociación Pro-Bienestar de la Familia Nicaragüense	216,078	72,242	288,320
60	Solomon Islands	Solomon Islands Planned Parenthood Association	213,057	86,481	299,538
61	Belize	Belize Family Life Association	209,884	63,490	273,374
62	Guinea-Bissau	Associação Guineense para o Bem Estar Familiar	209,866	–	209,866
63	Cambodia	Reproductive Health Association of Cambodia	209,820	–	209,820
64	Comoros	Association Comorienne pour le Bien-Etre de la Famille	201,864	–	201,864
65	Thailand	Planned Parenthood Association of Thailand	199,711	–	199,711
66	Russia	Russian Association for Population and Development	194,847	10,667	205,514
67	Vietnam	Vietnam Family Planning Association	193,937	93,844	287,781
68	Algeria	Association Algérienne pour la Planification Familiale	192,120	–	192,120
69	Trinidad and Tobago	Family Planning Association of Trinidad and Tobago	189,892	5,000	194,892
70	Vanuatu	Vanuatu Family Health Association	177,940	114,843	292,783
71	China	China Family Planning Association	177,066	–	177,066
72	Ecuador	Centro Ecuatoriano para la Promoción y Acción de la Mujer de Guayaquil, Ecuador	174,039	73,579	247,618

Rank	Country	Name of Member Association/partner organization	Unrestricted \$	Restricted \$	Total \$
73	Tunisia	Association Tunisienne de la Santé de la Reproduction	172,012	–	172,012
74	Suriname	Stichting Lobi	171,149	25,000	196,149
75	Sri Lanka	Family Planning Association of Sri Lanka	170,821	345,933	516,754
76	Samoa	Samoa Family Health Association	170,813	80,960	251,773
77	Korea, Dem. People's Rep of	Korean Family Planning & Maternal Child Health Association of DPRK	164,108	–	164,108
78	Cape Verde	Associação Caboverdiana para a Proteção da Família	160,523	–	160,523
79	Mongolia	Mongolian Family Welfare Association	159,504	–	159,504
80	Iran	Family Planning Association of the Islamic Republic of Iran	158,601	29,070	187,671
81	Argentina	Fundación para la Salud del Adolescente	156,612	286,038	442,650
82	Tonga	Tonga Family Health Association	150,012	70,184	220,196
83	Kiribati	Kiribati Family Health Association	146,842	62,891	209,733
84	Tuvalu	Tuvalu Family Health Association	144,296	66,460	210,756
85	Malaysia	Federation of Reproductive Health Associations of Malaysia	138,416	–	138,416
86	Kazakhstan	Kazakhstan Association on Sexual and Reproductive Health	134,871	134,691	269,562
87	Guyana	Guyana Responsible Parenthood Association	134,262	–	134,262
88	Chile	Asociación Chilena de Protección de la Familia	133,416	–	133,416
89	Jamaica	Jamaica Family Planning Association	132,482	10,000	142,482
90	Panama	Asociación Panameña para el Planeamiento de la Familia	128,557	74,764	203,321
91	Costa Rica	Asociación Demográfica Costarricense	128,204	35,171	163,375
92	Cook Islands	Cook Islands Family Welfare Association	127,275	43,258	170,533
93	Fiji	Reproductive & Family Health Association of Fiji	125,591	115,875	241,466
94	Sudan	Sudan Family Planning Association	116,656	507,110	623,766
95	Somaliland	Somaliland Family Health Association	111,960	–	111,960
96	Uzbekistan	Uzbek Association on Reproductive Health	109,269	–	109,269
97	Cuba	Sociedad Científica Cubana Para el Desarrollo de la Familia (SOCUDEP)	109,209	–	109,209
98	Maldives	Society for Health Education	108,926	106,546	215,472
99	Bulgaria	Bulgarian Family Planning and Sexual Health Association	105,314	14,208	119,522
100	Bosnia and Herzegovina	Association for Sexual and Reproductive Health XY	101,102	167,494	268,596
101	Netherlands	RutgersWPF	101,026	32,115	133,141
102	Georgia	Association HERA XXI	97,664	9,302	106,966
103	Puerto Rico	Asociación Puertorriqueña Pro-Bienestar de la Familia	96,677	–	96,677
104	Mauritius	Mauritius Family Planning & Welfare Association	89,332	–	89,332
105	Albania	Qëndra për Popullsinë dhe Zhvillimin (Center for Population and Development)	87,733	146,374	234,107
106	Kyrgyzstan	Reproductive Health Alliance of Kyrgyzstan	87,208	233,228	320,436
107	Tajikistan	Tajik Family Planning Alliance	77,909	76,769	154,678
108	Bahrain	Bahrain Reproductive Health and Family Planning Association	73,634	–	73,634
109	Lebanon	Association Libanaise pour une Famille Moderne	71,707	–	71,707
110	Latvia	Latvijas Ģimenes Plānošanas un Seksualas Veselības Asociācija	65,709	(21,415)	44,294
111	Republic of Macedonia	Health Education and Research Association	60,763	19,795	80,558
112	Korea, Republic of	Planned Population Federation of Korea	57,128	–	57,128
113	Lithuania	Seimos Planavimo ir Seksualines Sveikatos Asociacija	52,662	6,425	59,087
114	Sweden	Riksförbundet för Sexuell Upplysning (RFSU)	50,187	404,057	454,244
115	Barbados	The Barbados Family Planning Association	50,148	–	50,148
116	Ukraine	NGO Women Health and Family Planning	49,919	–	49,919

Rank	Country	Name of Member Association/partner organization	Unrestricted \$	Restricted \$	Total \$
117	Armenia	Pan-Armenian Family Health Association	49,615	56,791	106,406
118	Israel	Israel Family Planning Association	42,300	–	42,300
119	Romania	Societatea de Educatie Contraceptiva si Sexuala	40,313	–	40,313
120	Bhutan	Respect Educate Nurture Empower Women	36,134	–	36,134
121	Hong Kong	Family Planning Association of Hong Kong	32,287	–	32,287
122	Singapore	Singapore Planned Parenthood Association	27,511	–	27,511
123	Haiti	Association pour la Promotion de la Famille Haïtienne	22,328	339,933	362,261
124	Moldova	Societatea de Planificare a Familiei din Moldova	14,482	60,421	74,903
125	Cyprus	Cyprus Family Planning Association	11,678	–	11,678
126	Poland	Towarzystwo Rozwoju Rodziny	6,316	85,254	91,570
127	New Zealand	New Zealand Family Planning	(29,869)	137,500	107,631
128	Mexico	Fundación Mexicana para la Planeación Familiar, A.C.	(323,692)	6,755,984	6,432,292
129	Denmark	Sex & Samfund – The Danish Family Planning Association	–	482,762	482,762
130	Finland	Väestöliitto	–	445,566	445,566
131	Norway	Sex og Politikk	–	182,189	182,189
132	Ireland	Irish Family Planning Association	–	100,760	100,760
133	Spain	Federación de Planificación Familiar de España	–	91,763	91,763
134	Switzerland	SANTÉ SEXUELLE Suisse	–	91,582	91,582
135	Belgium	SENSOA VZW	–	78,615	78,615
136	Portugal	Associação Para o Planeamento da Família	–	53,743	53,743
137	Various	Grants below \$10,000 and adjustments	8,102	(6,473)	1,629
Total Grants to Member Associations			37,144,573	26,926,641	64,071,214

