

Financial Reporting Contents

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Independent auditor's report to the Council of New Zealand Family Planning Association (Inc.)

Report on the audit of the performance report

Opinion

We have audited the Financial Report (the "performance report") of New Zealand Family Planning Association (Inc.) (the "Entity"), which comprises the service performance information, the statement of financial position of the Entity as at 30 June 2023, and the statement of comprehensive revenue and expenses, statement of changes in net assets/equity and statement of cash flows for the year then ended of the Entity and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the performance report presents fairly, in all material respects;

- ▶ the financial position of the Entity as at 30 June 2023 and its financial performance and cash flows for the year then ended
- ▶ the service performance for the year ended 30 June 2023 in accordance with the Entity's service performance criteria

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

This report is made solely to the Entity's Council members, as a body. Our audit has been undertaken so that we might state to the Council Members 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 Entity and the Council members, as a body, for our audit work, for this report, or for the opinions we have formed.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) and the audit of the service performance information in accordance with NZ AS 1 *The Audit of Service Performance Information* ("NZ AS 1"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the performance report* section of our report.

We are independent of the Entity in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interest in, the Entity. Partners and employees of our firm may deal with the Entity on normal terms within the ordinary course of trading activities of the business of the Entity.

Other matter

The corresponding figures in the service performance information of the Entity, being those measures related to the year ended 30 June 2022, were not audited.

Information other than the performance report and auditor's report

The Council are responsible for the annual report, which includes information other than the financial statements, service performance information and auditor's report.

Our opinion on the performance report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the performance report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the performance report or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Council Members' responsibilities for the performance report

The Council are responsible, on behalf of the Entity, for;

- ▶ the preparation and fair presentation of the financial statements and service performance information in accordance Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- ▶ service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board; and
- ▶ such internal control as the Council members determine is necessary to enable the preparation of financial statements and service performance information that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Council are responsible for assessing on behalf of the entity the Entities ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Entity or cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the performance report

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole, and service performance information are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (New Zealand) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.



**Building a better
working world**

A further description of our responsibilities for the audit of the performance report is located at the External Reporting Board website: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-14/>. This description forms part of our auditor's report.

The signature 'Ernst & Young' is written in a black, cursive script.

Chartered Accountants
Wellington
19 October 2023

Statement of Service Performance

Our purpose

People enjoy the best sexual and reproductive health and rights.

Our role

To use our expertise and courageous voice to advance equitable access to sexual and reproductive health services and information.

Strategic Framework

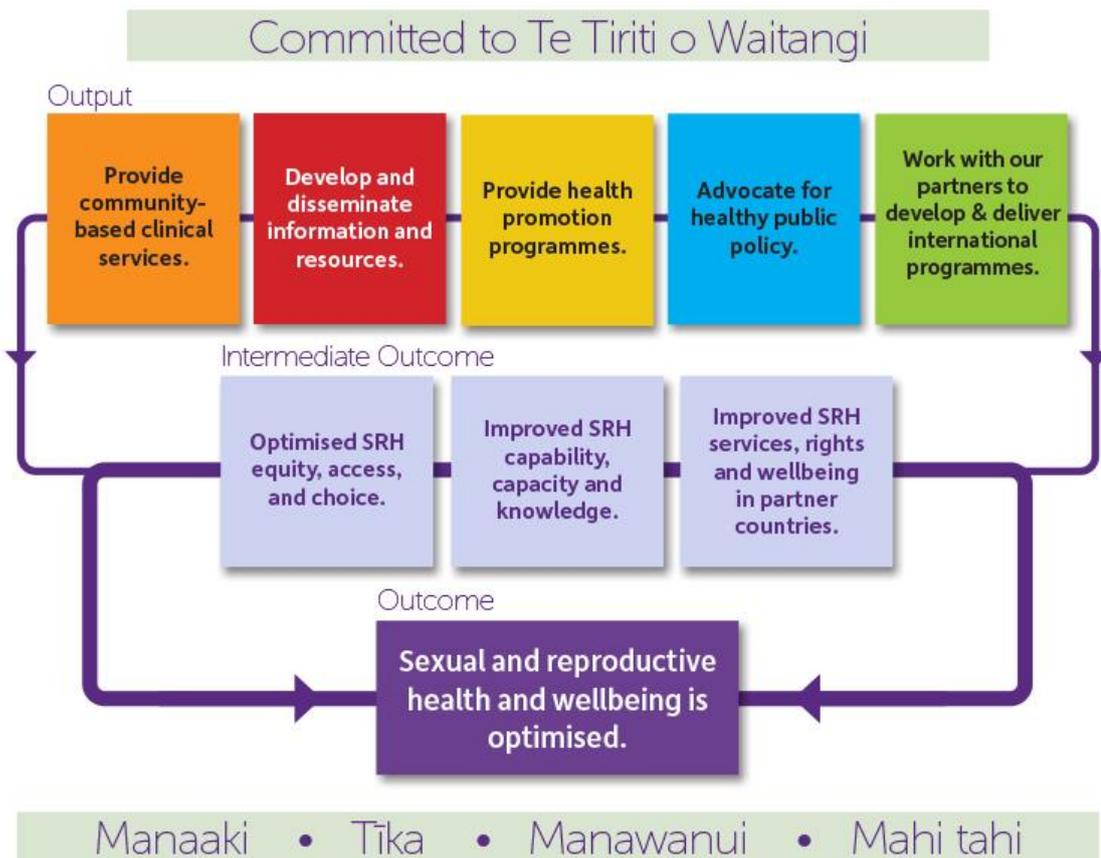


Non-financial results framework

Family Planning delivers services to achieve intermediate and long-term outcomes which contribute to optimised sexual and reproductive health and wellbeing in Aotearoa New Zealand, and for our international partners. The outcomes are set out in the following framework together with our outputs. The outputs are the things we do to achieve our intermediate outcomes, and ultimately contribute to the overarching outcome.

The tables following the framework, provide measures of our success during the year.

Our values are key in describing the behaviours that drive Family Planning’s culture and the way we provide services to our clients. We are committed to the principles of Te Tiriti o Waitangi to achieve equitable outcomes.



