

**IPPF – DRAFT FINANCIAL STATEMENTS FOR THE YEAR ENDED 31
DECEMBER 2020**

Registered charity number 229476

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Forward from the Director General: Delivering no matter what

As we reflect on the most challenging year most of us can remember, we realise how many lessons we have learnt and how much we have to be grateful for. As we entered the world of lockdown we were forced, as individuals, into entirely new psychological and social situations. As organisations we had to change the way we deliver, we advocate for change and we sustain our operations.

This report shares some of the lessons learnt by a Federation that has demonstrated incredible adaptation and resilience. I thought I would share five realisations that were made evident to me during this time:

- Our Federation of locally owned and globally connected Member Associations provides a solid organizational structure. With grant-receiving Member Associations generating two thirds of domestic income and a diverse and committed group of international donors, we have a solid economic model that can weather the storms.
- When the need to keep clients and our frontline healthcare workers safe required us to re-think and adapt the way in which we provide services, Member Associations were able to do this in record time. At its peak we had to close over 5,000 of our clinics and distribution points but we were able to re-programme, deliver virtually, adapt and re-open quickly. As a result, the impact on the number of services delivered has been much less than we initially expected.
- Good governance saves lives. The global and regional governance reforms we introduced in 2019 and early 2020 provided the agility and transparency that allowed us to navigate last year's challenging waters and come out with a strong financial and programmatic performance.
- The pandemic has put a spotlight on the profound (and growing) inequalities that are fracturing our societies and it confirmed that the 'macho politics' of some of our populist leaders are destructive. As a Federation, we also had to contend with the withdrawal of our Western Hemisphere Regional Office and a few member associations from the region. But overall, I am proud to say the pandemic has brought the Federation closer together, we managed to mobilise extraordinary global solidarity and have innovated in ways that are here to stay. We are already building back better.
- 2020 also needs to be remembered as the year when we started a systematic anti-racism programme, looking at the intersectionality of race and gender, at decolonising aid (and specifically our approaches to sexual and reproductive health and rights), as well as making sure we can safely bring our whole selves to the workplace.

I am incredibly proud of the efforts made by activists and health care providers across the Federation to deliver against all odds. I am enormously grateful for the support and understanding shown by our donors, and for the trust and flexibility they showed while we adapted programmes.

Our work continues, but now there's more to do and greater challenges involved in doing it. In what has been the most difficult year probably anyone can remember, IPPF has continued its essential work, delivering globally on its mission in the most adverse circumstances.

Trustees' Report

The Board of Trustees presents its reports and the audited consolidated financial statements for the year ended 31 December 2020 under the Charities Act 2011.

Introduction: 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. IPPF is a worldwide movement of national organizations working with and for communities and individuals, focusing support on those who are poor, marginalized, socially-excluded and under-served.

IPPF currently has 118 Member Associations (MAs), working in 129 countries (the Caribbean Family Planning Affiliation operates in 12 countries). In addition, IPPF has 13 national Collaborative Partners (CPs) and two International Collaborative Partners (ICPs) working in a further 13 countries where there is not currently a Member Association. This brings the total number of countries in which IPPF is working to 142.

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

The financial statements contained herein have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including the 'Statement of Recommended Practice

applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (SORP 2019), and applicable UK law. The financial statements include the charity, comprising the central office and three regions, South Asia, East and South-east Asia and Arab World regions; and the group which additionally includes the Africa and Europe regions and IPPF World Wide Inc. The separate autonomous business unit representing the Western Hemisphere left IPPF on 31st August 2020.

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 will be available on www.IPPF.org in June 2021.

How we continue to reform and deliver in 2021-22

Last year was relentless, for everyone. COVID-19 killed nearly two million people, caused economic devastation and revealed deep disparities caused by centuries of systemic racism, unequal economic structures, greed and oppression. Last year also taught IPPF that with determination and courage it can deliver no matter how many hurdles are placed in the way.

The last two years were dedicated to governance and Secretariat management reform. The next two years will focus on systems building and delivery. This is summed up in these five priorities for 2021-22.

1. GOVERNANCE REFORM

IPPF will complete governance reform by supporting Member Associations that are willing to optimize their

governance and finding alternatives for those where obsolete governance will continue to prevent them from delivering. New Regional Forum and Youth Forums will be organized in the regions, creating a participatory platform for Member Association engagement in the work of IPPF – making it a better connected and more Member Association-centric organization.

Management reform is a critical priority, particularly addressing equity, fairness and structural racism, both historic and current, at the Secretariat. IPPF has a responsibility to create the right environment for staff, in all their diversity. There is no reproductive freedom without racial justice.

2. DELIVERY

IPPF will launch a catalytic initiative to boost IPPF's medical abortion work and optimize Sexual Reproductive Health and Rights (SRHR) platforms for HIV/STI prevention and treatment, including interventions for cervical cancer, and to tackle sexual and gender-based violence.

3. HEALTH POLICY

IPPF will work to ensure sexual and reproductive health does not take a back seat in governments' health policy, particularly in humanitarian crises which have been exacerbated by the pandemic.

4. HOW WE OPERATE

Last year IPPF developed its first solid unified Secretariat budget in spite of the pandemic. This year the Federation plans to invest further for the future. For example, it will invest in the development of Member Association business cases and the rollout of a new business model which allows the Federation to strengthen programme performance and delivery, especially as it relates to specific, defined projects (referred to as "restricted funding").

5. STRATEGIC DESIGN

In 2021, IPPF will convene and provide thought leadership to the International Conference on Population and Development and reach out beyond the NGO world to encourage dialogue and dissent, test assumptions and seek innovation in the way it works.

Plans for future periods

IPPF continues to implement its Global Income Generation Strategy 2019-2022 (GIG Strategy) – the roadmap for modernizing its income generation to meet the demands of a changed funding landscape, especially in the current COVID-19 environment.

As identified in the Business Plan, the GIG Strategy aims to accelerate key areas of the Strategic Framework which offer the most promising approaches to fill the remaining funding gaps until 2022, while positioning the Federation for sustainable growth in the future.

As the COVID-19 pandemic continues, IPPF needs continued, predictable support from donors to ensure essential SRHR services can be delivered without interruption to those that need them most, especially marginalized and vulnerable women and girls. The Federation is focusing on strengthening its regional offices' capacity to better support Member Associations in their income generation and sustainability-building efforts. This has been supported by the launch of a website to share upcoming funding opportunities across the Federation, as well as online fundraising tools and guidance for all Member Associations.

With the arrival of the Biden-Harris Administration and the repeal of the Global Gag Rule, IPPF hopes to re-engage with USAID to support SRHR programming, but it will take years to reverse the damage inflicted by the Global Gag Rule. At the same time, the funding environment is worrying: major cuts to overseas aid budgets are expected in the UK which will affect IPPF's ability to reach women and girls with life-saving services when and where they need them.

The Federation continues to adapt its systems and approaches to respond to the restricted and competitive funding environment. IPPF is also working on diversifying and expanding its donor base at the global and regional levels, while also building on its individual giving programme.

Strengthening Assurance Mechanisms at Member Associations

The Board of Trustees and Finance, Audit and Risk Committee have tasked the management of IPPF to develop an action plan to continue addressing, proactively, the risks of fraud and malpractices.

The action plan will focus on strengthening the assurance mechanisms of the country level programmes by proactively undertaking risk based monitoring and audits, dissemination of zero tolerance on fraud and malpractices, regular training on financial crime and fraud response and working with Member Associations to develop strong financial management systems, policies and procedures. All this will make IPPF more transparent and accountable, thereby reducing the possibility of loss of funds and reputation due to fraud and other organisational malpractices.

Delivering beyond 2021

With less than two years remaining in the current strategic period, IPPF is developing its strategy for 2023-28 period. The world looks radically different to 2015 when the current strategy was developed. Macho politics and nationalism have impacted the IPPF mission, while the global pandemic has stretched health systems to breaking point, deepening existing social ills and injustice. Global sexual and gender-based violence (SGBV) rates have soared in the months after the world started to implement COVID-19 lockdown measures, while people of colour and marginalized populations have suffered disproportionately from the disease.

In responding to the changed global context, and in seeking to predict future trends, the IPPF Board has called for the Federation to confront, re-think and re-imagine the idea of SRHR for all. A process roadmap was approved in March 2021 and is now under way, culminating in the launch of the new strategy in November 2022.

NEW BUSINESS PLANNING FOR DELIVERY AND PROGRAMME PERFORMANCE

Following the 2019 reforms, the Secretariat instituted a new business planning process and timelines. The Federation piloted new business planning ideas in 2021 and will continue that through 2022 to test concepts and make changes before the 2023-25 planning cycle. In line with a restructured and unified Secretariat, the plans link actions directly to global outcomes and Secretariat priorities and emphasizes institutional delivery.

The primary principle is that IPPF should be Member Association-centred, which views the core role of the Secretariat as an architect and enabler of collaboration across the global Federation.

The 2021 planning priorities were set in January 2021 which built on the ongoing change agenda started with the 2018 business plan and the 2019 reforms, at both Secretariat and Member Association levels. Currently, 15 Member Associations are strengthening their governance through a facilitated and locally-owned process. The work to further coalesce and integrate the many offices of the Secretariat also continues in 2021, which includes structural shifts such as matrix management and leadership sharing, as well as cultural change in relation to issues including anti-racism and safeguarding.

Concerning delivery, the Federation will seek to optimize its potential for medical abortion provision and advocacy. There will also be a focus on Humanitarian responses and increasing preparedness and quality standards.

The 2022 planning process will commence in June 2021 and will place Member Associations and the Secretariat on the same footing in respect of the process requirements and accountability. Aligned to the process is a new formula for determining indicative funding amounts to Member Associations, based on a host of relevant criteria. The formula and the new business planning process will increase transparency, accountability and predictability of funding.