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 \$	Restricted \$	Total \$
1	Various	Japanese Organization for International Cooperation in Family Planning (JOICFP)	1,000,000	–	1,000,000
2	South Africa	Sexual Health and Rights Initiative of South Africa (SHARISA)	225,310	–	225,310
3	Papua New Guinea	Papua New Guinea Family Health Association	181,347	92,803	274,150
4	Laos	Promotion of Family Health Association (LAO PDR)	143,032	–	143,032
5	Myanmar	Myanmar Maternal and Child Welfare Association	137,668	–	137,668
6	Zimbabwe	Zimbabwe National Family Planning Council	119,993	–	119,993
7	South Sudan	Reproductive Health Association of South Sudan	100,000	–	100,000
8	Japan	Asian Population and Development Association	100,000	–	100,000
9	Sao Tome & Principe	Associação Santomense para Promoção Familiar	93,900	–	93,900
10	Seychelles	Alliance of Solidarity for the Family	78,699	–	78,699
11	Tunisia	Center of Arab Woman for Training and Research – CAWTAR	50,500	–	50,500
12	Belgium	European Parliamentary Forum	30,000	–	30,000
13	Kenya	Centre for African Family Studies	20,000	–	20,000
14	United Kingdom	All-Party Parliamentary Group on Population, Development and Reproductive Health	20,000	–	20,000
15	United States of America	Population Council	17,715	–	17,715
16	South Asia	Plan India	11,461	13,215	24,676

Rank	Country	Name of Member Association/partner organization	Unrestricted \$	Restricted \$	Total \$
17	Kenya/Swaziland/Malawi	London School of Hygiene & Tropical Medicine	–	1,469,878	1,469,878
18	Kenya/Swaziland/Malawi	Population Council	–	799,627	799,627
19	United States of America	Women's Refugee Commission	–	191,414	191,414
20	United States of America	Guttmacher Institute	–	160,000	160,000
21	Belgium	European Parliamentary Forum	–	142,192	142,192
22	United Kingdom	Interact Worldwide	–	137,777	137,777
23	France	Equilibres & Populations	–	134,387	134,387
24	Brazil	Catolicas por el Derecho – CDD Brazil	–	121,083	121,083
25	Belgium	Marie Stopes International	–	119,455	119,455
26	The Netherlands	World Population Foundation	–	119,455	119,455
27	Germany	Deutsche Stiftung Weltbevölkerung (DSW)	–	92,079	92,079
28	Kenya	Trust for Indiginous Culture and Health	–	90,283	90,283
29	Peru	Centro de Promoción y Defensa de los Derechos Sexuales y Reproductivos – PROMSEX	–	88,821	88,821
30	Kenya	Kisumu Medical Education Trust (KMET)	–	81,288	81,288
31	South Africa	Pathfinder International – South Africa	–	78,676	78,676
32	Philippines	The Women's Global Network for Reproductive Rights	–	77,171	77,171
33	Mozambique	Pathfinder International – Mozambique	–	73,858	73,858
34	Burkina Faso	Institut Supérieur des Sciences de la Population (ISSP)	–	73,793	73,793
35	Nigeria	Planned Parenthood Federation of America International – Nigeria	–	72,361	72,361
36	Cambodia	Marie Stopes International Cambodia	–	70,611	70,611
37	Philippines	Likhaan Center for Women's Health	–	68,643	68,643
38	Uganda	Kyetume Community Based Health Programme	–	68,299	68,299
39	Thailand	The Women's Health and Reproductive Rights Foundation of Thailand (WHRRF)	–	64,709	64,709
40	Brazil	ANIS – Institute of Bioethics, Human Rights and Gender	–	62,544	62,544
41	Burkina Faso	Société des Gynécologues et Obstétriciens du Burkina (SOGOB)	–	60,662	60,662
42	Nepal	Sunaulo Parivar Nepal (MSI)	–	55,344	55,344
43	Argentina	Fundacion Fundo de Mujeres del Sur	–	55,000	55,000
44	Ghana	Integrated Social Development Centre (ISODEC)	–	54,784	54,784
45	Bangladesh	Research, Training and Management (RTM) International	–	53,912	53,912
46	Nepal	Center for Research on Environment Health and Population Activities (CREHPA)	–	53,261	53,261
47	Ghana	Pathfinder International – Ghana	–	52,755	52,755
48	Tanzania	Marie Stopes Tanzania	–	52,435	52,435
49	Bangladesh	Bangladesh Women's Health Coalition	–	51,497	51,497
50	Uganda	Panos Eastern Africa	–	48,984	48,984
51	Thailand	Mae Tao Clinic	–	48,000	48,000
52	Bangladesh	Bangladesh Association for Prevention of Septic Abortion (BAPSA)	–	46,613	46,613
53	Ethiopia	Network of Networks of HIV Positives in Ethiopia (NEP+)	–	30,244	30,244
54	Mozambique	Rede Nacional de Associacoes de Pessoas Vivendo com HIV/SIDA (RENSIDA)	–	14,559	14,559
55	Various	Grants below \$10,000 and adjustments	34,548	137,358	171,906
Total grants to partner organizations			2,364,173	5,379,830	7,744,003
Total grants to Member Associations and partner organizations			39,508,746	32,306,471	71,815,217

6 Regional activities

Regional activities – 2012

	Unrestricted				Restricted programme activities \$'000	Total \$'000
	(1) Programme activities \$'000	(2) Support costs \$'000	Charitable activities subtotal \$'000	(3) Regional fundraising \$'000		
Personnel costs	6,497	2,353	8,850	807	5,878	15,535
Consultancies	1,165	341	1,506	108	2,021	3,635
Travel	2,799	158	2,957	99	3,442	6,498
Occupancy	517	721	1,238	82	629	1,949
Communications	195	159	354	566	405	1,325
Other costs	537	606	1,143	67	987	2,197
Total 2012	11,710	4,338	16,048	1,729	13,362	31,139

(1) 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 and AIDS, Access, Accreditation etc.