Intermediate outcome:

Optimised sexual and reproductive health equity, access, and choice

Family Planning is a Primary Health Care provider. Our clinical services are provided virtually and in person across Aotearoa New Zealand. This makes it easy for people to access sexual and reproductive health information and services in ways that improve equity outcomes, particularly for Māori and Pacific peoples and those with disabilities. Additionally, we aim to improve accessibility to our services for clients who hold a Community Services Card and those who fall into Quintile 5¹. Our services provide neutral information for clients to make informed choices about their health and wellbeing. Our clinical staff are trained specialists and provide comprehensive sexual and reproductive health care.

Provide Community-based clinical services

| Measures | Actual 2023 | Unaudited Actual 2022 |
|---|-------------|-----------------------------------|
| Percentage of clients by: | | |
| Quintile 5 | 20.5% | 20.1% |
| Those with a Community Services Card | 14.4% | 13.9% |
| Percentage of total clients by the following demographics: | | |
| Māori | 18.2% | 17.4% |
| Pacifica | 5.7% | 5.6% |
| Under 25 years | 47.3% | 47.1% |
| Number of: | | |
| Locations | 23 | 23 |
| Outreaches | 8 | 7 |
| Schools | 2 | 9 |
| Virtual consultations | 23,713 | 38,935 |
| Service volumes in key groupings ² : | | |
| Long-acting contraception | 32,626 | 38,595 |
| Oral Contraception | 26,076 | 24,234 |
| Depo | 15,266 | 14,022 |
| Cervical Screening | 10,838 | 10,336 |
| Client satisfaction by age and ethnicity percentage satisfied or very satisfied with service ³ | | |
| Māori | 82.0% | No comparable survey due to Covid |
| Pacifica | 74.07% | |
| Under 25 years | 89.0% | |

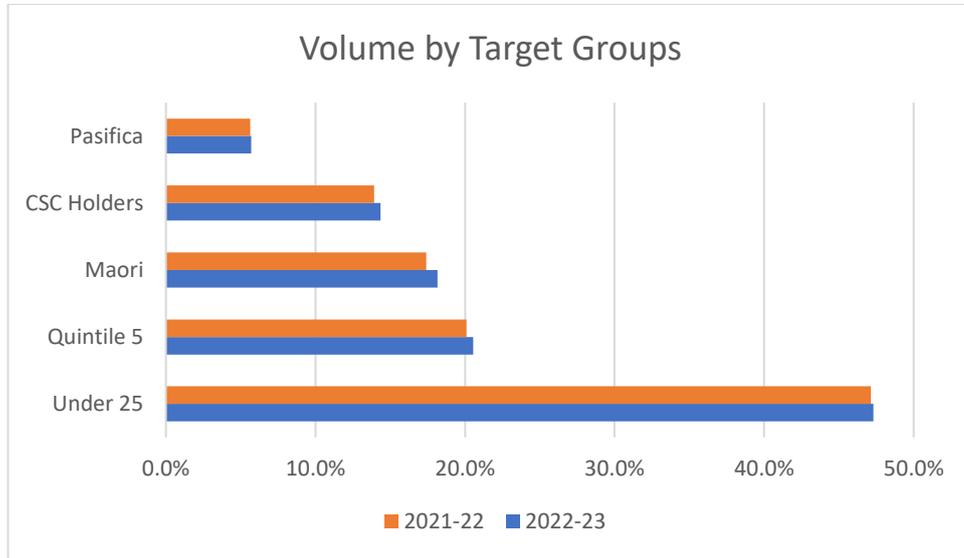
¹ New Zealand uses an IMD (Index of Multiple Deprivation) tool to identify geographical concentrations of deprivation in New Zealand. The concentrations are divided into quintiles. Quintile 5 represents geographical areas where there is a high concentration of deprivation.

² One consultation may include delivery of multiple services.

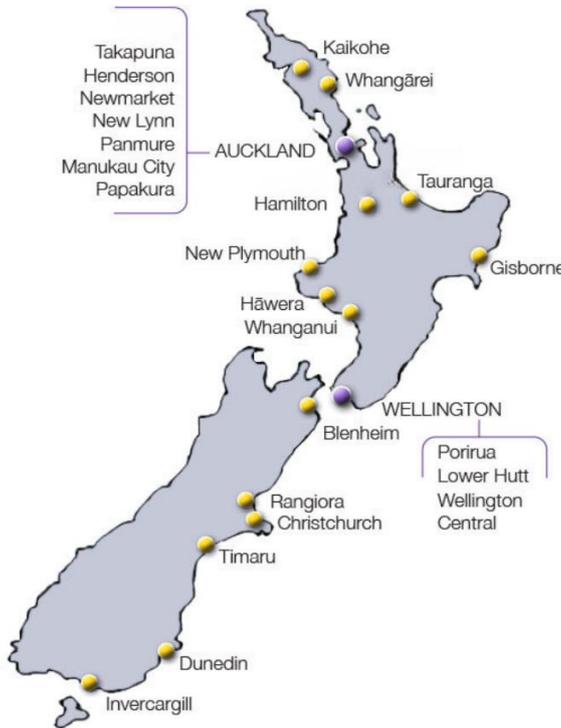
³ Only very unsatisfied and very satisfied results of the survey have been included in the results.



While there has been a drop in the volume of clients overall, there has been increases in the percentage of clients who are our target groups. Clients who are of Māori descent have seen the largest percentage increase, followed by Quintile 5 residents and Community Service cardholders. There have also been percentage increases for under 25-year-olds and Pacifica. These clients represent key demographics to whom we aim to make our services accessible.



Family Planning clinic locations have not changed over the reporting year.



Outreaches are clinics run in small community locations for a day or two each week. They are demand driven and dependent on our ability to resource the clinics. Two outreaches have been closed, while three new ones have been operating during the reporting period – Rolleston Youth Hub, Te Tahi Youth (Christchurch), and Hornby. Due to demand and resourcing, just two schools, both in Gisborne, have continued with on-site services.