Strategic delivery of IPPF's mission: our four outcomes

IPPF's current strategy focuses on achieving four key outcomes:

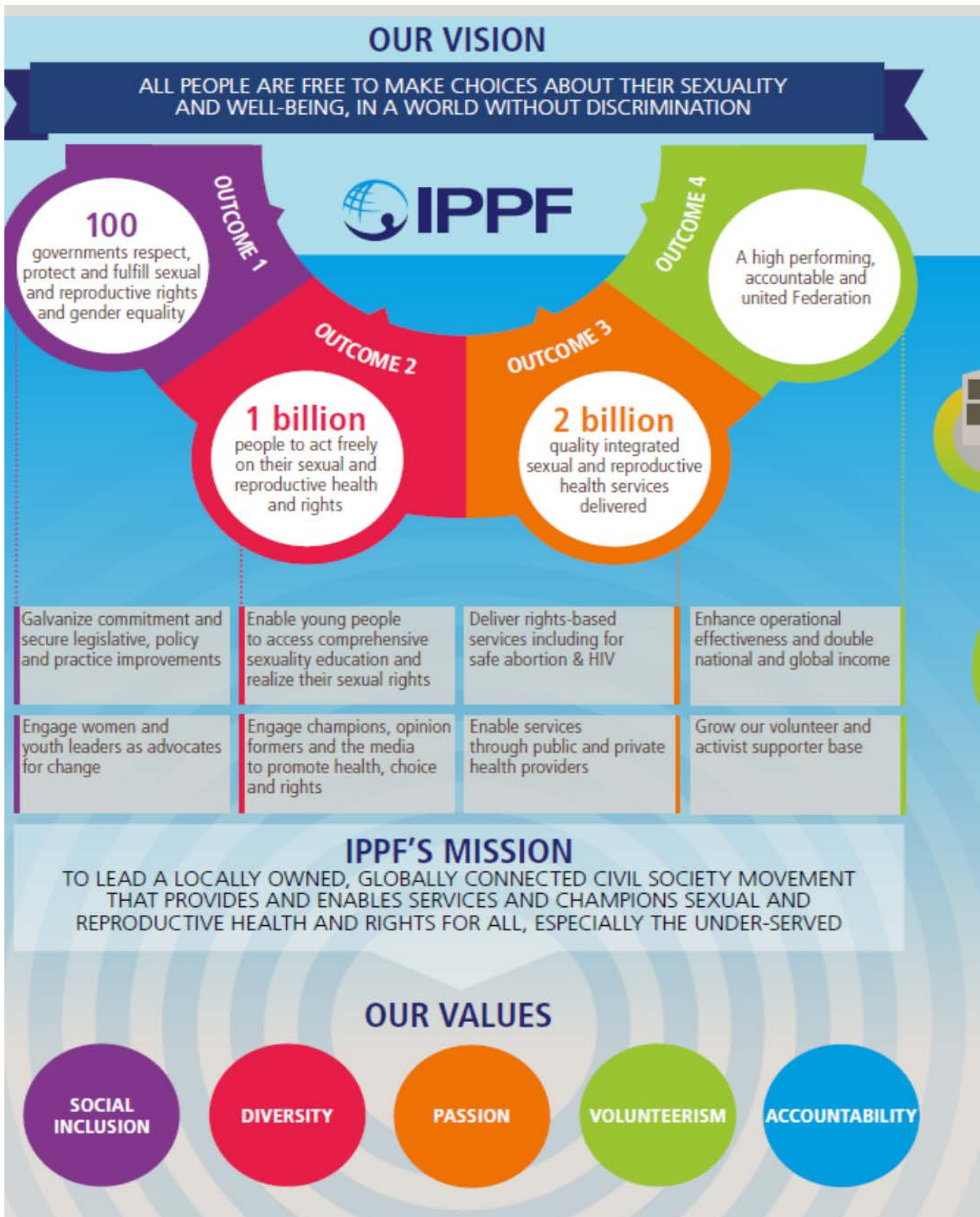
Championing Rights – By 2022, 100 governments respect, protect and fulfil sexual and reproductive rights and gender equality.

Empowering communities – By 2022, one billion people to act freely on their sexual and reproductive health and rights.

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

Unite and Perform – By 2022, IPPF will be a high-performing, accountable and united Federation.

Our Vision



Grant making to Member Associations and partners

At present the main means by which the Federation delivers on its strategies is by making grants to Member Associations and partners to carry out their work and deliver services. Grants are either to support Member Associations' and Collaborative Partners' core activities (unrestricted) or for specific projects or activities (restricted). The Member Associations additionally raise their own funds with IPPF contributing 30% to their total funds raised.

UNRESTRICTED CORE FUNDING

The level of unrestricted funding allocated to each region was originally established by IPPF's Governing Council in 1997 and subsequently amended after a review in 2004. This percentage allocation formula was used up to 2020, but in 2021 a new resource allocation model was introduced as part of the governance reforms.

Up to and including 2020, the regions decided on the funding allocation to individual Member Associations and Collaborative Partners. This decision was made using historical needs-based resource allocation criteria at the country level. In 2012, performance-based funding was introduced such that up to 10 per cent of total unrestricted core funding could be allocated to Member Associations based on their achievement of strategic outcomes. Using this mechanism the highest recipient of unrestricted core funding are Africa (44.5 per cent), followed by the South Asia region (16 per cent) and the former Western Hemisphere region (now called the Americas and Caribbean region) (16 per cent).

Unrestricted core grants are awarded on an annual basis to Member Associations and some Collaborative Partners based on an annual programme budget, which outlines the activities and funding required at the country level, in relation to IPPF's Strategic Framework. The planning and budgeting process is a detailed annual exercise that identifies specific areas of investment at the country level and also the technical assistance required and agreed to be provided by the Regional Offices. This process is supported by the IPPF Regional Offices.

Once approved, most of the Member Associations and Collaborative Partners upload their annual data using IPPF's Performance Planning and Reporting Information Sharing and Management System (PRISM). Following which, funding is disbursed in three equal instalments during the year based on satisfactory submission of half yearly and annual reports, audited financial statements and management letters.

RESTRICTED FUNDING

Restricted grants are made for a diverse range of purposes and project activities. The Secretariat sometimes acts as the implementing partner and in other cases coordinates the implementation of restricted projects. The restriction and specific procedures in relation to issuing grants is governed by the funding agreement signed between IPPF and the donor. Restricted grants are made to Member Associations and Collaborative Partners who carry out specific projects to help further the aims and objectives of IPPF. This could be anything from an advocacy grant to champion rights, funds for service delivery, or a grant to innovate new ways of working in the sector or to strengthen country level systems.

Below are some examples of the restricted funding grants that IPPF disbursed in 2020.

IPPF increased young people's access to youth-friendly SRH services and Comprehensive Sexuality Education (CSE) through its Solution Three initiative (to enable and empower young people) which includes the Enabling and Empowering Young People through Rights-Based Sexual and Reproductive Health Service Delivery and Comprehensive Sexuality Education project funded by Global Affairs Canada. In 2020, IPPF secured support from the Packard Foundation to build on the work of Solution Three and fund the youth social venture – an incubator programme for developers and entrepreneurs to create new

technology to support young people – which is to be implemented in 2021.

2020 was the final implementation year of the five-year Get-Up Speak Out (GUSO) programme which supported five Member Associations to monitor and improve the quality of youth-friendly services. In 2020, the GUSO programme undertook operational research of its activities since 2016, focussing on sustainability and dissemination of learnings.

The Global Comprehensive Abortion Care Initiative (GCACI) continued in its fifth phase to expand abortion and contraception service delivery and strengthen quality of care in participating clinics across 16 Member Associations. With support from the Packard Foundation, IPPF completed the third phase of *Stigma: The unseen barrier to young people's access to SRH services* programme which supports Member Associations to reduce abortion stigma and increase young women's access to quality comprehensive abortion care and information.

IPPF, with other consortium members, continued to reach millions of young and poor clients with integrated SRH services under *The Women's Integrated Sexual Health (WISH)* programme – the UK Foreign, Commonwealth and Development Office's flagship project. With a focus on sustainability, the WISH countries also worked on strengthening accountability, advocating for health financing, improving the quality of service provision and strengthening private sector access.

2020 saw the 20th anniversary of the IPPF Japan Trust Fund (JTF) programme. Throughout 2020 17 Member Associations were supported to implement innovative projects with the aim of ensuring universal access to sexual and reproductive health, with funding from JTF.

Donors, including Global Affairs Canada, DANIDA and Levi Strauss, provided critical funds for the delivery of services in response to COVID-19 to over 50 Member Associations.

Our impact in 2020: Delivering No Matter What

2020 stress-tested large parts of IPPF's organizational structure. What we discovered is that IPPF's devolved network of local Member Associations responded well to the challenges, proving to be adaptable, innovative and locally relevant in continuing to deliver essential services. Their resourcefulness and commitment has shown that IPPF's combination of global reach and local connection offers a good model for delivering SHRH and other health services even in the most trying conditions.

Measuring Our Achievements in 2020

		2020 results	2019 results	% change from 2019 to 2020	Target 2016-20	Cumulative results 2016-20	% target achieved 2016-20
Expected results							
OUTCOME 1 INDICATORS							
1	Number of successful policy initiatives and/or legislative changes in support or defence of SRHR and gender equality to which IPPF advocacy contributed	136	141	-4%	685	760	111%
3	Number of youth and women's groups that took a public action in support of SRHR to which IPPF engagement contributed	752	756	-1%	3,100	4,222	136%
OUTCOME 2 INDICATORS							
4	Number of young people who completed a quality-assured comprehensive sexuality education (CSE)	25.5m	31.9m	-20%	235.6m	147.8m	63%
5*	Number of educators trained by Member Associations to provide CSE to young people or to provide CSE training to other educators (training of trainers)	109,426	154,692	-29%	n/a	538,776	n/a
OUTCOME 3 INDICATORS							
7	Number of SRH services provided	142.9m	181.3m	-21%	961.5m	801.6m	83%
8	Number of couple years of protection	26.8m	27.0m	-1%	103.2m	117.1m	113%
9	Number of first-time users of modern contraception	5.5m	6.6m	-16%	60.2m	30.5m	51%
10*	IPPF clients who would recommend our services to family or friends as measured through the Net Promoter Score methodology	69%	n/a	n/a	n/a	n/a	n/a
11	Number of SRH services enabled	75.2m	71.0m	6%	297.8m	283.4m	95%
17**	Number of clients served in humanitarian settings	5.5m	4.6m	18%	n/a	18.3m	n/a
OUTCOME 4 INDICATORS							
12	Total income generated by the Secretariat (US\$)	166.0m	191.5m	-13%	792.7m	745.9m	94%
13	Total income generated locally by unrestricted grant-receiving Member Associations (US\$)	215.9m	252.1m	-14%	1,865.0m	1,315.2m	71%
14	Proportion of IPPF unrestricted funding used to reward Member Associations through a performance-based funding system	6%	8%	-2%	20%	n/a	n/a
15	Number of IPPF volunteers	316,798	314,068	1%	n/a	n/a	n/a
18**	MAs receiving no more than 50% of their income from IPPF unrestricted grant	74%	79%	-5%	n/a	80%	n/a

KEY

* Revised metric for 2020

** New metric for 2020

HOW WE RESPONDED TO COVID-19

IPPF quickly formed a COVID-19 Task Force which worked to build a resilient SRHR ecosystem for IPPF's Member Associations, structured around four pillars:

- 1: Ensure continued provision of essential SRH services.
- 2: Protect, promote and advance SRHR as responsible advocates.
- 3: Build resilience among IPPF Member Associations to manage disruptions.
- 4: Promote evidence gathering and cross-learning.