(2) Support costs represent expenses on activities that are not directly attributable to the issuing or monitoring of grants to Member Associations and include general management, finance, office facilities, human resources and information technology. These are allocated across the Strategic priorities and Supporting strategies 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 unrestricted expenses on activities related to regional income generation and resource development.

Regional activities by IPPF strategic priorities and supporting strategies – 2012

	Total support costs \$'000	Programme activities \$'000	Regional fundraising \$'000	Total \$'000
Strategic priorities				
Adolescents	408	1,771	–	2,179
HIV and AIDS	376	2,237	–	2,613
Access	395	1,418	–	1,813
Abortion	391	2,662	–	3,053
Advocacy	789	6,307	–	7,096
Supporting strategies				
Accreditation & governance	407	2,258	–	2,665
Resource mobilization	351	941	1,729	3,021
Capacity building	1,019	6,525	–	7,544
Evaluation	202	953	–	1,155
Total 2012	4,338	25,072	1,729	31,139

Regional activities – 2011

	Unrestricted				Restricted programme activities \$'000	Total \$'000
	(1) Programme activities \$'000	(2) Support costs \$'000	Charitable activities subtotal \$'000	(3) Regional fundraising \$'000		
Personnel costs	6,865	2,622	9,487	870	5,523	15,880
Consultancies	635	498	1,133	143	2,375	3,651
Travel	1,727	222	1,949	143	3,726	5,818
Occupancy	895	1,035	1,930	141	146	2,217
Communications	418	110	528	638	135	1,301
Other costs	73	754	827	87	804	1,718
Total 2011	10,613	5,241	15,854	2,022	12,709	30,585

(1) 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 and AIDS, Access, Accreditation etc.

(2) Support costs represent expenses on activities that are not directly attributable to the issuing or monitoring of grants to Member Associations and include general management, finance, office facilities, human resources and information technology. These are allocated across the Strategic priorities and Supporting strategies 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 unrestricted expenses on activities related to regional income generation and resource development.

Regional activities by IPPF strategic priorities and supporting strategies – 2011

	Total support costs \$'000	Programme activities & support \$'000	Regional fundraising \$'000	Total \$'000
Strategic priorities				
Adolescents	591	2,319	–	2,910
HIV and AIDS	414	3,062	–	3,476
Access	451	2,054	–	2,505
Abortion	399	2,576	–	2,975
Advocacy	855	5,258	–	6,113
Supporting strategies				
Accreditation & governance	530	1,328	–	1,858
Resource mobilization	273	333	2,022	2,628
Capacity building	1,418	5,488	–	6,906
Evaluation	310	904	–	1,214
Total 2011	5,241	23,322	2,022	30,585

7 Central activities

Central activities – 2012

	Unrestricted				Restricted programme activities \$'000	Total \$'000
	(1) Programme activities \$'000	(2) Support costs \$'000	Charitable activities subtotal \$'000	(3) Central fundraising \$'000		
Personnel costs	3,392	1,936	5,328	620	1,619	7,567
Consultancies	826	452	1,278	342	1,341	2,961
Travel	561	79	640	267	1,332	2,239
Occupancy	–	398	398	–	–	398
Communications	68	84	152	9	35	196
Other costs	228	476	704	34	1,003	1,741
Total 2012	5,075	3,425	8,500	1,272	5,330	15,102

(1) 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. 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 priorities and Supporting strategies 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.

Central activities by IPPF strategic priorities and supporting strategies – 2012

	Support costs \$'000	Programme activities & support \$'000	Central fundraising \$'000	Total \$'000
Strategic priorities				
Adolescents	235	906	–	1,141
HIV and AIDS	369	1,694	–	2,063
Access	179	573	–	752
Abortion	430	1,422	–	1,852
Advocacy	883	3,513	–	4,396
Supporting strategies				
Accreditation & governance	269	596	–	865
Resource mobilization	382	–	1,272	1,654
Capacity building	130	364	–	494
Evaluation	548	1,337	–	1,885
Total 2012	3,425	10,405	1,272	15,102

Central activities – 2011

	Unrestricted				Restricted programme activities \$'000	Total \$'000
	(1) Programme activities \$'000	(2) Support costs \$'000	Charitable activities subtotal \$'000	(3) Central fundraising \$'000		
Personnel costs	3,340	1,828	5,168	608	2,168	7,944
Consultancies	679	375	1,054	255	1,109	2,418
Travel	422	102	524	157	900	1,581
Occupancy	–	263	263	–	–	263
Communications	57	63	120	7	54	181
Other costs	420	278	698	10	1,565	2,273
Total 2011	4,918	2,909	7,827	1,037	5,796	14,660

(1) 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. 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 priorities and Supporting strategies 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.

Central activities by IPPF strategic priorities and supporting strategies – 2011

	Support costs \$'000	Programme activities & support \$'000	Central fundraising \$'000	Total \$'000
Strategic priorities				
Adolescents	152	1,002	–	1,154
HIV and AIDS	248	1,821	–	2,069
Access	373	1,313	–	1,686
Abortion	357	1,408	–	1,765
Advocacy	531	1,814	–	2,345
Supporting strategies				
Accreditation & governance	217	590	–	807
Resource mobilization	279	–	1,037	1,316
Capacity building	473	1,628	–	2,101
Evaluation	279	1,138	–	1,417
Total 2011	2,909	10,714	1,037	14,660

8 Governance costs

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
External audit fees	258	–	258	287
Other fees paid to external auditor (individual donor grant certificates)	85	17	102	43
Other audit/accountancy fees	8	6	14	16
Publishing financial statements	4	–	4	5
Cost of trustee meetings	1,866	–	1,866	1,858
Total	2,221	23	2,244	2,209

Cost of trustee meetings by expense type:

	2012 Total \$'000	2011 Total \$'000
Air fares	689	599
Hotels	293	353
Per diems	102	103
Personnel	113	–
Other	669	803
Total	1,866	1,858

Cost of trustee meetings by meeting type:

	Frequency	Volunteers attending	2012 Total \$'000	2011 Total \$'000
Governing Council	Twice per annum	24	397	419
Audit Committee	Twice per annum	4	54	44
Membership Committee	Twice per annum	7	49	88
Regional Councils	Once per annum	324	862	913
Regional Executive Committees	Twice per annum	52	451	364
Other	Ad-hoc	28	53	30
Total			1,866	1,858

The above costs are based on volunteer and staff costs associated with attending the meetings. The number of volunteers attending the meetings are indicated. Only the 24 Governing Council members are UK trustees of IPPF. IPPF operates a strict expenses policy in respect of these meetings, to ensure that expense re-imbursments are linked to actual costs incurred, and that lowest-cost travel and subsistence options are used.