As Covid has become endemic and life in Aotearoa New Zealand has started to get back to normal, clients are choosing to visit a clinic in person. In 2022, clients were making use of the virtual service while parts of the country were still in lockdown with face to face appointments still being limited. As a result, virtual consultations have declined compared to 2022 with all clinics operating normally. The virtual consultations make our services more accessible. Consultation types that can be offered virtually are limited, and in addition those requiring a face to face consultation may have an initial virtual consultation by a health professional to put their minds at rest until they are able to access a clinic.

The service volumes in key groupings is not a comprehensive list of the services that we provide, but they represent our more common services. All these services have increased over the year with the exception of long-acting reversible contraception (LARC). While this form of contraception is still the first choice for many of our clients, it is not as popular with young people, Māori, or Pacifica.

Given the ongoing impact of Covid lockdowns on clinics in our Northern and Midland Regions, a national client satisfaction survey was not undertaken in 2021/2022. Instead, we undertook an advocacy survey asking why people chose to access sexual and reproductive health services through our clinics. The survey of some 1,288 clients showed the top two reasons why (young clients) 16- to 19-year-olds chose to use our services were: I can get free or low-cost services (83%); staff here are good at helping young people (80%).

The top two reasons for visiting Family Planning among all clients were: staff treat me respectfully (89%); staff know about contraception and sexual health (84%). The third and fourth reasons were the same for young clients and all clients: I can get the contraception I want; and services are confidential; no one needs to know.

In addition to the qualitative information obtained through client surveys, Family Planning undergoes external quality audits to maintain memberships, accreditations, funding, and training programmes. During the year, Family Planning had three audits/assessments completed: IPPF, NZQA, and He Ritenga. IPPF – International Planned Parenthood Federation completes an audit every five years on member organisations covering all aspects of their operations including governance, financial, quality, human resources, client focus and risk management. Family Planning was compliant in all 31 standards and three initiatives have been taken for IPPF as best practice models for other member organisations. NZQA – New Zealand Qualifications Authority assessed Family Planning’s Conduct Cervical Screening training programme as best practice standards. This enables our professional training and development to continue providing this training to clinicians throughout Aotearoa New Zealand. He Ritenga is an assessment of the Tauranga early medical abortion service conducted by HealthShare focusing on similar standards as the IPPF with the addition of an equity lens.

EY

Over the period we have maintained DAA accreditation based on the EQuIP6 model, which is a four-year quality assessment and improvement programme that supports excellence in client care and service. The next audit is to be conducted in 2024.

Intermediate outcome:

Improved sexual and reproductive health and wellbeing capability, capacity, and knowledge.

Family Planning provides training programmes, courses and teaching resources to health professionals, community groups and schools. These programmes and resources directly impact recipients’ capability and knowledge and increase the capacity of health professionals to improve Aotearoa New Zealand’s sexual and reproductive health and wellbeing.

Information on sexual and reproductive health and wellbeing is also available to the public from Family Planning’s website.

The content of the programmes and resources are developed and reviewed by specialist professionals to ensure they reflect best practice and any new health information.

Though a small part of our work, we also provide submissions on public health policy and advocate for policy that continually improves sexual and reproductive health outcomes for Aotearoa New Zealand and internationally.

Develop and disseminate information and resources

| Measures | Actual 2023 | Unaudited Actual 2022 |
|--|---|---|
| Number of new or updated training programmes and resources | | |
| Health promotion resources | Nil developed 100% teaching resources reviewed | 8 developed 100% teaching resources reviewed |
| Professional Training & Development programmes | Nil new for external programmes 100% reviewed (10) | Nil new for external programmes 100% reviewed (10) |
| Number of people registered for online learning | 2,456 enrolments 1,384 people | 2,638 enrolments 1,615 people |
| Number registered for professional training | 1,286 enrolments 798 people | 1,446 enrolments 921 people |
| % Māori | 13% | 12% |
| % Pacifica | 3% | 2% |



| Measures | Actual 2023 | Unaudited Actual 2022 |
|---|--|--|
| Percentage of professional training clients who are at least satisfied with training resources and engagement | 99% | 98% |
| Percentage of health promotion settings that meet health equity criteria | 68% for Jul-Dec 2022 41% for Jan-Jun 2023 | 83% for Jul-Dec 2021 76% for Jan-Jun 2022 |
| Website: | | |
| Number of page views | 5,969,192 | 3,296,911 |
| Users | 2,899,720 | 1,341,341 |
| Top 5 pages (by page views): | | |
| Homepage | 482,519 | 249,034 |
| Contraception methods | 320,742 | 227,217 |
| Ask for an appointment | 285,997 | 134,201 |
| Combined oral contraceptive pill | 222,672 | 125,561 |
| Contraceptive implant | 208,885 | 120,350 |

The provision of resources and training is a big part of what Family Planning does to improve capability, capacity, and knowledge. There were no new Health Promotion resources developed over the period, but all the curriculum-aligned teaching resources were reviewed for currency of content and republished.

There were no new Professional Training and Development programmes developed over the period, but like our Health Promotion resources, all the programmes were reviewed. On top of the public training programmes, when requested, Family Planning designs and delivers customised training programmes for health organisations. There were 10 of these customised programmes delivered over the year:

- 2 providing an overview of cervical screening for midwives
- 2 on contraception and standing orders
- 3 on prescribing contraception and sexual health for Registered Nurses
- 1 on cervical screening
- 2 providing a certificate in contraception and sexual health

Family Planning’s online learning is still attracting good numbers of enrolments, though there was a downward shift compared to the previous year. This trend is similar to the in-person and virtual workshops. Of note though, is the increase in the percentage of Māori and Pacifica participants in the reporting period.

We ask participants to rate their satisfaction with the training resources and levels of engagement at the training sessions. The training courses are well received by participants as can be seen by the high levels of satisfaction.

Our website is our biggest public facing access point for information on sexual and reproductive health. Our website user numbers have continued to grow over the reporting period. This growth in user numbers is not attributable to any one activity but rather reflects our work in health literacy, content freshness and utilisation of keywords.