Data collection and information sharing

The IPPF Task Force collected data from Member Associations in three successive surveys in March, May and November 2020. The initial focus was to assess the impact of COVID-19 on Member Associations' operations, staffing and service delivery. Then IPPF set longer term goals to ensure continuity of SRH

services, protect the SRHR agenda, and build resilience to manage future disruptions. The last round of data collection focused on sustained innovations and adaptations made by Member Associations to their programmes in response to the pandemic.

Survey results and relevant guidance were posted on a microsite and on the project management app, Slack, allowing Member Associations to connect and access resources.

Advocacy and communication

Key advocacy tasks were developed for Member Associations to tailor to their specific geographies and audiences. Advocacy good practices were shared and contributed to significant policy and legislative changes. Since January 2020 Member Associations have been proactive in ensuring continued provision of essential SRH services and protecting against threats to sexual and reproductive rights.

The Task Force has been hosting and participating in webinars for Member Associations on COVID-19 response and has raised the visibility of SRHR needs in context of COVID-19 in regional and international forums. A strong online presence - reaffirming the importance of SRHR in COVID-19 times - has been provided via IPPF websites, media and social media presence.

Funds and commodities

Thanks to its swift and coordinated action, IPPF was able to raise more than US\$4 million for its COVID-19 response and enabled the release of over US\$3 million in existing emergency funding to 70 Member Associations facing major disruptions.

Essential PPE and reproductive health commodities were procured and delivered to Member Associations most in need. Through partnerships with UN programmes, IPPF managed to supply Member Associations even in hard-to-reach locations including Yemen, Syria, Somaliland and Sierra Leone. In addition, more than 50 individual staff or volunteers directly impacted by COVID-19 were supported through an internal solidarity fund.

Solidarity Fund

The Director General launched an appeal to all IPPF staff in April 2020 for donations that would be used to create an internal restricted Solidarity Fund to support staff on the frontlines by issuing small grants to individuals who have been directly impacted by the pandemic. To date, more than 50 requests across three regions have been processed to support the front-line workers.

Member Association innovations

Member Associations adapted quickly and used telemedicine to ensure the continued provision of SRH information, counselling, consultation and follow-up care and referrals in countries including Aruba, Australia, Estonia, Georgia, India, Sudan and The Philippines.

Member Associations also developed their provision of digital comprehensive sexuality education (CSE) through WhatsApp, Skype and other virtual channels. Member Associations such as Mongolia, Uganda, Bahrain, Austria and Cote d'Ivoire have shifted to virtual approaches to offer quality CSE programmes to young people.

Ensuring no one is left behind, other Member Associations (including Vietnam, Cameroon, Pakistan, Dominica, Thailand) reached clients in lockdown through doorstep delivery of SRH services and supplies, including contraceptives, pregnancy test kits and medical abortion.

Key learnings from IPPF's COVID-19 response

Adaptive programming and building organisational resilience is key to mitigating the impact of the crisis. The impact of COVID-19 on sexual behaviour and relationships and SRHR needs is shifting and will need close monitoring for IPPF's response to remain relevant.

Priorities and future plans

IPPF will support Member Associations whose operations were impaired. It will build on innovative strategies developed by Member Associations to ensure that service delivery models continue to be responsive to clients' needs – and allowing them to access affordable and quality reproductive health supplies via effective supply chains.

For more information on IPPF's COVID 19 response, please visit [IPPF \(ippf-covid19.org\)](https://www.ippf.org/ippf-covid19)

Making a difference in 2020

The following section provides a brief overview of IPPF's key activities in 2020, grouped under its four headline outcomes. More information is available in IPPF's Annual Performance Report 2020 which offers greater detail on each of our strategic areas, and case studies highlighting achievements of the grant-receiving Member Associations. Find out more at www.ippf.org

The case studies below offer a selection of highlights from across IPPF's global work. What lies beneath these examples is the continued day-to-day delivery of millions of sexual health and rights services to some of the poorest people on the planet.

Championing Rights - Outcome 1

Since the early stages of the COVID-19 pandemic, IPPF and its Member Associations have been advocating with governments, regional and international decision makers, and civil society organizations, to safeguard access to SRHR for all who need it.

Over the past year, opponents of SRHR have repeatedly used the pandemic to revoke hard-won gains on women's rights, by attempting to restrict access to SRHR. IPPF and its Member Associations have countered these attempts by actively advocating to make sure that SRHR does not become deprioritised in the fight against COVID-19; ensuring the sustainability of service provision and programme delivery and securing long-term investment, funding and support for SRHR.

ADVOCACY SPOTLIGHT: POLAND'S FIGHT FOR ABORTION RIGHTS – SUPPORTING SOCIAL MOVEMENTS TO TRANSFORM ADVOCACY

Poland's near-total ban on abortion got even tighter in 2020. The ruling, which overturns a 1993 law that allowed abortions in cases of foetal abnormalities, was abruptly implemented in January 2021. In response, hundreds of thousands of people took to the streets to fight for reproductive rights in the largest protests Poland has seen in over forty years.

The new ruling on abortion is but one manifestation in Poland of the development of an increasingly conservative authoritarian and repressive political regime. This tendency has seen attacks on the LGBT community, criminalization of sexuality education, erosion of the rule of law, undermining of citizens' fundamental rights and democracy. A new bill to imprison women for five years if they have an abortion is to be submitted to the parliament and one which aims to withdraw from the Istanbul Convention on Violence Against Women.

IPPF's European Network focused its advocacy efforts on Poland in 2020. Traditional advocacy in a country in which the government controls the parliament and almost the entire judiciary and media was unlikely to be listened to, so IPPF's Movement Accelerator Programme team – which supports social movements and responds to the opposition – had to act radically and create unity behind the cause. It hosted weekly meetings with human rights organizations, parliamentary groups and abortion activists to increase European-level advocacy and media coverage of the situation in Poland. It also focused on countering misinformation and defamation of protesters by the authorities through intensive communication work – ensuring that activists' messages reached the EU and international media.

It created a responsive and connected coalition of SRHR actors dedicated to maintaining pressure for change in Poland, which brought in many leading organizations such as Human Rights Watch, Amnesty International, CIVICUS, the European Parliamentary Forum, Center for Reproductive Rights, Women on Web, the Abortion Provider Network, and IPPF partners and Member Associations in Europe. This unified approach has meant that the European Network – and the activists – are more visible and better motivated and equipped to defeat negative moves and advance a positive agenda.

OTHER ADVOCACY HIGHLIGHTS

New Zealand abortion law change: For decades, abortion in New Zealand was only legal if two doctors certified that legal grounds in the Crimes Act had been met. Most of the 13,000 abortions (97 per cent) each year were authorised on mental health grounds. This led to distress, delays and limited access to services. Law reform became a government priority under Prime Minister Jacinda Ardern. In 2018, the Government initiated a review of New Zealand's abortion laws. In 2019, it introduced the Abortion Legislation Bill. In the face of vocal opposition to abortion reform, New Zealand Family Planning (a Member Association of IPPF) led a group of over 30 organisations – ranging from the College of Midwives, to the Mental Health Foundation and Women's Refuge – to sign an open letter in support of law reform. Their key message was that reform was about ensuring access to good, compassionate health care in line with best practice. On 18 March 2020, the New Zealand Parliament voted to remove abortion from the Crimes Act and treat it as a health issue in legislation.

Watershed moment for Pacific SRHR advocacy: Supported by IPPF, The Hon. Tuilaepa, Prime Minister of Samoa and one of the longest-serving leaders in the region expressed strong support for comprehensive sexuality education (CSE) stating that he believed that successful sexuality education programmes around the world had proven that informed young people were less prone to engage in risky sexual behavior and were more likely to have respectful social and sexual relationships. The event received widespread regional media coverage, helping to promote the message of the importance of CSE.

Promotion of SRHR and CSE in the Arab World: IPPF's Arab World Regional Office's advocacy successes included a Memorandum of Understanding of partnership with the League of Arab States enabling it to contribute to the region's SRHR policies. The Moroccan Member Association collaborated with the Ministry of Health on a study of the cost of family planning to inform decision-making for national programmes, and also succeeded in advocating for integration of CSE in school curricula.

Putting SRHR at the heart of European Union (EU) policy-making: IPPF regional advocacy and strategic communications ensured prioritization of SRHR in key EU long term policies (New EU Gender Equality Strategy and EU Gender action Plan III) and contributed to the recognition of SRHR in three main instruments of the new EU budget 2021-2027, namely the instruments for development aid; for Values and Rights in the EU; and the new programme EU4Health. It also ensured that the EU's global COVID-19 response included SRHR as a key priority.

Traditional leaders become agents for change in Africa: the Maputo Plan of Action (the continental policy framework on SRHR) empowered parliamentarians, traditional and religious leaders (Cote d' Ivoire, Malawi, Morocco and Sierra Leone) to advocate for favourable legislation, and renewed their commitment to advance the rights of women by reviewing restrictive abortion policies in their countries.

IPPF's Africa Regional Office scored some notable advocacy wins when the Namibian government rescinded its decision to withdraw from the East and Southern Africa Commitment on Comprehensive Sexuality Education. In Zambia, the parliament withdrew a reactionary motion that sought to suspend the provision of CSE in schools.

Greater access to abortion through technology in South Asia: FPA Nepal, along with other civil society groups, advocated to approve interim government guidelines for home-based medical abortion through outreach and telemedicine services. This decision saved the lives of many women and girls during the pandemic.

Legal, safe and free abortion in Americas: Argentina's 'green wave' scored a major advocacy achievement in 2020 when the Senate approved a national law on legal, safe and free abortion – a result

of decades of work by the Argentinian women's movement proudly supported by IPPF. Argentina joins Cuba and Guyana in the list of countries in the Americas and the Caribbean where abortion is liberalized. IPPF will continue supporting access to SRH services and advocacy efforts to advance SRHR and human rights in the region.

Empowering Communities: Outcome 2

Although 2020 started as a "normal" year, the evolving COVID-19 crisis meant that IPPF had to act quickly to ensure that it could maintain its work in communities, giving people information and access to essential services. When face-to-face interaction became more difficult due to national lockdowns across the world, many IPPF Member Associations refocused their activities online, successfully managing to deliver vital information and services digitally. Below are a few examples of the many ways in which IPPF has adapted and kept on delivering.

IPPF EMPOWERMENT HIGHLIGHTS IN 2020

Continuing to deliver CSE: Despite school closures, IPPF Member Associations provided CSE online and via social media - offering young people information and linking them to essential services. For example, the Member Association in Ghana started delivering CSE digitally and youth volunteers were given training, smartphones and support to plan content and deliver it to their peers. In delivering CSE online and/ or via social media, Member Associations have faced several challenges. Wherever young people are unable to access to digital technology, the Member Associations have had to use hybrid models; using their youth networks and peer educators to keep youth engaged and providing CSE through outreach, depending on the severity of lockdowns.