9 Employee numbers and emoluments

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

	Central Office 2012	Regional Offices 2012	Total 2012	Total 2011 restated
– Technical Knowledge and Support	20	99	119	126
– Strategic Planning, External Affairs, Advocacy & Communications	7	26	33	32
– Management, Governance, Accreditation and Policy	18	24	42	40
– Resource Mobilization	6	16	22	19
– Support Services – Finance, Information Technology, Human Resources & Administration	24	76	100	87
– Trading Subsidiary (ICON)	6	–	6	5
Total 2012	81	241	322	309
Total 2011	81	228	309	

2011 staff numbers have been restated to take account of improvements in regional staff information.

The cost of employing these staff was:

	2012 \$'000	2011 \$'000
Gross salaries of individuals on IPPF payroll	17,450	17,994
Social security costs	1,661	1,748
Pension	1,454	1,395
Temporary staff employed through third party agencies	298	542
Other employee benefits	1,983	2,144
Redundancy costs	372	–
Staff employed through trading subsidiary	403	370
Total	23,621	24,193

The numbers of staff whose emoluments were over \$100,000 (i.e. £60,000) fell into the following bands:

	2012	2011
\$100,000 to \$110,000	9	10
\$110,000 to \$120,000	11	7
\$120,000 to \$130,000	2	6
\$130,000 to \$140,000	1	3
\$140,000 to \$150,000	1	1
\$150,000 to \$160,000	4	3
\$160,000 to \$170,000	1	2
\$170,000 to \$180,000	1	2
\$180,000 to \$190,000	–	1
\$190,000 to \$200,000	3	1
\$200,000 to \$210,000	1	2
\$210,000 to \$220,000	2	–
\$280,000 to \$290,000	–	1
\$310,000 to \$320,000	1	–
\$340,000 to \$350,000	1	1

Contributions amounting to US\$470,110 (2011: US\$600,414) were made to defined contribution schemes on behalf of 36 higher paid employees (2011: 37).

No Ex-gratia payments were made during the year (2011: Nil). No trustee received remuneration during the year (2011: Nil).

10 Tangible fixed assets (group)

	Freehold property \$'000	Leasehold property & improvements \$'000	Fixtures, fittings, equipment & computers \$'000	Total \$'000
Cost or valuation				
At 1 January 2012	13,600	9,354	5,300	28,254
Exchange adjustments	–	2	13	15
Additions	94	21	315	430
Disposals	–	–	(69)	(69)
At 31 December 2012	13,694	9,377	5,559	28,630
Depreciation and amortization				
At 1 January 2012	3,116	139	3,876	7,131
Exchange adjustments	–	2	12	14
Charge for the year	766	2	465	1,233
Released on disposal	–	–	(68)	(68)
At 31 December 2012	3,882	143	4,285	8,310
Net book values				
At 31 December 2012	9,812	9,234	1,274	20,320
At 31 December 2011	10,484	9,215	1,424	21,123

All tangible fixed assets are held for charity use.

Freehold property relates to land and buildings held in Kuala Lumpur and London. The Kuala Lumpur, Malaysia property was valued at 30 September 2006 by Jones Lang Wooton, external qualified valuers. The market value using the comparison method was RM7,800,000 (US \$2,236,777). The London, UK property was valued at 20 November 2006 by Atisreal, external qualified valuers. The market value using the comparison method was £4,275,000 (US\$6,187,079).

The above note includes US \$71 in respect of the trading Subsidiary, ICON (2011: US \$207). This is excluded from the charity balance sheet on page 22.

11 Investments (group and charity)

	Unrestricted \$'000	Restricted \$'000	Endowment \$'000	Total \$'000
Listed on the American and New York Stock Exchanges				
Shares and securities at market value:				
At 1 January 2012	23,146	1,013	1,010	25,169
Additions	5,750	12,712	–	18,462
Disposal proceeds	(6,530)	(57)	–	(6,587)
Unrealized/realized gains for the year	2,296	288	105	2,689
Shares and securities at 31 December 2012	24,662	13,956	1,115	39,733
Investment property at market value:				
At 1 January 2012	–	–	–	–
Additions	1,131	–	–	1,131
Investment property at 31 December 2012	1,131	–	–	1,131
Investments at 31 December 2012	25,793	13,956	1,115	40,864
Investments at 31 December 2011	23,146	1,013	1,010	25,169
Shares and securities at historical cost:				
At 31 December 2012	27,392	13,953	1,115	42,460
At 31 December 2011	26,050	1,013	1,000	28,063

The above figures include no cash held as part of the investment portfolio (2011: \$nil).

Investment property at market value:

The investment property was acquired on 31 December 2012 for no cost, following the early termination of a leasehold 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 13 February 2013 by the external valuer Nesbitt and Co Ltd (Chartered Surveyors). Management have used this valuation as the basis for market value at 31 December 2012. They do not believe there to be any material movement between these two dates.

Investment in subsidiary:

International Contraception & SRH Marketing Limited (trading as ICON) is a wholly owned trading subsidiary incorporated and registered in England and Wales. The principal activity of the subsidiary is the supply of commodity services and social marketing of contraceptives in conjunction with Member Associations.

Financial statements for the period ending 31 December 2012 have been prepared. The company ordinarily transfers its profits to IPPF via gift aid. A summary of ICON's turnover and expenditure for the year is below. These figures include intercompany income and expenditure recorded between IPPF and ICON, which is eliminated from the IPPF consolidated financial statements. Intercompany income primarily comprises revenue from the sale of commodities to IPPF for distribution to Member Associations, plus a management fee paid by IPPF for the procurement and logistics service provided by ICON. Intercompany expenditure removed on consolidation primarily comprises the cost of sales of commodities sold to IPPF, since these are recorded on the group balance sheet and recorded as commodity grant expenditure once distributed. ICON's turnover and expenditure excluding these intercompany transactions are US\$1,513,861 and US\$2,007,483 respectively.