Provide health promotion programmes

| Measures | Actual 2023 | Unaudited Actual 2022 |
|--|-------------|-----------------------|
| Number of schools and agencies supported to deliver Relationship and Sexuality Education | 131 | 250 |
| Number of community engagements | 146 | 512 |
| Number of teaching resources provided to schools by equity index | | |
| Navigating the Journey | | |
| Equity Index 530-569 | 23 | 17 |
| Equity Index 510-529 | 18 | 24 |
| National total | 255 | 270 |
| Colours of Sexuality | | |
| Equity Index 530-569 | 3 | 0 |
| Equity Index 510-529 | 2 | 3 |
| National total | 36 | 22 |
| Number of education sessions delivered to high priority community groups | | |
| Alternative Education | 45 | 86 |
| Justice settings | 24 | 11 |
| Mental Health facilities | 32 | 12 |
| Disability groups | 19 | 17 |
| Wananga and Kura | 12 | 5 |
| Care & Protection residences | 10 | 27 |
| Youth Guarantee Progs | 14 | 32 |
| National total | 252 | 309 |

During the reporting year, Family Planning re-focussed the Health Promotion activities and designed a new structure for future delivery of these activities. Many of our usual Health Promotion activities were put on hold while the new design was being drafted. This explains why the number of community engagements and the number of education sessions delivered to schools is low compared to last year. This is also the reason for the drop in the percentage of health promotion settings that meet health equity criteria (see Develop and Deliver Information and Resources).

During the year under review, the Ministry of Education introduced Equity Indices (EI) for all schools which replaced the previous Decile system. We have included the EI data in our schools list which allows us to report the data as above. Using the application of the new EI information, we have recalculated the Actual 2022 data to ensure our comparisons are accurate.

Navigating the Journey and Colours of Sexuality are two of Family Planning's key curriculum-aligned relationships and sexuality education resources. It is important to Family Planning that all schools have access to quality teaching resources, but we are



particularly interested in them being accessible to schools at the high end of the EI. Some 48 per cent of New Zealand schools are now using a Family Planning curriculum-aligned resource – Navigating the Journey, Colours of Sexuality or Keep Safe Kits.

The number of education sessions delivered to community groups is representative of the groups that are of high priority and meet internal equity criteria. Despite having activities on hold for much of the reporting year, there have been 252 education sessions for these high priority community groups.

Advocate for healthy public policy

| Measures | Actual 2023 | Unaudited Actual 2022 |
|---|-------------|-----------------------|
| Number of submissions on public policy: | 20 | 25 |
| Number with equity focus | 20 | 25 |
| Number where there has been change that aligns with Family Planning positions | 10 | 11 |
| Social media: | | |
| Number of followers | 17,566 | 16,635 |
| Reach | 277,394 | 287,891 |
| Number of collaborations for improving public policy that impacts SRHR | 26 | 21 |

Our advocacy work is often driven by the public policy programme. In providing submissions on public health policy, we are advocating for improvements in sexual and reproductive health outcomes for Aotearoa New Zealand and internationally. In 2023, there were fewer public health policies on which to make submissions.

The number of policies where a change has been made that aligns with our position is not only dependent on our submission, but also on the release of policies that had been subject to the consultation process.

The number of followers and our reach on our social media platforms, demonstrates how widely our key messages are seen. There has been a tectonic shift in social media platforms across the year with changes to platforms such as Twitter. For instance, we have noted a strong shift in followers from Twitter to LinkedIn. As a result, we are more heavily using LinkedIn to share our content.

A collaboration is described as an exchange of information, partnership or other initiative with another like-minded organisation or government body to advance sexual and reproductive health and rights. In 2023, these included RANZCOG, College of GPs, NZNO, Inside Out, and the Drug Foundation, among others.



Intermediate outcome:

Improved sexual and reproductive health services, rights, and wellbeing in partner countries.

Our international work, funded by the Ministry of Foreign Affairs and Trade, helps to strengthen local sexual and reproductive health services in partner countries. During the year we had programmes running in Vanuatu and Kiribati. These programmes helped to improve sexual and reproductive health services by training and supporting local health providers in country.

Family Planning also advocates for improved sexual and reproductive health services, rights, and wellbeing along with like-minded international groups like the International Planned Parenthood Federation.

Work with our partners to develop and deliver international programmes

| Measures | Actual 2023 | Unaudited Actual 2022 |
|--|-------------|-----------------------|
| Number of engagements ⁴ with stakeholders to promote awareness and funding for international SRHR | 9 | 2 |
| Number of SRH services provided in international projects | 2,046 | 2,604 |
| Number of people trained | 550 | 306 |

There was a notable increase in the number of engagements with stakeholders during the year. This is due an increase in international travel opportunities and the reduced border restrictions after Covid. These engagements provide opportunities to promote awareness of and funding for sexual and reproductive health and rights at a global level.

During the reporting period, notable engagements included Family Planning Chief Executive attending the United Nations International Conference on Population and Development as a representative within the New Zealand delegation, the chair of the New Zealand Parliamentarian’s Group on Population and Development (NZPPD) (of which Family Planning is the secretariat) attending the Global Conference of Parliamentarians on Population and Development, and NZPPD hosting the Asia-Pacific Regional Director of the United Nations Population Fund to launch the State of the World Population Report 2023. These engagements support Family Planning to build

⁴ Engagements are defined as forums or events attended by Family Planning staff or partners under our projects, such as NZPPD members. Both domestic (same location as attendee) and international engagements are displayed in the combined figure.



effective networks internationally and enable programmes to be designed that contribute to the relevant global development agendas.

Both the Kiribati and Vanuatu projects experienced challenges in implementation during the reporting period. Organisational stability, including governance and financial strengthening, was prioritised over the year. As a result, a portion of planned outreach clinics did not happen in some areas within the partner countries, and this is reflected in the number of SRH services provided during the reporting period.