Ensuring continued funding: Even before COVID-19 struck IPPF's Arab World Regional Office (AWRO) was working hard to deliver SRHR services across a range of catastrophic humanitarian crises. AWRO held virtual consultations with its Member Associations to review innovative strategies for delivering CSE and SRH services and subsequently released regional funds to ensure programmes were sustained.

Tailoring service delivery: In response to COVID-19, methods of service delivery were adapted. Because of restrictions on movement, socially-distanced doorstep visits were initiated in nine African countries participating in IPPF's Global Comprehensive Abortion Care Initiative (GCACI). These visits raised awareness on abortion, contraception and services available in the region's clinics, increasing uptake of SRHR services in these countries. In Somaliland, the Member Association equipped mobile clinics to help manage COVID-19 and SRH emergencies.

Help is only a phone call away: In Sudan, in response to COVID-19 the Member Association established a call centre with a dedicated phone line for SRHR services. Although Sudan's 43 million population is 70 per cent rural and poor, and the country has large nomadic, Internally displaced persons (IDP) and refugee populations, over 31.7 million people own a mobile phone. In the face of increased disruptions to an already strained health system, a call centre staffed by physicians offered a good way to continue to provide SRHR services. This was promoted nationally on radio and by text in collaboration with the country's largest telecommunications company. The total number of callers in six months from April 2020 was 89,000, from which nearly 28,000 services were provided including 19,800 counselling and consultation services, 3,400 laboratory investigations, 2,600 medical prescriptions and 1,980 referrals.

Investment in empowerment: A project initiative with She Decides and the Belgian government created a new generation of community leaders raising awareness of SRHR among their peers and supporting the fundamental right of girls and women to choose for themselves if, when, and how many children they want. Through this IPPF has been able to continue its work to improve the sexual and reproductive rights of girls and women in Burkina Faso, Burundi, Lesotho, Mozambique, Tanzania and Uganda.

In Europe: IPPF continued to conduct research as a basis for its work, carrying out context analyses in seven countries on which to base tailored SRHR messages, mobilization and strategies. IPPF supported partners in Poland, as highlighted earlier, in their fight against government efforts to ban abortion and sexuality education, by amplifying the actions of social movements at regional and national levels in external communications.

Serve People: Outcome 3

2020 was a year in which IPPF had to adapt and respond continuously to an ever-changing health landscape, and also work to address the additional stresses that COVID-19 created for people already living precariously on the edge. IPPF Member Associations adapted to provide home-based essential SRH services including medical abortion, contraception, HIV/STI testing and cervical cancer screening. Their innovative digital health interventions and community outreach initiatives have meant they have been able to continue to deliver vital services.

Humanitarian crises didn't stop for COVID-19– the pandemic heightened existing vulnerabilities and created new humanitarian needs. In 2020, an estimated 235.4 million people required humanitarian assistance and protection compared to 168 million in 2019, which had already seen the highest number in decades. At risk of unwanted pregnancy, sexually transmitted infections, gender-based violence and maternal mortality, women and girls are among the most vulnerable people in humanitarian settings. Throughout 2020 IPPF promoted localized humanitarian action, helped ensure access to lifesaving sexual and reproductive health services, including safe abortion care, and offered help to survivors sexual and gender-based violence in emergencies.

The pandemic resulted in a spike in domestic and intimate partner violence that affected young people disproportionately. In August 2020, IPPF's International Medical Advisory Panel (IMAP) adopted a statement on gender-based violence acknowledging the need to scale up community work, including humanitarian contexts.

IPPF SERVICE DELIVERY HIGHLIGHTS IN 2020

The Arab World Regional Office (AWRO) keeps on delivering: AWRO has worked tirelessly to provide SRHR and other health services against a backdrop of dire humanitarian and socio-economic crises and protracted displacement (aggravated by COVID-19) in Yemen, Syria and Lebanon and Sudan. The Member Associations in conflict-stricken Yemen and Syria faced tremendous challenges in getting enough PPE to operate their clinics securely but they kept going. In Syria, the Member Association managed to keep most clinics open and provide home-based services. In spite of Yemeni government denial of COVID-19, the Member Association has managed to keep delivering SRH services driven by the message that: "the lives of women and girls in Yemen still matter."

Palestine GBV responses in humanitarian crisis: a hotline was established to support SGBV survivors, providing counselling and follow up, and ensuring protection.

Assistance for Lebanon in the wake of the Beirut explosion: IPPF's London and Tunis offices assisted the Lebanon Member Association in reaching out to women and girls with SRH services after the catastrophic Beirut explosion, one of the largest non-nuclear explosions ever recorded. They delivered SRH and SGBV services, and psychosocial support services in tents amid destroyed buildings despite the additional challenges of COVID-19 and the ensuing devastating economic crisis.

In South Asia: Even before COVID-19, forty years of war in Afghanistan left a fractured health infrastructure, with shortages of medical equipment and trained personnel. In response to restrictions on mobility and women's fear of accessing health facilities, the Afghan Family Guidance Association (AFGA) decided to provide SRHR services through community outreach midwives. As a result, it reached 229,105

people with SRHR services, distributed 500 clean delivery kits to visibly pregnant women and provided family planning services to 66,172 at their doorsteps in the four most COVID-19 affected provinces of Afghanistan.

The Africa Region continues to deliver: In Uganda, Reproductive Health Uganda (RHU) has been providing sexual and reproductive healthcare to vulnerable populations in the Northern Region, including in refugee camps on the border of South Sudan. In 2020, RHU was able to open a clinic in Adjumani, to expand its service delivery network to the West Nile region, which hosts the largest refugee population in Uganda. Integrated SRH services including family planning, STI management, and cervical cancer screening were provided to 14,917 clients in Adjumani.

In Mozambique, the Member Association built and furnished a new healthcare facility in Cabo Delgado that serves the unique needs of young people. Today the clinic offers SRH services in a neighbourhood where this essential and life-saving service is scarce.

In Europe: Member Associations successfully advocated for improved access to contraception, especially for vulnerable groups. In Bulgaria, new legislation strengthened the role of Roma health mediators in ensuring contraceptive care, ensuring these key figures continue - with the support of our Member Association - to meet the needs of Roma communities in COVID times. In Serbia, government funding was allocated for contraceptive counselling and training of healthcare workers.

Co-ordination from the centre, using IPPF's global network: IPPF used its global supply chains to procure essential PPE and reproductive health supplies, through partnerships with manufacturers and large UN procurers, helping sustain essential services worldwide, including crisis countries such as Yemen, Syria, Somaliland and Sierra Leone.

Unite and Perform: Outcome 4

Since the formation of IPPF's Board of Trustees in May 2020, the Federation has been evolving its governance structure, based on the need to enhance Secretariat efficiency and productivity, strengthen accountability and reduce cost.

Through this process, the Secretariat will:

- more effectively share knowledge, best practice and information
- enhance communication, coordination, and clarity of roles, including greater synergies between offices and teams
- ensure more effective cross-team working through a matrix management system, putting the right people in the right place at the right time
- define clear responsibilities for the process
- involve and support capacity building in Member Associations.

The gains through this process will be reinvested in systems to modernize operations and deliver greater accountability with clear monitoring mechanisms and better distribution of resources.

GOVERNANCE REFORMS: THE STORY SO FAR

The General Assembly sits at the top of the new IPPF governance system as the highest authority, setting the strategic direction of the Federation. The new governance structure includes a Nominations and Governance Committee, the Board of Trustees and its committees, namely those for: Finance, Audit and Risk; Policy Strategy and Investment; Resource Allocation Technical; and Membership. These bodies are now functional and have undergone inductions for their members.

To reform governance at country level, the IPPF Secretariat launched its Global Initiative on Member Association Governance Strengthening. The Initiative aims to support Member Associations in strengthening their organizational governance, with selected Associations being provided with small grants by IPPF to implement local reforms.

In Spring 2020, it was piloted with a first cohort of nine Member Associations selected from across the Federation – Cameroon, Denmark, India, Malaysia, Mozambique, Palestine, Pakistan, Sri Lanka and Uganda. Six more Member Associations have been selected for a second round which commences in January 2021, in Afghanistan, Fiji, Indonesia, Mali, Morocco and Nigeria. The overall support package for these Member Associations includes:

- Governance review and strengthening in line with best practice principles.
- Regulatory/constitutional review against best practice and national legal frameworks.
- Facilitated stakeholder discussions on governance strengthening and development options.
- Technical and communications support.

IPPF'S ORGANIZATIONAL RESTRUCTURE

IPPF's organizational restructure followed on from its governance reforms, primarily driven by reducing the Secretariat's cost base to 30 per cent of total unrestricted funding – so making more funds available "on the ground" for Member Associations.

The 2020 restructure was built around three key principles:

- Functions with similar client focus should work more closely together.
- Secretariat functions should be positioned closer to their clients and wherever that is most efficient.
- Enhancement of the Secretariat's efficiency and productivity, strengthening accountability and reducing cost.

Key decisions were made prior to the restructure, to promote:

- a Member Association-centred approach.
- a safer organization, with better alignment of organizational core values against individual behaviours.
- financial resilience in the face of uncertainty. To this end, the directors' leadership team set itself an initial ceiling of USD \$20 million to be drawn by the Secretariat from core funding for 2021 – representing approximately 30 per cent of core funding.
- a unified, bottom-up process for annual planning and for the 2021 budget.
- core and restricted funding being seen as equally important.

Global functions will be established enabling cross-cutting teams to work through a matrix management system. Regions will be given clearer responsibilities and be able to leverage involvement from Member Associations. The Secretariat will focus on peer-to-peer support, connecting Member Associations globally to share knowledge, strengthen capacities and exploit synergies.

EARLY RESULTS FROM THE RESTRUCTURE

The restructure concluded in October 2020. The goal to reduce the Secretariat's portion of unrestricted core funding to 30 per cent was reached by reducing the overall costs of the organization by USD \$7 million. The Secretariat was streamlined and the focus placed on Member Association priorities to deliver on IPPF's SRHR commitments globally and regionally.

A new IPPF is emerging – less ‘top heavy’ and better positioned to prioritize more of its core resources to Member Associations, and ultimately to the people it is committed to help.

OTHER ORGANIZATIONAL ACTIVITY

Anti-racism initiatives

In 2020, IPPF started a process of examining and addressing issues of racism and the colonial legacy within the organization. As an NGO that focuses on empowerment, ending discrimination and poverty-eradication, IPPF must reflect these social justice principles internally.