	2012 \$'000	2011 \$'000
Turnover	3,806	3,297
Cost of sales	(2,843)	(2,091)
Gross profit	963	1,206
Total expenses	(940)	(851)
Other income	30	–
Interest payable	–	(7)
Profit on ordinary activities before taxation	53	348
Gift Aid to IPPF	(53)	(348)
Retained profit for the year	–	–

The aggregate amount of assets, liabilities and funds was:

	2012 \$'000	2011 \$'000
Assets	998	1,763
Liabilities	(623)	(1,388)
Funds	375	375

12 Long term loans (group and charity)

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
Loans to Member Associations	139	550	689	839
Total	139	550	689	839

All loans to Member Associations are interest bearing.

13 Receivable from donors (group and charity)

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
Australian High Commission	–	–	–	28
Compton Foundation	–	10	10	10
Government of Netherlands	–	1,318	1,318	1,748
Government of United Kingdom	–	65	65	–
The John D & Catherine T MacArthur Foundation	–	150	150	150
Population Services International (PSI)	–	19	19	15
United Nations Fund for Population Activities (UNFPA)	–	–	–	248
Erik E & Edith H Bergstrom Foundation	–	101	101	101
Management Sciences for Health (MSH)	–	109	109	–
Other (various)	1,266	431	1,697	1,313
Anonymous donors	–	152	152	152
Total	1,266	2,355	3,621	3,765

14 Deferred income (group and charity)

	Unrestricted \$'000	Restricted \$'000	2012 Total \$'000	2011 Total \$'000
Deferred income balances brought forward	831	819	1,650	5,249
Recognition of prior year's deferred income	(831)	(819)	(1,650)	(5,158)
Income received for activities in future periods	1,011	1,711	2,722	1,650
Movement on lease benefits to be amortized over the lease period	–	–	–	(91)
Deferred income balances carried forward	1,011	1,711	2,722	1,650

15 Provisions (group and charity)

	2012 \$'000	2011 \$'000
Opening balance	215	231
Utilized in year	–	(16)
Arising in year	198	–
Closing balance	413	215

Following an investigation by the Kenyan Revenue Authority in relation to unpaid employment taxes, IPPF have provided US\$173,834. This balance is carried over from 2011. In addition, the Africa Regional Office has provided US\$180,000 for redundancy costs arising from a restructuring exercise undertaken in 2012 and 2013.

The remaining provision and movements arising in 2012 relates to future statutory employment liabilities in our South Asia office.

16 Funds and reserves (group and charity)

Restricted funds

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

	Balance at 1 Jan 2012 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 Dec 2012 \$'000
Government				
Australia				
SPRINT	3,066	9,310	6,411	5,965
Capacity Building in the Pacific	(326)	–	(1)	(325)
Australian High Commission – DAP Haiti	28	–	28	–
Canada – Delivering the Muskoka Promise	–	1,010	1,443	(433)
China – IPPF 60th Anniversary	–	600	600	–
Denmark				
Promoting SRH Education	1	–	1	–
Adolescents & Advocacy for SRH (A+)	2,877	4	2,122	759
Rio+20 Side Event	–	13	3	10
High Level Task Force	–	169	169	–
Finland – Meeting Young People's Sexual & Reproductive Health Needs (Nepal)	12	–	–	12

	Balance at 1 Jan 2012 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 Dec 2012 \$'000
Germany				
Addressing SRH of Youth in Angola	(20)	–	–	(20)
Improving Sexual & Reproductive Health of Young People in Haiti	(5)	–	–	(5)
Improving Sexual & Reproductive Health of Young People in Sierra Leone	2	–	–	2
Improving SRH in Myanmar, Laos & Thailand	(18)	–	–	(18)
Improving access to maternal health & SRH services Afghanistan	51	(50)	–	1
Rebuilding Haiti: expanding access to SRH services for Young People in Post-Disaster Situations	70	103	173	–
Improving access for young people in SRH services in Kyrgyzstan	(416)	526	–	110
Increasing access to comprehensive SRH services in Sierra Leone	(416)	526	192	(82)
Ireland – Bolivia Vulnerable Youth	5	11	18	(2)
Japan – HIV/STI/AIDS Trust Fund	2,592	811	616	2,787
Netherlands				
Youth Incentive Fund	26	–	10	16
Intensification Sexual and Reproductive Health and Rights (SRHR)	1	–	1	–
Choices and Opportunities Fund	603	3,118	3,139	582
Civil Society and ICPD	–	497	–	497
High Level Task Force	–	7	7	–
New Zealand – Reproductive Health Facility for the Pacific	242	431	535	138
Norway				
CSW	(8)	–	–	(8)
HIV Integration Activities	7	–	–	7
Next Generation of Leadership	–	194	169	25
UN Resources Databases	–	337	–	337
South Korea				
Emergency Reproductive Health Services in Banda Aceh (post Tsunami)	33	–	–	33
Reinforcing SRH on PLHIV: A Way Out	11	–	–	11
Access to RH in Burkina Faso, Lesotho and Uganda	123	–	–	123
Spain				
Improve Sexual and Reproductive Rights and Reduce Maternal Mortality in Sudan	7	–	–	7
United Nations Fund for Population Activities (UNFPA) Advocacy Programmes	(22)	39	–	17
Sweden – SIDA funds for ARO	–	3,015	–	3,015
United Kingdom				
Joining Forces for Voice and Accountability (Europe and Western Hemisphere)	(195)	1,470	1,508	(233)
Improving the Sexual and Reproductive Health and Rights for Young Women in Nepal	(12)	235	169	54
Safe Motherhood Gender Based Violence in South Asia Region	45	–	–	45
People Living with HIV Stigma Index Research	13	–	–	13
Men's SRHR and Men as Partners	13	–	–	13
GPAF Supporting Vulnerable People Global Economic Downturn	3	–	–	3
United States of America				
Western Hemisphere Region Sustainability Fund	1,783	159	158	1,784
MSH – Leadership, Management & Governance	(12)	115	103	–
CA & Mexico HIV/AIDS	–	107	107	–
Multi-donor Fund – Safe Abortion Action Fund	2,271	2,189	1,851	2,609
Total government restricted funds	12,435	24,946	19,532	17,849