There was, however, an increase in the number of people trained. Training activities are undertaken in collaboration with partners in country to increase knowledge and awareness of sexual and reproductive health and rights, and to strengthen the provision of sexual and reproductive health services locally. In Kiribati, the delivery of training in outer island locations saw an increase in the number of attendees, reflective of limited opportunities for individuals based in these locations to engage in such activities. Clinical training delivered in these locations was received positively by participants, with the large majority noting the engaging nature of presentation material and appreciation for the breadth of contraceptive methods covered. Training participants are offered the opportunity to provide feedback following the training, with notable comments received during the period:

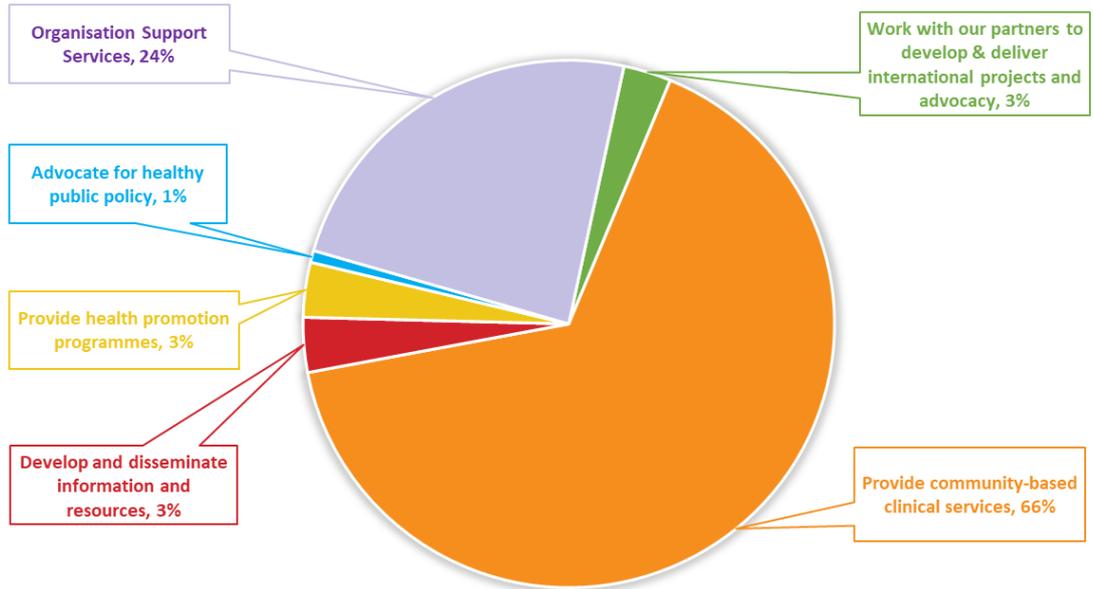
- "Everything perfect from the start to the end... training supportive to our work in public health to update and refresh our training on family planning methods to deliver to our clients".
- "Very thankful as it gives me more confidence to give advice and promotion of FP [family planning] methods to patients".
- "A big thanks to the training, very simple and effective"

Direct feedback from training participants is used to plan for and inform the development of future materials and activities.

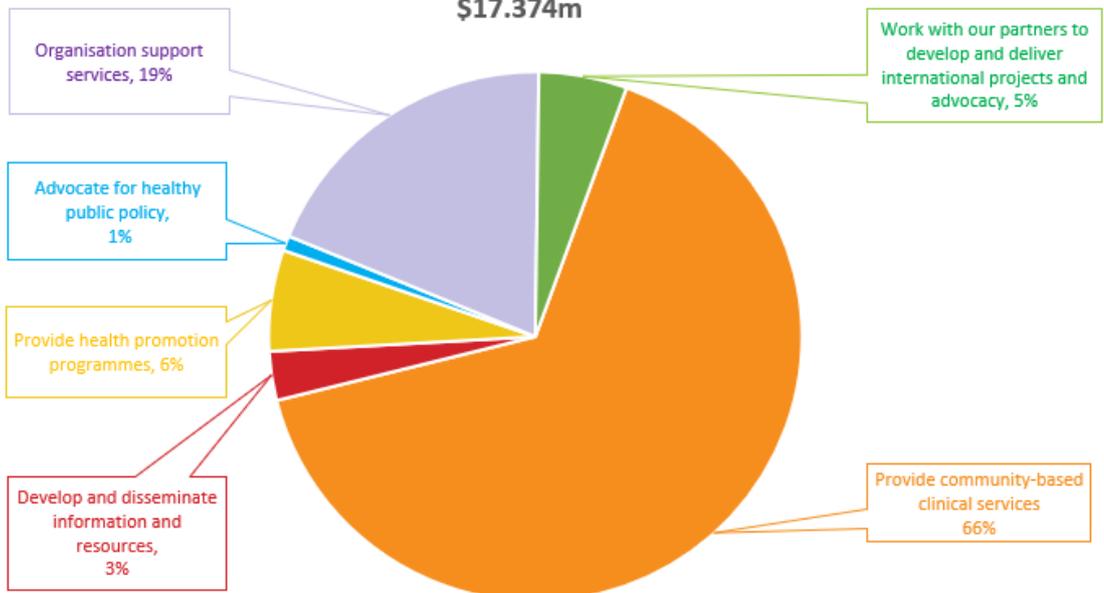
In Vanuatu, training during the reporting period was delivered to key community leaders within the project sites to build support for sexual and reproductive health from a grassroots level. When providing feedback on the training, all participants ranked the nature of the training content at the level of "just right" (as opposed to "too hard" or "too simple") and all ranked the training overall as either "very good" or "excellent". A high level of engagement in the content is also reflected through the participants' training scores, with 100% of participants increasing their level of knowledge between the pre and post-test collected for the training.