A working group was established which consisted of staff at all levels including members of the newly formed staff association. Furthermore, a team of researchers was recruited to develop a staff and Member Association-wide survey examining racism within the Federation. This anonymous, confidential survey covers institutional culture, racism and power dynamics. The programme to address issues of racism comprises two phases: Phase 1 is an audit of relations within IPPF as well as between the IPPF and its Member Associations. Phase 2 will happen once the audit is complete and will include debriefing and solution-oriented workshops focusing on best practices from other organizations and conversations about how IPPF can become a truly anti-racist organisation.

Growing our volunteer and activist supporter base

From the start in 1952, IPPF was driven by volunteers spread across its founding member countries. Since then, its volunteer and supporter base has grown substantially. IPPF volunteers range from participants at governance level and in Members Associations, to peer educators, clinic volunteers, fundraisers and advocates. Volunteers tend to work a few hours per week (on average 3.5 hours) but they are essential to the functioning of IPPF, helping campaign for sexual and reproductive health and rights, and deliver education and services through 45,000 service points. It is difficult to quantify the total number of volunteer hours as these are grassroots volunteers supporting IPPF’s Member Associations in delivering their programmes and campaigns.

Recognising the value that young volunteers bring to the organisation, IPPF launched its Youth Centered Approach toolkit in 2020 to enable young people to take part in decision-making spaces within the Federation. IPPF will be further strengthening its volunteer programme to recruit people who have the skills needed to keep delivering on its mission in an era of ever-tightening budget constraints.

Developing Social Enterprise

IPPF is committed to supporting Member Associations to develop social enterprise activities for the purpose of generating income, diversifying funding sources and, ultimately, achieving organizational and financial sustainability.

This has included the ongoing promotion of social enterprise programmes to Member Associations, co-ordinated globally by the Social Enterprise Hub run by FPA Sri Lanka. IPPF has run many virtual training sessions on Social Enterprise for its Member Associations and continues to develop support to help them create their own sources of income. Successful businesses have already been established in many Member Associations which range from sale of contraception to the provision of health services to the running of a guest house and a cafe.

IPPF in the Americas and the Caribbean

IPPF worked on a change process in the Americas and the Caribbean Region, after the former Western Hemisphere Regional Office withdrew from the Federation on 1st September 2020. IPPF updated its priorities in the region to ensure that women, girls and youth, particularly the left behind, keep at the centre of its work. IPPF has committed itself to building a stronger Federation in the region, led by its Member Associations working in 21 countries. A new regional office with two locations in Colombia and Trinidad and Tobago will open in 2021, while new Member Associations are being identified in several countries.

IPPF as a learning organization

IPPF's European Network continued its journey to becoming a learning organization, investing in a 'community of practice' – sharing best practice and knowledge, conducting after-action reviews, and training 13 Member Associations on safeguarding and carrying out gender assessments of them and their programmes.

Throughout 2020, the European Network shared weekly updates on the impact of COVID-19 restrictions on SRHR, and developed a rapid response mechanism to counter opposition attacks, allowing them to quickly adapt priorities and respond to needs.

Flexibility: moving regional offices

As a part of the restructuring of IPPF towards a more agile, efficient and unified Secretariat, the Humanitarian Team working in the Asia Pacific Hub in Bangkok was integrated into existing Secretariat offices in 2020, with the majority relocating to the East and South East Asia and Oceania Region (ESEAOR) Regional Office in Kuala Lumpur.

When it was first opened in March 2017, the IPPF Asia Pacific Hub housed ESEAOR and South Asia Region (SARO) offices, the Planned Parenthood Association of Thailand (PPAT) and IPPF's new Humanitarian Hub. The intention was that its Bangkok location would maximize opportunities for regional collaboration with other humanitarian and development organizations.

However, issues around obtaining work permits and visas for staff to work in Thailand limited operations significantly, resulting in both ESEAOR and SARO being unable to fully transition their work to Bangkok. In 2018, IPPF's Governing Council decided that the ESEAOR Regional Office should return to Kuala Lumpur. The Humanitarian Team continued to operate from Bangkok, but its geographical isolation from other Secretariat offices led to it becoming isolated. To counteract this 'silo effect' and better integrate humanitarian work into the overall function of the IPPF Secretariat, the Humanitarian Team moved to become part of ESEAOR in late 2020. Communication, collaboration and efficiency across IPPF's development and humanitarian work have already been greatly enhanced.

Stronger accountability

The IPPF Africa Regional Office carried out an organizational restructure in line with IPPF reforms and the COVID-19 pandemic aimed at boosting the regional office's resilience.

Fifteen African Member Associations have been successfully supported to implement their post-accreditation action plans - where the accreditation review team and the Member Association in question develop an action plan to address any gaps in compliance.

A further six Member Associations used the DHIS2 (a health information management system) to capture and analyse health service data.

Rapid response in South Asia

When COVID struck, SARO designed a Business Continuity Fund, created from the Designated Restricted Funds to support Member Associations and partners in Afghanistan, Pakistan, Sri Lanka, Bangladesh, India, Maldives, and Bhutan within a week of discussion. The fund provided essential safety equipment and reached out to distribute dignity kits to the most marginalized communities. Most Member Associations sustained more than 50% of their services and delivered safety training to service providers.

IPPF SARO was also one of the first regions to pilot an online accreditation process. The team successfully created a model that could be adapted to suit the local needs of other Member Associations, providing a combination of virtual tour and in-person reviews in an online format.

FINANCIAL REVIEW

STATEMENT OF RESERVES

The Board of Trustees has reviewed the level of reserves. Note 15 to the financial statements shows the split of reserves between the general, designated, restricted, and endowment funds. The total funds held at 31st December 2020 were US\$82.4 million (2019: US\$79.8 million), including the pension liability. Of this, US\$31.0 million (2019: US\$29.0 million) was restricted funds and US\$ 28.9 million (2019: US\$31.2 million) was designated funds, whilst an additional US\$1.4 million (2019: US\$1.3 million) was held on behalf of a Member Association in Cape Verde.

The Governing Council (predecessor of the Board of Trustees) in May 2013 approved a risk-based target general reserve level of between US\$18 million and US\$24 million. This target was considered every year thereafter and found to continue to be appropriate and thus remains a target that IPPF still uses whilst assessing its optimum level of reserves. The reserves policy ensures IPPF has the resources in place to manage financial risk and short-term income volatility and continue to invest in initiatives to meet its goals set out in the current Strategic Framework.

The general reserve level of the group as at 31 December 2020 was US\$21.5 million, an increase of US\$4.6 million from the balance of US\$16.9 million at 31 December 2019, and within the range as set in IPPF's reserves policy. The unrestricted expenditure budget for the year ending 31st December 2021 is US\$61.7 million. The general reserve balance at 31st December 2020 of US\$21.5 million represents 34.8% of this budgeted amount and provides necessary cash flow as the majority of unrestricted funding is received in the second half of the financial year.

Unrestricted funds are designated at the discretion of the Board of Trustees. Within designated funds is US\$7.8 million (2019: US\$8.1 million) which represents fixed assets. Funds have been designated for various projects including the Stream 2 Strategic/ Catalytic fund which provides funding to develop innovative projects and try new approaches to our work; and funds set aside to implement the Secretariat Business Plan.

STATEMENT ON INVESTMENTS

There are no restrictions under the *1977 Act* in relation to the charity's powers to invest. IPPF's investments include US\$1.7 million held in cash (2019: US\$1.5 million held in listed investments) by its former regional office, IPPF Western Hemisphere Region, and a property worth US\$1.1 million (2019: US\$1.3 million). The property was independently valued as at 31 December 2020.

Financial Summary

Income for the year for the group increased by US\$2.4 million (1.4%) from US\$163.7 million in 2019 to US\$166.1 million. Total expenditure decreased by US\$1.8 million from US\$161.4 million in 2019 to US\$ 159.6 million which led to a group net operating surplus before investments gains (combined for unrestricted and restricted funds) for the year of US\$6.6 million (2019: US\$2.3 million).

Total unrestricted expenditure of US\$58.7 million (2019: US\$60.2 million) covers grants to member associations and partners of US\$37.6 million (2019: US\$37.7 million), group Secretariat expenditure of US\$19.7 million (2019: US\$21.6 million) and fundraising costs of US\$1.5 million (2019: US\$1.1 million). The net operating unrestricted surplus for the year was US\$3.2 million (2019 deficit: US\$0.4 million).

Total restricted expenditure of US\$100.8 million (2019: US\$101.2 million) includes grants to member associations and partners of US\$78.3 million (2019: US\$71.7 million), group Secretariat expenditure of US\$20.7 million (US\$26.4 million) and fundraising costs of US\$1.9 million (US\$3.1 million). There was a restricted surplus of US\$3.3 million (2019: US\$2.8 million). A full analysis of restricted projects balances and 2020 income and expenditure is available in note 15.

Income

The overall group income of IPPF has risen by US\$2.4 million (1.5%) to US\$166.1 million (2019: US\$163.7 million). Unrestricted and restricted income rose by US\$2.2 million and US\$0.2 million respectively despite the coronavirus pandemic. We would like to thank donors for the trust they have continued to place in IPPF throughout the pandemic.

IPPF's main source of funding is government grants, which account for 88% (2019: 88%) of total income.

In 2020 unrestricted government funding increased by US\$1.4 million (2.4%) from US\$57.3 million in 2019 to US\$58.7 million.

Restricted government funding amounted to US\$88.0 million, up from US\$87.0 million in 2019. A full analysis of restricted projects balances and 2020 income and expenditure is available in note 15. The following Governments were the major contributors to the restricted funding of IPPF: Government of United Kingdom, primarily through the WISH programme in Africa, South Asia and the Arab World, US\$ 68.0 million; Government of Australia continued to provide support (US\$4.5 million) in relation to the global SPRINT Initiative to provide sexual and reproductive health services to crisis and post crisis areas in South East Asia, the Pacific, South Asia; Government of Canada contributed US\$2.5 million primarily to Young People.