	Balance at 1 Jan 2012 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 Dec 2012 \$'000
Multilateral and other sources				
Americares – Haiti Adolescent Girls Network (HAGN)	–	240	207	33
Arab Gulf Fund – Youth Health Protection	186	–	–	186
Bayer – Bayer Barometer 2013	–	79	58	21
Erik E & Edith Bergstrom Foundation				
WHR Clinic Services (Bolivia)	206	60	161	105
Revolving Fund CIES Bolivia	5	10	14	1
Expanding Regional Effort in UP and UA	(117)	98	15	(34)
Big Lottery Fund – Brong Ahafo project (Ghana)	(1)	–	–	(1)
Comic Relief – Give Stigma the Index Finger: Understanding and Responding to Stigma	77	190	181	86
The Compton Foundation – Emergency Contraceptives	15	–	–	15
Development and Public Affairs (formerly DEVCOM)– Donor Cultivation	37	11	30	18
Equilibrium & Populations – Emergency Contraception	5	–	–	5
European Commission				
EC Safe Motherhood Bangladesh	30	–	–	30
ECOWAS: Ownership to Donorship	(69)	–	–	(69)
Improving SRH&R for Street Kids (Sante)	(309)	–	(309)	–
EC V2F Project	394	1	–	395
SRHR of Youth (SAFE)	(94)	–	119	(213)
SARO Advocacy Project	222	–	496	(274)
The Unmet Need	82	147	189	40
The Ford Foundation				
Declaration of Sexual Rights	122	150	112	160
CSE Assessment Central America	(1)	–	(1)	–
NGO Advisory Group for UNFPA's ICPD at 20 Planning Process	85	–	85	–
Bill & Melinda Gates Foundation				
Assessing Benefits of integrated HIV and Reproductive Health – Africa	2,335	2,497	3,469	1,363
Europe Champions Reproductive Health Worldwide	(6)	–	(5)	(1)
Tackling the Supply Challenge	1,401	2,346	2,267	1,480
Leadership Transition Fund	226	–	69	157
Marie Stopes International – Cervical Cancer Screening & Preventative Therapy	–	1,221	–	1,221
Gesellschaft für Internationale Zusammenarbeit (GIZ)				
Making Money Work for Women	(14)	–	–	(14)
GTZ Gender Dimensions of Stigma	(166)	197	51	(20)
GTZ Berlin Follow up Flexi Fund	17	3	1	19
Shadows and Light	–	113	101	12
GNP+ STIGMA INDEX WORKSHOP	2	–	–	2
Good Gifts – Bicycles for Midwives (Africa)	1	–	1	–
William and Flora Hewlett Foundation				
Global Advocacy Umbrella grant	151	1,933	1,892	192
Emergency Assistance for RH in Tsunami Affected Areas	18	–	–	18
Multi-donor Fund – EuroNGOs	150	694	550	294
Leadership Transition Fund	29	–	10	19
To Assess Budget Transparency for SRHR	124	–	185	(61)
ARO Performance Based Funding	–	200	67	133

	Balance at 1 Jan 2012 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 Dec 2012 \$'000
General Support and Advocacy	–	313	120	193
Setting Africa's Agenda on SRH Post-2015	–	400	–	400
John Hopkins University – Contraceptive Security Advocacy Activities	(13)	52	52	(13)
International Federation of the Red Cross – Self assessment tools – HIV/AIDS	4	–	–	4
International Women Health Coalition – IWHC	2	–	–	2
IPAS				
FGAE Abortion Project	–	35	35	–
Advocacy Strategy for Nicaragua & El Salvador	–	4	4	–
Kabak Foundation – grant to Africa Regional Office	151	–	–	151
The John D & Catherine T MacArthur Foundation				
International Advocacy to Advance SRH&R	174	425	411	188
Building capacity of MAs to enhance governance, Management	198	75	130	143
GLOBAL NGO FORUM	24	–	3	21
EuroNGOs	–	–	(12)	12
The MAC Foundation				
MAC AIDS Europe & East, Southeast Asia & Oceania	107	–	100	7
Positive? Attitudes to and Awareness of HIV	40	–	40	–
2012 Stigma Index	–	94	12	82
Make A Difference Trust – Positive? Awareness and Attitudes to HIV in the UK	23	–	20	3
New Venture Fund				
Family Planning Summit 2012	–	75	75	–
Building Strategic Alliances with BRICS Countries	–	100	37	63
Overbrook Foundation – Building Stronger Community with SRH Voices	80	–	–	80
Sir David Owen Memorial – University Bursary Fund	35	–	–	35
The David and Lucile Packard Foundation				
Country Global Pathways II	4	–	(2)	6
Country Global Pathways III	50	–	–	50
Country Global Pathways IV	815	502	566	751
Leadership Transition Fund	11	–	–	11
Women's Leadership ARO	213	–	–	213
CNP FPA India	28	–	28	–
Conferences in Population and Reproductive Health in Sub-Saharan Africa	5	–	–	5
Strengthening the Monitoring and Evaluation of Advocacy	23	–	14	9
Multi-donor Fund – Leadership Transition Fund	143	–	97	46
EuroNGOs	–	280	–	280
Population Action International – Resource Mobilization Awareness	28	–	–	28
Rutgers – EuroNGOs SONGs	–	13	–	13
Helen Seymour Fund – University Bursary Fund	138	1	53	86
Summit Foundation				
Youth Friendly Services Belize	8	–	–	8
Youth Friendly SRHS	–	185	129	56
Swedish Association for Sexuality Education (RFSU) – Sexual Rights are Human Rights	–	222	194	28