Expenses

2023 EXPENSES
\$17.807M



2022 Expenses
\$17.374m



Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2023

| | Note | 2023 | 2022 |
|---|--------------------|-------------------|-------------------|
| Revenue from non-exchange transactions | | | |
| Government contracts | 7 | 15,597,434 | 13,914,493 |
| Clinical fees | | 1,565,004 | 1,467,645 |
| Grants revenue | 8 | 536,448 | 929,297 |
| Donations | | 29,672 | 40,035 |
| Other non-exchange revenue | 9 | 311,755 | 412,365 |
| Revenue from exchange transactions | | | |
| Training fees | | 340,238 | 324,702 |
| Rental revenue | | 37,254 | 22,425 |
| Finance revenue | 10 | 295,323 | 77,943 |
| Other exchange revenue | 11 | 21,046 | 23,020 |
| Total Revenue | | 18,734,174 | 17,211,924 |
| Expenses | | | |
| Employee costs | 12 | 12,007,438 | 12,001,907 |
| Rent | | 1,264,207 | 1,194,327 |
| IT and communications | | 1,395,863 | 988,108 |
| Rates and utilities | | 736,310 | 658,355 |
| Clinical supplies | | 424,952 | 340,094 |
| Consultants & contractors | | 367,581 | 367,447 |
| Grant disbursements | | 137,144 | 600,637 |
| Office expenses | | 305,791 | 261,285 |
| Travel expenses | | 329,060 | 120,519 |
| Medical inventory | | 33,312 | 13,113 |
| Insurance | | 65,391 | 60,946 |
| Audit fees | | 50,210 | 43,500 |
| Other operating expenses | 13 | 272,111 | 404,276 |
| Bad & doubtful debts | | 64,658 | (18,762) |
| Depreciation | 18 | 304,543 | 305,208 |
| Amortisation | 19 | 48,350 | 33,131 |
| Total Expenses | | 17,806,921 | 17,374,091 |
| Net Comprehensive Revenue and Expenses | | 927,253 | (162,167) |

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



Statement of Financial Position

As at 30 June 2023

| | Note | 2023 | 2022 |
|---|--------------------|-------------------|-------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 14 | 3,117,971 | 2,076,986 |
| Term Investment | 15 | 6,668,677 | 7,100,877 |
| Accounts receivable | 16 | 447,360 | 4,577,250 |
| Accrued interest revenue | | 88,011 | 30,834 |
| Prepayments | | 86,329 | 177,139 |
| Inventories | 17 | 16,227 | 20,853 |
| | | 10,424,575 | 13,983,939 |
| Non-current assets | | | |
| Plant and equipment | 18 | 738,661 | 927,315 |
| Intangible assets | 19 | 94,418 | 108,048 |
| | | 833,079 | 1,035,363 |
| TOTAL ASSETS | | 11,257,654 | 15,019,302 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 20 | 438,096 | 407,658 |
| Income in advance | 21 | 1,026,322 | 5,079,444 |
| Employee entitlements | 22 | 945,702 | 1,084,065 |
| GST payable | | (87,119) | 432,804 |
| | | 2,323,001 | 7,003,972 |
| Non-current liabilities | | | |
| Long service leave | 22 | 44,875 | 52,805 |
| | | 44,875 | 52,805 |
| TOTAL LIABILITIES | | 2,367,876 | 7,056,777 |
| NET ASSETS | | 8,889,778 | 7,962,525 |
| EQUITY | | | |
| Accumulated comprehensive revenue and expense | | 8,889,778 | 7,962,525 |
| TOTAL EQUITY | | 8,889,778 | 7,962,525 |

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

EY

Statement of Changes in Net Assets /Equity

For the year ended 30 June 2023

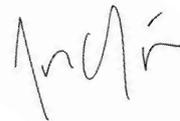
| | Note | 2023 | 2022 |
|---|------|-------------------------|-------------------------|
| Opening balance as at 1 July | | 7,962,525 | 8,124,692 |
| Net comprehensive revenue and expenses for the year | | 927,253 | (162,167) |
| Total net assets as at 30 June | | <u>8,889,778</u> | <u>7,962,525</u> |

These Financial Statements were approved for issue by the Family Planning Council on 10 October 2023.



Dr Jacquelyn Percy

President



Ian Olan

Chair of Finance, Audit & Risk Committee

Statement of Cash Flows

For the year ended 30 June 2023

| | Note | 2023 | 2022 |
|--|--------------------|------------------|--------------------|
| Cash flows from operating activities | | | |
| Membership subscriptions | | 6,235 | 8,331 |
| Fundraising, donations, and bequests | | 29,672 | 40,035 |
| Government contracts | | 14,841,968 | 14,200,485 |
| Receipts from grants and subsidies | | 536,448 | 926,836 |
| Receipts from other goods and services provided to customers - non-exchange transactions | | 1,870,523 | 2,444,782 |
| Receipts from other goods and services provided to customers - exchange transactions | | 398,539 | 370,148 |
| Interest received | | 238,147 | 66,889 |
| Payments to suppliers | | (4,967,625) | (5,035,603) |
| Payments to employees | | (12,057,368) | (12,012,565) |
| Grants, contributions, and sponsorships paid | | (137,144) | (600,637) |
| Net cash flows from operating activities | | 759,395 | 408,701 |
| Cash flows from investing activities | | | |
| Purchase of plant and equipment | 18 | (115,889) | (627,343) |
| Purchase of intangible assets | 19 | (34,720) | (92,700) |
| Receipts / (Deposits) of funds into term deposits | | 432,199 | (1,027,896) |
| Net cash flows from investing activities | | 281,590 | (1,747,940) |
| Net increase/(decrease) in cash and cash equivalents | | 1,040,985 | (1,339,239) |
| Cash and cash equivalents at beginning of year | | 2,076,986 | 3,416,225 |
| Cash and cash equivalents at end of year | | 3,117,971 | 2,076,986 |

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

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Notes to the Financial Statements

For the year ended 30 June 2023

1 Reporting Entity

The financial statements presented are those of NZ Family Planning Association (Inc.) (“Family Planning”) for the year ended 30 June 2023.

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

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

The financial statements were authorised for issue by the Council on 10 October 2023.

2 Basis of Preparation

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

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

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

3 Significant accounting judgements, estimates and assumptions

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

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



Significant judgements, estimates, and assumptions are disclosed within each applicable note and are depicted by a symbol as shown left.

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4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.



Significant accounting policies are disclosed within each of the applicable notes to the financial statements and are depicted by a symbol as shown left.

5 Income tax and other taxes

Income tax

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

Goods and Services Tax (GST)

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

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

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

6 Revenue Recognition



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

Revenue from non-exchange transactions

Government grants and funding

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

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

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

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

Rendering of services - subsidised

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

Revenue from such subsidised services is recognised when Family Planning delivers the services. Revenue is recognised at the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service.