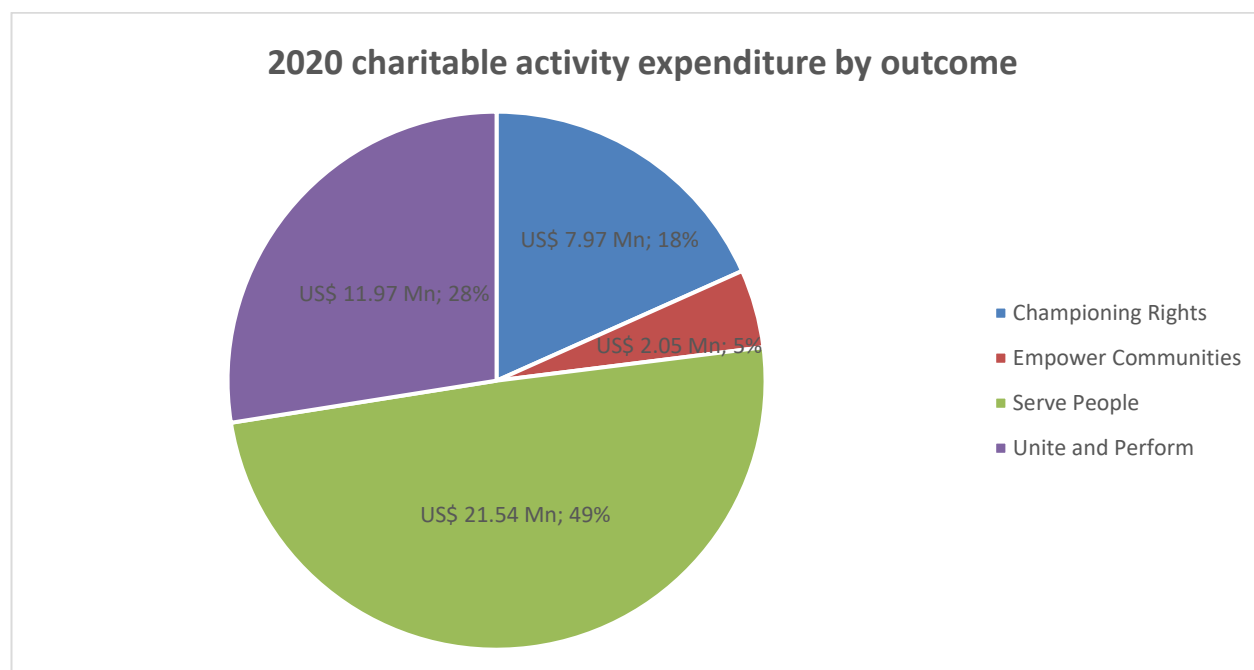
The governments of the Netherlands, Norway, UK and a private foundation also provided funding of US\$5.7 million to the Safe Abortion Action Fund.

Grants from multilateral donors and other sources increased slightly from US\$18.1 million in 2019 to US\$ 18.3 million.

Expenditure

IPPF spent US\$159.6 million in 2020 compared to US\$161.4 million in 2019, a decrease of US\$1.8 million (1%).

Grants to Member Associations and partner organisations rose by US\$6.4 million (6%) from US\$109.4 million in 2019 to US\$115.8 million.



Funds (including pension fund deficit)

Overall there was a surplus before investment gains of US\$6.6 million compared to a surplus of US\$2.3 million in 2019. This surplus was reduced by actuarial loss on the defined benefit pension scheme of US\$3.4 million (2019: US\$1.7 million) and unrealised foreign exchange losses on forward contracts of US\$2.7 million (2019: nil), offset by other foreign exchange gains of US\$2.1 million (2019: US\$3.4 million), leading to an overall increase in IPPF's total funds and reserves from US\$79.8 million to US\$82.4 million.

The general fund has increased by US\$4.6 million, from US\$16.9 million to US\$21.5 million. Designated reserves have decreased by US\$2.3 million, from US\$31.2 million to US\$28.9 million. The asset revaluation reserve decreased by US\$0.1 million from US\$12.1 million to US\$12.0 million. Restricted fund balance has increased by US\$2.0 million from US\$29.0 million to US\$31.0 million.

The 2020 balance sheet contains a net pension liability of US\$12.4 million. This represents an increase in liability of US\$1.8m from the 2019 balance of US\$10.6 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. The defined benefit scheme was closed in 2007; further details on the scheme are included in note 19 to the financial statements. Agreement has been reached with the scheme's trustees on a recovery plan that will see the deficit cleared by October 2025 instead of December 2024.

Funds received as agent

On 17th December 2020, a Memorandum of Understanding (MoU) was signed by IPPF and the Nexus Secretariat for IPPF to host with effect from 1st January 2021 the Nexus Initiative, an independent government-owned cross regional initiative of like-minded governments, designed to support and foster the gender equality and SRHR agenda at the United Nations. The nature of the MoU makes IPPF an agent rather than a programme host with the final responsibilities for the project lying with the Nexus coordinating committee. IPPF received US\$0.09 million of donor funds during 2020 as agent for the Nexus Initiative and accounted for these as a creditor in IPPF's balance sheet at 31st December 2020. IPPF's accounting system ensures that these funds are separately identifiable from IPPF's own assets and a separate bank account has been opened for these funds.

Going concern

The Members of the Board of Trustees and management have assessed the current events and conditions, including COVID-19, as well all information currently available about the future, in determining whether IPPF is a going concern.

Whilst many of IPPF's frontline services across its Member Associations were (and continue to be) impacted by the ongoing Covid 19 pandemic, IPPF responded quickly in 2020 with a set of mitigating actions which de-risked the impact on IPPF and positioned it to successfully weather the storm. As a result, IPPF has not needed to make use of any business support measures that were made available by the UK government and in fact has secured a level of funding in 2021 that matches 2020.

In 2020, in order to assist the MA's with their COVID responses, IPPF released circa US\$ 6.5 million of the second instalment of the core grant to Member Associations in advance which, in some cases, was 50% and, in others, 100% of the second instalment, based on a quick needs assessment.

To help manage its cashflow, IPPF reached out to its donors and four (Germany, Switzerland, Norway and Denmark) paid their core grant payments ahead of schedule to help buffer IPPF's cash position.

IPPF successfully negotiated with DFID (now FCDO) a six-month waiver for its delivery commitments on its largest payment by results project, WISH Lot 1 and Lot 2. This ensured that FCDO continued to provide funding against the project's projected results, irrespective of the actual numbers. In addition, FCDO continued to pay for reimbursables as normal on actuals.

Throughout the pandemic, IPPF's secretariat offices successfully transitioned to a working from home model that had little impact on the running of the business. IPPF secretariat office teams worked proactively to keep staff safe by ensuring they were equipped to work effectively from home, establishing standard operating procedures for creating safe working environments in the offices as they reopened, ensuring safety protocols were followed.

Through ongoing, close engagement with its donors, who have remained compellingly supportive, IPPF secured core funding for 2021 that is in line with 2020 and this puts IPPF in a strong position to continue delivering on its mission.

We have forecast our income, expenditure, gains and losses for the financial year ending 31 December 2021 and up to early June 2022. We have a strong cash and investments balance and multi-year funding agreements with key donors in place for both restricted and unrestricted funds. Core funding for 2021 has already been 97% committed and the projected cashflow position across all funding sources demonstrates a positive balance. Forecasts and cashflow analysis to early June 2022 do not rely on any overdraft facility or other financing to stay positive. The Members of the Board of Trustees have therefore concluded that it remains appropriate to prepare these financial statements on a going concern basis.

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 Board of Trustees confirm that the Strategic Framework

(as described on page 8) is in alignment with the purposes stated in the Act.

PUBLIC BENEFIT

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

IPPF's mission is to improve sexual and reproductive health and rights for millions of women, men and young people around the world. IPPF works through one Member Association/ Collaborative Partners in each of the 142 countries delivering sexual and reproductive health services, education programmes, advocating on policy changes and other similar activities, to deliver its mission. IPPF monitors this delivery by monitoring global indicators and service statistics, that track delivery and upholding of sexual and reproductive health and rights for the poor, marginalised, socially-excluded and/or under-served groups.

GOVERNANCE

Until May 2020, IPPF was governed by a Governing Council, composed of 18 volunteers from Member Associations (also known as the Trustees). In addition to the 18 Trustees, the IPPF Governing Council had six external advisors, who were to act as subject matter experts and advise the Governing Council on IPPF policy. These six external advisors did not have any voting rights in the Governing Council.

In May 2020, the Governing Council was replaced by a Board of Trustees following the reforms described below.

Reforms

In the extraordinary General Assembly meeting of all the MAs held in New Delhi in November 2019, more than 90% of IPPF's MAs reached a historic consensus on bold recommendations for transforming IPPF's governance structures and resource allocation system.

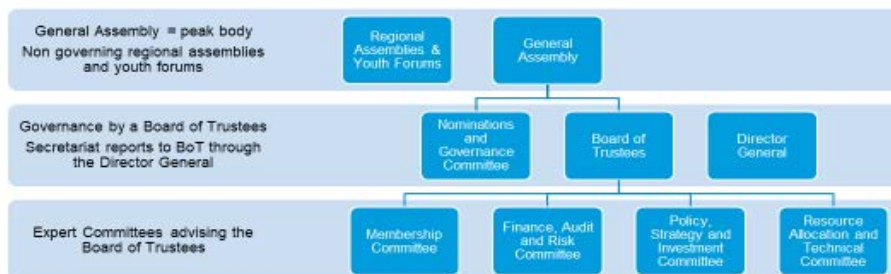
The decisions taken by the General Assembly are reproduced below.

IPPF is a Member Association-led governance structure that is accountable to the membership and the people IPPF serves.

The new governance structure removes intermediary layers between MAs and global governance and will advance IPPF's mission through:

- **General Assembly:** The highest decision-making authority of the IPPF will be a General Assembly that has the mandate to review and approve IPPF's strategic direction, appoint members of a Nominations and Governance Committee (“NGC”), and confirm the slate of candidates the NGC proposed to be on the Board of Trustees (“BOT”), among other responsibilities.
- **Nomination and Governance Committee:** Under IPPF's new regulations, the Nominations and Governance Committee (NGC) has the mandate to recruit and evaluate the performance of members of the Board of Trustees and the Board committees. Reporting to the General Assembly, the NGC is a seven-person committee that has majority MA members, at least half of whom must be women and at least 20% of whom must be youth under 25.
- **Board of Trustees:** The current Governing Council was replaced in May 2020 with a 15-member, skills-based BOT that has nine MA volunteers and six external trustees and maintains IPPF's commitment to 20% representation of youth, 50% representation of women, geographical diversity, and representation of vulnerable or at-risk populations.
- **Board Committees:** Four Standing Committees will support the governance function of the BOT: Membership; Finance, Audit and Risk; Policy, Strategy and Investment; and Resource Allocation Technical Committees. Each of these committees will have a majority of members from MAs, and will include non-Trustee members.
- **Regional Forums and Regional Youth Forums:** The previously existing Regional Councils have been transformed into knowledge and learning exchange platforms, called Regional Forums, that will be preceded by Regional Youth Forums.

Adopted governance model



Selection of the Board of Trustees

To transition from the previous Governance structure to the one approved above, the Governing Council set up a Transition committee. The Transition Committee was mandated to take the necessary steps to:

- Enable a smooth transition to a new governance structure, through the election of a new Board of Trustees at the Governing Council meeting in May and the first meeting of the Board in July 2020;
- Lay the foundation for developing a new resource allocation formula and system based on the guidance given by the General Assembly;
- Ensure that MAs remain central to the change process and participate in decision-making on how the reforms are monitored and evaluated.