	Balance at 1 Jan 2012 \$'000	Income \$'000	Expenditure \$'000	Balance at 31 Dec 2012 \$'000
United Nations Fund for Population Activities (UNFPA)				
Linkages	10	–	–	10
Strengthening SRH/HIV Linkages Part II	1	–	–	1
Strengthening SRH/HIV Linkages Part III	4	–	–	4
Strengthening SRH/HIV Linkages Part IV	(533)	531	(2)	–
Strengthening SRH/HIV Linkages Part V	–	103	320	(217)
Solomon Islands earthquake relief	10	–	–	10
UNFPA NGO CODE	2	–	–	2
Reproductive health Mozambique	21	–	–	21
PMTCT 2010	(5)	–	–	(5)
UNFPA MDG5B Grant (ESEAOR)	2	–	–	2
UNFPA ESEAOR	46	(36)	–	10
60th Anniversary Partners' Dialogue	–	86	100	(14)
HIV linkages website	–	12	13	(1)
Joint Project on Adolescent Health (SROP)	–	93	85	8
EECA Regional Programme	–	337	337	–
EECA Programme	–	15	15	–
United Nations Programme on HIV/AIDS (UNAIDS)				
PLWA Index Briefing Pack	(15)	–	–	(15)
PLHIV	(81)	–	–	(81)
Ireland MA	73	–	–	73
Technical Support Facility ESEAOR	1,220	1,526	1,773	973
Technical Support Facility EUROPE	20	–	21	(1)
Report Cards Young Women & Girls	11	–	3	8
UNIFEM – Promoting an integrated response to and prevention of VAW through a SRHR mechanism in Africa	61	–	60	1
Urgent Action Fund – Support to the 4th Conf on Sexual Health and Rights	(4)	–	–	(4)
ViiV Healthcare – Young People SRH/HIV in Kenya	137	251	267	121
The Virginia B.Toulmin Foundation – MHU in Dominican Republic and Bolivia	–	250	259	(9)
KATHERINE WELCH LEGACY – ARO & SARO	75	(75)	–	–
Westwind Foundation				
Advocacy India	85	–	25	60
UC Foundation, Trust and Gov't	–	75	–	75
White Ribbon Alliance – Fashion Relief Haiti 2010	–	64	64	–
World Health Organisation – Linkages Evidence Review	2	–	–	2
Multi-donor Fund – EuroNGOs	24	–	30	(6)
Multi-donor Fund – Advocacy High Level Task Force	–	275	167	108
Anonymous donors (not disclosed at their request)	(160)	10,564	8,233	2,171
Other (various)	643	15,725	7,653	8,715
Total multilateral and other sources	9,083	42,762	31,544	20,301
Total restricted funds	21,518	67,708	51,076	38,150

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	Fixed asset reserve \$'000	Staff reserve \$'000	Translation reserve \$'000	Other designated funds \$'000	WHR sustainability fund \$'000	Innovation fund \$'000	Pension fund \$'000	General fund \$'000	Total \$'000
Additions to Fixed Assets (note 10)	a	(18)	–	–	–	–	–	–	18	–
Contribution to Innovation Fund	b	–	–	–	–	–	4,090	–	(4,090)	–
Contribution to DG's Funds	c	–	–	–	350	–	–	–	(350)	–
Transfer into DRF	d	–	–	–	1,821	–	–	–	(1,821)	–
Transfer into MA Performance Fund	e	–	–	–	5,512	–	–	–	(5,512)	–
Transfer into Campaign Fund	f	–	–	–	742	–	–	–	(742)	–
Transfer into Strategy Development Fund	g	–	–	–	942	–	–	–	(942)	–
Transfer into DFID Action Plan Fund	h	–	–	–	914	–	–	–	(914)	–
Transfers to close Translation Reserve	i	–	–	(4,232)	–	–	–	–	4,232	–
Transfer into Other Designated Funds		–	–	–	509	–	–	–	(509)	–
Transfers between funds		(18)	–	(4,232)	10,790	–	4,090	–	(10,630)	–
Balance as at 1 January 2012		21,123	801	4,232	28,753	18,599	1,354	(10,573)	24,131	88,420
Net incoming/(outgoing) resources		(777)	(10)	–	(2,833)	(999)	(534)	1,048	9,606	5,501
Net gains/(losses) on investment assets		–	–	–	–	2,294	–	–	2	2,296
Actuarial gains/(losses) on defined benefit pension scheme		–	–	–	–	–	–	(1,139)	–	(1,139)
Foreign exchange movements on pension liability		–	–	–	–	–	–	(439)	–	(439)
Foreign currency translation		(7)	–	–	–	–	7	–	(208)	(208)
Balance as at 31 December 2012		20,321	791	–	36,710	19,894	4,917	(11,103)	22,901	94,431

Explanations of movements on unrestricted funds and reserves:

- a 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.
- b US\$4.1 million was allocated to develop innovative projects centred around the 5 'A's and Change Goals, to be undertaken as part of the next phase of the Innovation Fund programme.
- c The Director-General's Contingency and Emergency Funds have been allocated US\$0.35 million, to fund unforeseen events and emergency situations respectively, in 2013.
- d During the year regions made savings of US\$1.8 million. These funds are allocated to a designated fund for utilization on projects occurring in 2013.
- e US\$5.5 million has been transferred to the Member Association Performance Fund to support initiatives to achieve the doubling of SRH services by 2015.
- f A Campaign Fund was established with US\$0.7 million – this will support a high-profile global advocacy campaign in 2013.
- g A Strategy Development Fund was established with US \$0.9 million to support the development and implementation of IPPF's next strategic framework, following the completion of the current framework by 2015.
- h A DFID Action Plan Fund was established with US \$0.9 million to address commitments and drive initiatives undertaken as part of the unrestricted PPA funding received from the government of the United Kingdom.
- i US \$4.2 million has been released from the Translation Reserve back to the General Fund as the fund was no longer considered necessary.

Fixed Asset Reserve	The Fixed Asset Reserve represents the value of IPPF funds invested in unrestricted fixed assets (see note 10) 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.
Translation Reserve	The Translation Reserve is used to absorb unexpected movements in the exchange rate which adversely affect the IPPF income forecasts. Following changes in Central Office foreign exchange management, the funds set aside for this purpose have been transferred back to the General Fund at the end of 2012 and the reserve will be closed.

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 IPPF Regional Offices.
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 centred around the IPPF 5 'A's.
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.

17 Forward commitments

	2012 \$'000	2011 \$'000
Orders for contraceptives and services due within one year	674	118

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 annual non-cancellable operating lease rental commitments existed:

Expiring		
In the next 1–2 years	457	451
Between 2–5 years	23	37
Over 5 years	–	–

18 Contingent liability

The Kenyan Revenue Authority is currently requesting payment of taxes on employment income which IPPF believed was exempted by the Ministry of Foreign Affairs. Following similar claims relating to other tax periods which were successfully defended, management disclose a contingent liability of \$285,239. This is in addition to the balance of \$173,834 provided for within the 2012 balance sheet (included in note 15).

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.

An arrangement was entered into in 2011 in respect of a loan of US\$1.8 million made by the David and Lucile Packard Foundation to Family Guidance Association Ethiopia (FGAE). Under the terms of the loan, the balance to be repaid to the lender has been guaranteed by IPPF. The loan capital is scheduled to be repaid to the lender in nine instalments of US\$195,000 over four years. The loan balance outstanding at 31 December 2012 was US\$1,365,273. In the event that FGAE does not meet the requirements of the repayment schedule, the liability will fall to IPPF.

19 Funds held on behalf of third parties

At 31 December 2012, IPPF held funds on behalf of the Member Association of Guatemala amounting to \$12,739,936 (2011: \$11,883,010). These funds are held by IPPF Western Hemisphere Regional Office 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 GMO, the investment managers.