Revenue is recognised by reference to the stage of completion of the service to the extent that Family Planning has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from Family Planning for the service) if the service is not completed satisfactorily.

7 Government contract revenue

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Ministry of Health – Personal Health | 12,117,935 | 11,007,004 |
| Ministry of Health – Public Health | 2,697,575 | 2,619,005 |
| Ministry of Health – National Contraception Training | 294,081 | 58,770 |
| Ministry of Health – National Abortion Telehealth Services | 487,843 | 229,714 |
| Total Government contract revenue | 15,597,434 | 13,914,493 |

In 2023 79% (2022 79%) of total revenue was received from two contracts from the Ministry of Health. The Personal Health contract funds Family Planning to provide clinical sexual and reproductive services at our clinics and school-linked clinics and outreach centres throughout New Zealand. It also provides some funding towards clinical training and development.

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

8 Grants revenue



Foreign currency translation

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

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

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



| | 2023 | 2022 |
|--|----------------|----------------|
| Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati | 262,075 | 551,338 |
| Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu | 141,643 | 289,020 |
| Ministry of Foreign Affairs and Trade grant for supporting IPPF's Niu Vaka strategy in the Pacific | 106,724 | 34,755 |
| UNFPA New York 2021 grant for NZPPD Secretariat | 427 | 41,483 |
| UNFPA New York 2022 grant for NZPPD Secretariat | - | 10,201 |
| IPPF – SRHR Conference | 25,579 | - |
| Lakes District Council | - | 2,500 |
| Total Grants revenue | 536,448 | 929,297 |

Ministry of Foreign Affairs and Trade (MFAT) grants:

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

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

The third project is supporting the International Planned Parenthood Federation (IPPF) to implement quality of care and advocacy activities under their Niu Vaka Strategy.

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

This grant is used to fund Family Planning's work as Secretariat for the New Zealand Parliamentarians' Group on Population and Development. \$41,968 was received in 2023 (2022 \$46,356).

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

The programme aims to improve access to life-saving sexual and reproductive health services in emergencies in Kiribati, the Cook Islands and Tuvalu. Deferred Revenue at 30 June 2023 was \$669 (2022 \$669).

Lakes District Council grant:

This grant provides rent relief for the Health Promotion office located in Rotorua.

9 Other non-exchange revenue

| | 2023 | 2022 |
|--------------------------------------|----------------|----------------|
| Other contracts revenue | 285,520 | 362,566 |
| Contributions and bequests | 7,060 | 28,848 |
| Membership fees | 6,235 | 8,331 |
| Retail Sales | 12,940 | 12,619 |
| Total Other contracts revenue | 311,755 | 412,365 |

10 Finance revenue

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

| | 2023 | 2022 |
|------------------------------|----------------|---------------|
| Interest income | 295,323 | 77,943 |
| Total Finance revenue | 295,323 | 77,943 |

11 Other exchange revenue



Revenue from exchange transactions

Rendering of other services – full cost recovery

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

Sale of goods

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

Rental revenue

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

Other gains and losses

Other gains and losses includes fair value gains and losses on financial instruments at fair value through surplus or deficit, unrealised fair value gains and losses on the revaluation of investment properties, share of surplus or deficit of associates and joint venture, and realised gains and losses on the sale of fixed assets held at cost.

| | 2023 | 2022 |
|-------------------------------------|---------------|---------------|
| Resource sales | 21,046 | 23,020 |
| Total Other exchange revenue | 21,046 | 23,020 |

12 Employee costs

| | 2023 | 2022 |
|----------------------------------|-------------------|-------------------|
| Wages and salaries | 11,654,680 | 11,463,295 |
| KiwiSaver employer contributions | 323,675 | 316,450 |
| Other employee benefits | 29,083 | 222,162 |
| Total Employee costs | 12,007,438 | 12,001,907 |

13 Other operating expenses

| | 2023 | 2022 |
|---------------------------------------|----------------|----------------|
| Bank fees | 20,101 | 35,906 |
| Course expenses | 41,795 | 25,348 |
| Equipment leases | 37,068 | 16,347 |
| Family Planning Conference expenses | 40 | 43,674 |
| General expenses | 21,469 | 29,456 |
| Health & safety expenses | 29,210 | 39,144 |
| Legal fees | 2,829 | 56,412 |
| Minor asset purchases | 25,001 | 22,722 |
| Payroll expense | 29,202 | 25,594 |
| Promotion & marketing | 16,762 | 25,777 |
| Quality expenses | 26,150 | 18,900 |
| Recruitment costs | 21,039 | 56,786 |
| Repairs and maintenance | 1,445 | 8,211 |
| Total other operating expenses | 272,111 | 404,276 |

14 Cash and cash equivalents

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

| | 2023 | 2022 |
|--|------------------|------------------|
| Cash on hand | 1,958 | 2,022 |
| Cash at bank | 3,116,013 | 2,074,964 |
| Total cash and cash equivalents | 3,117,971 | 2,076,986 |

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

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i. Operating Activities

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

ii. Investing Activities

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

iii. Cash and Cash Equivalents

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

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

15 Investments

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

| | 2023 | 2022 |
|--------------------------|------------------|------------------|
| Term deposits | 6,668,677 | 7,100,877 |
| Total investments | 6,668,677 | 7,100,877 |

16 Accounts receivable

| | 2023 | 2022 |
|---|----------------|------------------|
| Receivables from non-exchange transactions | | |
| Ministry of Health contracts | 131,713 | 4,405,875 |
| Receivables from exchange transactions | | |
| Trade receivables | 210,485 | 201,705 |
| Other exchange receivables | 200,149 | - |
| Less Provision for impairment | (94,987) | (30,329) |
| Total Accounts receivable | 447,360 | 4,577,250 |

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



Provisions

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

17 Inventories

| | 2023 | 2022 |
|--|---------------|---------------|
| Inventory held for sale or provision of services at commercial terms | 16,227 | 20,853 |
| Total Inventories | 16,227 | 20,853 |

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

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

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

18 Plant and equipment



Useful lives, residual values, and impairment

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

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

Adjustments to useful lives are made when considered necessary.