As part of the above mandate, the Transition Committee identified the first slate of candidates for the 15 members of IPPF's new Board of Trustees and seven members of the Nomination and Governance Committee, which was approved by the Governing Council during its meeting held on 15-16th May, 2020. The names of the incoming Board of Trustees and the Nomination and Governance Committee members are provided on pages 66 & 67.

Ms Kate Gilmore has been elected as the Chairwoman of the newly selected Board of Trustees. Kate has been a Fellow at the Carr Center for Human Rights Policy, Harvard Kennedy School since February 2020. She is researching human rights concerns including: The political economy of sexual and reproductive health and rights; Organizational leadership in a world of "J curve" change; Acceleration of youth participation in public decision making; and Civil service without fear or favour. Kate was United Nations Deputy High Commissioner for Human Rights from 2014 to 2019 and was Assistant Secretary General and Deputy Executive Director, United Nations Population Fund (UNFPA) from 2012 to 2014. Before this, she was Executive Deputy Secretary General at Amnesty International from 2000 to 2009. Amongst the skills required for the Board of Trustees, Kate can point to senior executive experience; safeguarding; and programme delivery experience. She is from Oceania, currently located in France (and the USA while at Harvard). She has also lived in Australia for 40 years; the UK for 14 years; the USA for 4 years; and Switzerland for 4 years.

Our Director General is Dr. Alvaro Bermejo. Alvaro has more than 20 years' experience as a senior executive in global federations, working across HIV and AIDS, humanitarian issues and health policy.

The Board of Trustees intends to meet three times a year. Meetings may be held in person (no more than twice a year) or by suitable electronic means agreed by the Board in which all participants may communicate with all other participants. In addition, extraordinary meetings of the Board may be called by

the Chair or by one third of the Trustees.

The Board of Trustees shall have power to hire, support, oversee and evaluate annually the performance of the Director General.

Recruitment, appointment and training of new Trustees

The recruitment of new Trustees commences with the Nominations and Governance Committee launching a call for nominations through an independent recruitment firm. This firm scrutinizes candidates and puts forward a slate of candidates who meet the requirements to serve on the Board for interview by the Nominations and Governance Committee.

As soon as Trustees are appointed, a multi-disciplinary team provides an induction to the Trustees. The induction includes the term of references, the Strategic Framework, the history of IPPF, board processes, board evaluation, IPPF Regulations and Procedural Byelaws, financial and compliance oversight, Trustees' roles and responsibilities with regards to Charity Commission expectations.

Resource allocation

The new resource allocation model determines the use of IPPF's unrestricted core funding across the Federation, including to the Secretariat. The funding flows through three separate streams.

Stream 1 of the model, known as Accelerating Delivery, is the largest stream, with a minimum of 80% of all unrestricted funds flowing through it. The indicative allocation amounts are determined by a transparent formula based on set national criteria, including unmet need and country income status. To access funding under Stream 1, IPPF members and the Secretariat will have to develop and submit organisational business plans for the each of the funding cycles.

The business plans will outline the organisational context, overall outcomes, strategies, results, as well as the expected budget in the given time period. The business plan covers the entire remit of the organisation's activities, outputs and budget.

The first funding cycle will run for a single calendar year (2022), and it will be followed by a three-year cycle (2023-25) which will coincide with the mid-term of the new strategic period. The stream introduced greater transparency in the distribution of funds, greater accountability for its use, and greater predictability of funding for the applicants.

Stream 2 of the new model is dedicated to strategic initiatives, and it is also known as the Strategic Fund. The purpose of the Strategic Fund is to support MA initiatives in the areas of the Strategic Framework that require additional investment and focus and that will help IPPF deliver its global outcomes. It was introduced at the wishes of the membership to have a more dynamic model, which allowed the federation to capitalise on strategic opportunities when they emerge.

The Stream 3 of the new model is a funding stream that can receive unrestricted core funding of up to 5% to enable IPPF to provide life-saving SRHR services in humanitarian crisis.

All funds are subject to approval by the IPPF Board, who also agree the annual strategic themes of the fund.

STATEMENT OF THE MEMBERS OF THE BOARD OF TRUSTEES RESPONSIBILITIES IN RESPECT OF THE BOARD OF TRUSTEES ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The Board of Trustees is responsible for preparing the Board of Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The law applicable to charities in England and Wales requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Board of Trustees is required to:

- select suitable accounting policies and then apply them consistently;

- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board of Trustees is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

ORGANISATION

IPPF has a unified Secretariat that carries out the policies and functions as approved by the Board of Trustees. The Secretariat has its central office in London and regional offices in in: Africa (Nairobi, Kenya), Arab World (Tunis, Tunisia), East and South East Asia and Oceania (ESEAO) (Kuala Lumpur, Malaysia), Europe (Brussels, Belgium), South Asia (New Delhi, India) and Americas and Caribbean (Bogota, Colombia and Port of Spain, Trinidad).

In addition to this, Secretariat functions are also carried out in Ethiopia (Africa Union Liaison Office), Fiji (Sub-Regional Office for the Pacific), Australia (Resource Mobilisation Office), and New York, (IPPF Worldwide Inc.).

The senior management, known as the Directors' Leadership Team, comprises: the Director-General who is based in the London office; six Regional Directors who report to the Director-General; and four London Office Divisional Directors. Further details are on page 68.

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 Board of Trustees 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 organisational structure with lines of authority and responsibility for control, together with procedures for reporting decisions, actions and issues;
- Reporting: the Board of Trustees approves and reviews the annual programme budget and income predictions and monitors actual and forecast income and expenditure on a regular basis;
- Risk management: The risk register was completed as part of a consultative process in August/September 2020 across the senior employees in the Secretariat. They identified a long list of key risks under the following risk categories: regulatory and compliance risks, governance risks, financial risks, operational risks and external risks. These were then reviewed and prioritised by the Directors' Leadership Team (DLT). The DLT then reviewed and finalised the mitigating strategies in relation to the prioritised risks to arrive at the final risk assessment. The risk register was thereafter reviewed by the Finance, Audit and Risk Committee (C-FAR) and recommended for approval by the Board of Trustees (BoT). The BOT approved IPPF's risk register for the period from 1st October 2020 to 30th September 2021 in its meeting held on 17-18th November 2020. The mitigating actions are reviewed annually by the C-FAR and BoT, who believe that all the major risks to which IPPF is exposed have been identified, reviewed and systems have been established to mitigate those risks.
- Internal audit: the internal audit function, which has been outsourced to RSM Risk Assurance Services LLP UK, assesses risks and reviews controls within IPPF. Using a risk based approach the firm undertook a number of reviews/ audits in 2020.
- Review: the Finance, Audit and Risk Committee comprised up to seven members of which at least 50% are required to be women and at least 20% young persons under the age of 25 at the time of their appointment, a majority of whom are from Member Associations. The Committee is chaired by a Trustee and includes, as one of the members, the IPPF Treasurer. The Committee monitors

IPPF's financial performance ensuring the financial integrity of the organisation, oversees risk management ensuring effective internal control systems are in place and recommends the appointment of the external and internal auditors, reviewing their work and ensuring timely and appropriate responses to audit findings and recommendations.

PRINCIPAL RISKS AND MITIGATION STRATEGIES

Risk	Mitigation Strategy
Continuing political conservatism (re) creeping into SRHR investment, widening of mandate into less contentious areas - pandemic, migration/ humanitarian, Maternal, Newborn and Child Health (MNCH), FP	<ul style="list-style-type: none"> • Continue to build virtual connections across existing and new platforms. Unlock resources and space for thought leadership in regions and countries less distracted by Coronavirus Disease-19, so that SRHR action can continue. • Capture younger voices from across the world and change the narrative, with support from progressive donors and with more strategic use of core funds. • Create a movement more powerful than a few bilateral donors, and break out of old discourse that young people don't recognise. • Use #metoo; #aidtoo and #BLM as the launchpad to find that voice, and do a better job of linking this to all elements of IPPF's service offering including brand and service design.
A disconnect between the new Board of Trustees and the grassroots movement of Member Associations leading to policy decisions taken that do not address the needs or expectations of the members.	<ul style="list-style-type: none"> • Creation of platforms, that enable regular engagement between the various board and committee members with Membership, through country and regional level consultations. • Board Chair and Board committees Chair including NGC Chairs to host regular update meeting with the membership. • Board Chair to issue update letters to the members in a way that it speaks to volunteers directly and not just the MA's board members.
Failure to inspire the required governance reform at MA's level	<ul style="list-style-type: none"> • Ongoing dialogue with the MA's around governance, compliance, risk and assurance to encourage their participation in the reform process. • Development of the MA governance reform strategy with clear ownership from the Board.
Inability to comply with budgetary limits due to limited budgetary control and forecasting ability	<ul style="list-style-type: none"> • Introduce income and expenditure forecasting effective 2021. • Provide training to users to explain how accounting system tracks budgetary over-runs. • Better planning and budgeting tool introduced
Loss of funding from donors due to re-prioritization and also due to rise in fraud/ mismanagement incidents across the Federation.	<ul style="list-style-type: none"> • Constant and proactive engagement with donors to ensure strong donor confidence is built, so that IPPF remains the organisation of choice whilst investing in the Sexual Reproductive Health and Rights. • Proactively scanning the donor environment searching for new opportunities and new donors that can support IPPF in delivery of its vision and mission. • Regular tracking of bids being submitted, won or lost and reasons thereof by the senior management. • Put in place an easy to follow escalation matrix.

Risk	Mitigation Strategy
	<ul style="list-style-type: none"> Engage with Internal auditors to identify the best platform/ format of presenting fraud/ financial mismanagement cases to the C-FAR and the Board.
Negative impact on delivery of restricted projects as planned due to external factors (e.g. volatility of exchange rates, security risks in fragile countries) and internal factors (management capacity across the Federation)	<ul style="list-style-type: none"> Regular and timely donor engagement on all key projects. Ensure regular financial and programmatic/ delivery monitoring through a global quarterly review mechanism. KPIs presented to Senior management. Build project level plans, including risk mitigation plans, procurement for larger projects. Strong controls set up through the contracting mechanism. Undertake adequate due diligence of all contractors/ vendors/ consultants/ partners. Implementation of IPPF's fraud response guidelines and plans. Ensure regular audits (as per requirement)
Cyber Security Attacks	<ul style="list-style-type: none"> Improved Governance, Risk and Compliance (GRC) framework, user access management controls, administrators, email security through implementation of M365/ InTune/ Improved security protocols Undertake regular penetration testing to ensure gaps, if any, in security protocols are addressed. Upgrade IT policies and equipment management systems including setting up a strong BYOD policy. Ensuring adequate knowledge creation and training on new trends on phishing and cyber attacks. Upgrade systems to ensure adequate back up and retrieval processes of IPPF data on the cloud.