20 Pension schemes

IPPF operates four pension schemes as described below:

The Central Office defined benefit pension scheme

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 2012 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 5.25% per annum pre retirement
- Investment return 4.0% per annum post retirement
- Pension Revaluation before retirement in line with CPI (maximum 5%) – 2.6% per annum
- Pension increases after retirement in line with RPI (maximum 5%) – 3.2% per annum

The report for the actuarial valuation as at 1 July 2012 showed the fund to have an asset value of \$40.313 million under the ongoing valuation method. This is equivalent to a funding level of 73% (market value of assets versus liabilities).

Following the actuarial valuation results at 1 July 2006 a decision was taken to close the scheme to the current members from 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. A recovery plan was submitted to the Pensions Regulator in September 2010. This will require the pension deficit to be paid off by 2020 and require a 3.4% annual increase in payments from the current level of \$1.63 million.

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

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 (2011: 7%), and it is non-contributory for staff. For staff previously included in the defined benefit scheme a contribution of 10% of salary is made.

The 2012 pension charge for this scheme is \$419,712 (2011: \$536,041).

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 2012 pension charge for this scheme is \$529,392 (2011: \$475,032).

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 2012 pension charge for this scheme is \$194,498 (2011: \$270,318).

At 31 December 2012 there were no outstanding or prepaid contributions for any of the defined contribution schemes.

FRS 17 disclosure note

There is one defined benefit pension scheme providing benefits on final pensionable salary, the Central Office pension scheme. The latest full actuarial valuation of this scheme was carried out at 1 July 2009 and was updated for FRS 17 purposes to 31 December 2012 by a qualified independent actuary.

The pension cost charge for the period represents contributions payable by IPPF to the scheme and were as follows:

	2012 \$'000	2011 \$'000
	1,627	1,594

There were no outstanding or prepaid contributions at the year-end (2011: nil).

The major assumptions used in the FRS 17 valuation were:

	2012 Per annum	2011 Per annum	2010 per annum
Inflation – RPI	2.85	2.9	3.5
Inflation – CPI	2.15	2.4	
Rate of discount	4.4	4.7	5.5
Pension increases:			
Pre 88 GMP	Nil	Nil	Nil
Post 88 GMP	2.15	2.4%	3.0%
Excess over GMP accrued pre 1.3.1998	6.0%	6.0%	6.0%
Excess over GMP accrued between 1.3.1998 and 31.7.2002	5.5%	5.5%	5.5%
Excess over GMP accrued between 1.8.2002 and 5.4.2005	2.85%	2.9%	3.5%
Excess over GMP accrued from 5.4.2005	2.3%	2.3%	2.3%

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

	2012	2011
Pre retirement mortality (male/female)	PNA00 / PNA00	PNA00 / PNA00
Post retirement mortality for non pensioner members (male/female)	PNA00 / PNA00	PNA00 / PNA00
Post retirement mortality for pensioner members (male/female)	PNA00 / PNA00	PNA00 / PNA00

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 realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	2012 \$'000	2011 \$'000	2010 \$'000
Equities	4,906	11,241	14,244
Bonds	35,019	22,024	21,284
Cash	1,888	3,743	1,058
Property	486	572	–
Total market value of assets	42,299	37,580	36,586
Present value of scheme liability	(53,402)	(48,153)	(43,414)
Deficit in scheme – Net pension liability	(11,103)	(10,573)	(6,828)

The expected rates of return on the assets in the scheme were:

	Long-term rate of return expected at 31/12/2012	Long-term rate of return expected at 31/12/2011	Long-term rate of return expected at 31/12/2010
Equities	5.7%	5.8%	7.1%
Bonds	4.7%	4.8%	6.1%
Cash	2.7%	2.8%	4.1%
Gilts	2.7%	2.8%	4.1%
Property	5.7%	5.8%	7.1%

Movement in pension fund liability during the year:

	2012 \$'000	2011 \$'000
Deficit in scheme at 1 January 2012	(10,573)	(6,828)
Employer's contributions	1,628	1,593
Other finance charge	(580)	(117)
Actuarial loss	(1,139)	(5,175)
Exchange rate movement	(439)	(46)
Deficit in scheme at 31 December 2012	(11,103)	(10,573)

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 in future. Previously, these benefits increased in line with salary.

The exchange rate movement represents the difference in the exchange rate used to value the balance sheet in 2011 and 2012.

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

The pension fund liability of \$11,103 million does not exceed the unrestricted funds balance.

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

	2012 \$'000	2011 \$'000
Employer's current service cost	–	–
Curtailed gain	–	–
Total operating charge	–	–
Expected return on pension fund assets	(1,753)	(2,231)
Interest on pension funds liabilities	2,333	2,348
Net Return	580	117
Total charge to the statement of financial activities	580	117

History of experience gains and losses

	2012	2011	2010	2009	2008
Difference between the actual and expected return on scheme assets					
Amount (\$'000)	1,001	(1,422)	1,725	2,548	(4,586)
Percentage of year end scheme assets	2%	(4%)	5%	12%	(17%)
Experience gains and losses on scheme liabilities					
Amount (\$'000)	–	–	–	–	–
Percentage of year end present value of the scheme liabilities	0%	0%	0%	0%	0%
Total amount recognized in the statement of total recognized gains and losses					
Amount (\$'000)	(1,139)	(5,175)	(533)	(4,738)	(530)
Percentage of year end present value of scheme liabilities	(2%)	(14%)	(1%)	(18%)	(2%)

21 Related parties

IPPF require 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 up-dated as individual circumstances change. These forms are reviewed by Senior Management. These procedures are part of the policy which aims to ensure that people act in the best interests of IPPF at all times and that there is openness and transparency concerning any actual or potential conflict of interest.

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

The Director-General of IPPF sits on the board of the Centre for African Family Studies (CAFS). IPPF have loaned US\$440,000 to CAFS to 31 December 2012. IPPF also advanced a fee of US\$180,597 to CAFS for technical support services.

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

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Ms. Aya Eleonore Kouakou	Ivory Coast
Ms. Eliane Berthe Mokodopo	Central African Republic
Dr. Naomi Seboni (President)	Botswana

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IPPF uses the services of several law firms, each one in accordance with their area of expertise.

Further information is available on request.



IPPF Financial Statements 2012

If you would like to support the work of IPPF or any of our national affiliates by making a financial contribution, please visit our website www.ippf.org or contact IPPF Central Office in London, UK

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