All items of plant and equipment are shown at cost less accumulated depreciation and any impairment losses to date. Cost includes the value of consideration exchanged, or fair value in the case of donated or subsidised assets, and the costs directly attributable to bringing the item to working condition for its intended use.

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

| | Computer Software | Website Redesign | TOTAL |
|---------------------------------|----------------------|---------------------|----------------|
| Cost or valuation | | | |
| As at 1 July 2022 | 277,626 | - | 277,626 |
| Additions | 4,720 | 30,000 | 34,720 |
| Disposals | - | - | - |
| As at 30 June 2023 | 282,346 | 30,000 | 312,346 |
| Accumulated amortisation | | | |
| As at 1 July 2022 | 169,578 | - | 169,578 |
| Amortisation for year | 48,350 | - | 48,350 |
| Disposals | - | - | - |
| As at 30 June 2023 | 217,928 | - | 217,928 |
| Net book value | | | |
| As at 1 July 2022 | 108,048 | - | 108,048 |
| As at 30 June 2023 | 64,418 | 30,000 | 94,418 |

Software-as-a-Service (SaaS) arrangements

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

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

20 Accounts payable

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

| | 2023 | 2022 |
|-------------------------------|----------------|----------------|
| Trade payables | 276,200 | 284,710 |
| Other payables and accruals | 161,896 | 122,948 |
| Total Accounts payable | 438,096 | 407,658 |

21 Income in advance

| | 2023 | 2022 |
|--|------------------|------------------|
| Ministry of Health - Personal Health | 135,941 | 3,306,416 |
| Ministry of Health - Public Health | - | 654,751 |
| Ministry of Health - National Contraception Training | - | 270,916 |
| Ministry of Health - National Abortion Telehealth Services | - | 76,039 |
| Ministry of Foreign Affairs and Trade grant for Healthy Families projects in Kiribati | 317,600 | 183,066 |
| Ministry of Foreign Affairs and Trade grant for 'Planem gud family blong yumi' project in Vanuatu | 272,721 | 182,543 |
| Ministry of Foreign Affairs and Trade grant for supporting IPPF's Niu Vaka strategy in the Pacific | 158,521 | 265,245 |
| UNFPA New York 2022 grant for NZPPD Secretariat | 35,727 | 36,155 |
| UNFPA New York 2023 grant for NZPPD Secretariat | 41,968 | - |
| IPPF – SHRIE Pacific | 669 | 669 |
| Professional Training Course Fees in advance | 19,130 | 73,652 |
| Bequests | 21,797 | 28,858 |
| Wellington City Council Green Business Grant | 1,133 | 1,133 |
| Lakes District Council | 2,500 | - |
| Funds Alice Bush Scholarship | 4,399 | - |
| Kaupapa Māori Research | 14,216 | - |
| Total Income in Advance | 1,026,322 | 5,079,444 |

22 Employee entitlements

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

Wages, salaries, annual leave and sick leave

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

Long Service Leave

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

- Adjusting current pay rates for inflation using NZ Government Treasury forecasts;

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

| | 2023 | 2022 |
|------------------------------|----------------|------------------|
| Current Liabilities | | |
| Accrued salaries and wages | 228,538 | 319,399 |
| Annual leave | 671,062 | 706,792 |
| Long service leave | 46,102 | 57,873 |
| | 945,702 | 1,084,065 |
| Non-current Liability | | |
| Long service leave | 44,875 | 52,805 |
| | 44,875 | 52,805 |

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

23 Financial instruments



A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument in another entity. Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, other financial assets, trade creditors and other payables, borrowings, and other financial liabilities.

Initial recognition and measurement

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

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

Derecognition of financial instruments

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

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

Subsequent measurement of financial assets

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

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

Subsequent measurement of financial liabilities

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

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

Fair Value

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

Liquidity Risk

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

Credit Risk

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

Interest Rate Risk

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

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

| | Carrying Amount | | | Total as at 30 June 2023 |
|---------------------------|------------------|----------------|-----------------------|-----------------------------|
| | Financial assets | | Financial liabilities | |
| | Fair value | Amortised cost | Amortised cost | |
| Cash and cash equivalents | 3,117,971 | - | - | 3,117,971 |
| Term deposits | 6,668,677 | - | - | 6,668,677 |
| Receivables | - | 447,360 | - | 447,360 |
| Payables | - | - | (480,096) | (480,096) |
| | 9,786,648 | 447,360 | (480,096) | 9,753,912 |

| | Carrying Amount | | | Total as at 30 June 2022 |
|---------------------------|------------------|------------------|-----------------------|-----------------------------|
| | Financial assets | | Financial liabilities | |
| | Fair value | Amortised cost | Amortised cost | |
| Cash and cash equivalents | 2,076,986 | - | - | 2,076,986 |
| Term deposits | 7,100,877 | - | - | 7,100,877 |
| Receivables | - | 4,577,250 | - | 4,577,250 |
| Payables | - | - | (407,658) | (407,658) |
| | 9,177,863 | 4,577,250 | (407,658) | 13,347,455 |

24 Operating lease commitments

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

Non-cancellable operating lease rentals are payable as follows:

| | Premises 2023 | Other 2023 | Premises 2022 | Other 2022 |
|---|------------------|---------------|------------------|---------------|
| No later than one year | 1,076,819 | - | 963,108 | - |
| More than one year, but less than 2 years | 800,251 | - | 465,904 | - |
| More than 2 years | 1,506,515 | - | 571,027 | - |
| Total | 3,383,585 | - | 2,000,039 | - |

Family Planning leases premises and equipment under operating leases. The premises leases are for up to 5 years. No leases contain contingent rental payments.

25 Related Party Transactions

Key Management Remuneration

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

| | Remuneration 2023 | No. of individuals 2023 | Remuneration 2022 | No. of individuals 2022 |
|------------------------|----------------------|-------------------------------|----------------------|-------------------------------|
| Senior Leadership Team | 1,454,693 | 9 | 1,017,969 | 7 |

26 Contingencies

Family Planning has no contingent liabilities as at 30 June 2023 (2022: nil).

27 Subsequent events

There were no material subsequent events after the balance date.