IPPF incident management data

The table below shows the number of reports submitted to IPPF SafeReport, our independent, confidential reporting service, relating to financial wrongdoing:

Incident type	2020	2019
Corruption and bribery	1	1
Fraud	11	13
Malpractice	5	11
Total	17	25

IPPF has a zero tolerance policy on such issues. IPPF takes all reported concerns seriously and undertakes appropriate and proportionate investigations to respond to these. Concerns are reported from across IPPF, including its Member Associations. IPPF's "Raising a Concern" and "Confidentiality and Information Sharing" policies underpin the principles of our response processes, ensuring the highest level of confidentiality to ensure that the whistle-blower(s) are not subjected to any form of victimisation whatsoever.

During 2020 IPPF continued to make improvements to safeguarding as follows:

- improved incident management reporting through better analysis for internal and external stakeholders.
- significant improvement to the clearance rate of reported concerns was achieved (from 5 in 2019 to 66 in 2020).
- training events were delivered to IPPF staff who are responsible for progressing reported concerns.

IPPF SafeReport has been migrated to a new supplier and this has provided an opportunity to make improvements so that it better aligns with the guiding principles of IPPF's "Raising a Concern" policy, which

are: fair, confidential, transparent and accountable, accessible, efficient and timely. The new service has now been launched.

The Modern Slavery Act (UK)

IPPF adopted a policy in relation to Forced Labour and Human Trafficking in November 2016, which considered the requirements of the UK Modern Slavery Act along with other international laws and guidance on this subject area. IPPF remains committed to the eradication of modern slavery and will work to ensure that all people have the right to protection from abuse and exploitation.

Remuneration

At IPPF, we are committed to equality and diversity across the Secretariat in all areas of work.

The Board has approved that IPPF, given its size and complexity, aims to set pay between the 50th and 75th percentiles (3rd quartile) to attract and retain the right talent. A benchmarking analysis of the top 30 positions comprising the leadership of IPPF has been undertaken by external consultants. The Director General's position is at the middle of market range at the 54th percentile, with the rest of the senior leadership positions placed at the 58th percentile.

The external consultants have also been engaged to conduct an overall assessment of the broader Secretariat, specifically, how competitive pay levels are across the entire Organisation. IPPF's historical practices have resulted in eight different approaches for compensation and benefits across the globe. With the formation of a unified Secretariat, IPPF aims to develop a job structure which is consistently applied in all locations with salary structures for each region designed using a common philosophy and approach. The ongoing work is designed to provide a solution in the following areas:

- Updated compensation philosophy
- Job evaluation and job structure
- Market assessment and revised salary scales in all markets
- Gender pay gap/equity analysis
- Assistance to establish proper transition measures.

Gender pay gap

Gender pay gap 5 April 2020 (in comparison against 5 April 2019)

What is the gender pay gap?

The gender pay gap is a measure that shows the difference in average earnings between women and men. It is different from Equal Pay which is about men and women carrying out comparable jobs and which has been illegal in the UK for 45 years.

Gender pay gap data

The current gender pay gap report relates to only Central office in London. A snapshot of the numbers as at 5 April 2020, 2019 and 2018 is as follows:

Particulars	5 April 2020	5 April 2019	5 April 2018
Difference in mean pay as a percentage	9.8%	10.95%	22.9%
Difference in median pay as a percentage	5.6%	8.58%	8.1%

This data pre-dates the overall restructuring process undertaken by IPPF in the second half of 2020. The data for central office in London shows that the mean percentage pay gap has decreased by 1.15% in 2020. There is, also, a 2.98% reduction in the median level to 5.6% in 2020.

Where are we with respect to market in terms of gender pay gap?

The gender pay gap at IPPF is lower than the national average gender pay gap of 15.5% as reported by the Office of National Statistics (ONS) in 2020. In IPPF London CO the gap stems from the fact that whilst overall there are fewer men than women employees, the largest representation of men is in the highest

salary quartile.

The Global Health 50/50 report was launched on International Women's Day. It has placed IPPF in the top 5% of over 200 global health organisations sampled. This takes into account the numbers provided by IPPF for all its offices. They assessed four key areas: commitment to gender equality, gender equality and diversity policies at work, gender and geography of gender health leadership and gender responsive of health policy and programmes.

What we will do

In taking forward our work to IPPF is currently reviewing its overall compensation philosophy and has hired external consultants to advise on implementing a common job evaluation process across all regions. The aim is to develop a job structure which is consistently applied in all locations with salary structures for each region designed using a common philosophy and approach.

This study will also carry out a market assessment of salaries in all regions with the goal of implementing revised salary scales where appropriate, benchmarked against key comparators.

In 2021 IPPF is committed to measure and present the gender pay gap report across the whole Secretariat.

Working through the Pandemic

In light of the global COVID-19 Pandemic, IPPF management took early steps to ensure duty of care, safety, and well-being of staff across all its secretariat, ensuring the staff morale and well-being does not get severely impacted and IPPF continues to deliver on its mission through these difficult times. A COVID Taskforce composed of key operational functions was set up to develop and implement a COVID-19 Contingency Plan which included a comprehensive risk assessment addressing office safety, staff welfare, travel guidelines, medical/ travel insurance, employee assistance programmes, trainings through disaster ready, etc. This was widely shared across different offices that adapted it looking at their local contexts. The plan were informed by WHO Guidance and the UK Government regulations and guidance. Across different countries, the adaptations took on board, the country's guidance coming out from time to time. To ensure that staff were fully informed, a FAQs was developed and regular communication updates to all staff.

IPPF proactively closed its offices starting mid-March 2020 in the UK and other secretariat offices based on their local contexts and guidelines. All staff were provided adequate technical support to enable them to effectively work from home through the pandemic. Full IT support was provided to staff to increase knowledge capacity on utilising Zoom/ Teams and Skype for business for internal and external meetings.

IPPF responded to staff welfare and duty of care by organising a series of mental health webinars, ensuring that medical insurance and emergency contact details were current and continued to provide direct support, as needed. IPPF encouraged staff to engage the Employee Assistance Programme, as a source of support. Equally so, staff were provided with IPPF policy provisions on time off for caring for dependents and flexible working hours were encouraged for staff caring for ill family members or young children.

IPPF London office and some of its other secretariat offices remains closed, and the Taskforce is fully engaged to ensure that the office is compliance to all health reopening measures. IPPF continues to build staff capacity on security awareness and COVID preparedness.

Putting all these efforts, IPPF across all its offices, was able to remain operational, without seeking any available government assistance, such as the furlough scheme, throughout the pandemic, to date.

Working with non-charities

When considering or developing new external partnerships or reviewing existing partnerships, the following steps should be taken:

- Research potential partners including consideration of any conflict of interest.
- Assess Risk involved, potential value and the ability of IPPF to deliver including the resource impact and all costs and benefits involved in the partnership.
- Consult and involve stakeholders.
- Develop jointly a partnership structure, aims and objectives, accountability including roles and responsibilities, processes, reporting arrangements and an exit strategy.
- Determine who will be responsible for developing and embedding the partnership/relationship in each organization.
- Set up a steering group where appropriate with named operational contacts on both sides that hold the relationship.
- Agree in writing clear and robust partnership arrangements ensuring that transparency and accountability are maintained. Monitor, evaluate and review the partnership at pre-agreed points.

- Share experiences and good practice with a conscious effort to engage and involve at all levels in order to encourage learning.
- Promote successes within and outside of the Federation.

Disclosure of Information to Auditor

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

THANKS

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

Approved on behalf of the Board of Trustees on 02 June 2021.

Kate Gilmore

Chair

Bience Gawanas

Treasurer

Independent Auditor's Report to the members of the Board of Trustees of International Planned Parenthood Federation (IPPF)

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of International Planned Parenthood Federation (the 'charity') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 December 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the Charities Act 2011.

We have audited the financial statements which comprise:

- the group and charity statement of financial activities;
- the group and charity balance sheets;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 21.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity's 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 trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 ISAs (UK) 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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities and of the fraud's reported in the period as disclosed on page 30 of the annual report.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Charities Act; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including significant component audit teams regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

We presume a risk of material misstatement due to fraud in revenue recognition which is related to the cut-off and completeness of new grants. To address this risk, we tested a sample of new grant contracts to test that the grant income was complete, recognised within the correct accounting period, was in accordance with the terms of the grant and was in line with the accounting policy, to test whether income had been appropriately included in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring with management including obtaining and reviewing supporting documentation concerning the entities policies and procedures relating to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- enquiring with management including obtaining and reviewing supporting documentation concerning the entities policies and procedures relating to detecting and responding to the risk of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC and the Charity Commission.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

Under the Charities (Accounts and Reports) Regulations 2008 we are required to report in respect of the following matters if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

[Signature]

Deloitte LLP

Statutory Auditor

St Albans, United Kingdom

XX XXXXXX 2021

Deloitte LLP is eligible for appointment as auditor for the charity by virtue of its eligibility for appointment as audit of a company under section 1212 of the Companies Act 2006.

Statement of Financial Activities for the year ended 31 December 2020

CHARITY

Notes	2020				2019			
	Unre- stricted US\$'000	Re- stricted US\$'000	Endowment US\$'000	Total US\$'000	Unre- stricted US\$'000	Re- stricted US\$'000	Endow- ment US\$'000	Total US\$'000
Income from:								
Donations and Legacies								
Grants from governments	58,733	86,370	-	145,103	57,370	81,023	-	138,393
Grants from multilaterals	379	1,628	-	2,007	47	387	-	434
Grants from IPPF Worldwide Inc	-	-	-	-	1,105	12,406	-	13,511
Donations and legacies from others	436	8	-	444	112	-	-	112
Other Trading Activities	239	-	-	239	39	-	-	39
Income from Investments	198	9	-	207	(50)	282	-	232
Other Income	71	-	-	71	1	-	-	1
Total Income and Endowments	60,056	88,015	-	148,071	58,624	94,098	-	152,722
Expenditure on:								
Raising Funds								
Central fundraising 7	1,388	1,930	-	3,318	1,109	3,099	-	4,208
Regional fundraising	86	-	-	86	-	-	-	-
Cost of sales	-	-	-	-	(281)	(1)	-	(282)
Investment management costs	-	-	5	5	-	5	-	5
Charitable Activities								
Grants to Member Associations & Partners 5	37,249	76,106	-	113,355	37,648	66,358	-	104,006
Central expenditure 7	6,643	10,749	-	17,392	7,405	14,822	-	22,227
Regional expenditure	5,498	2,123	-	7,621	5,472	2,144	-	7,616
Regional office grants	8,508	5,500	-	14,008	7,871	4,114	-	11,985
Pension finance charge	210	-	-	210	265	-	-	265
Total Expenditure	59,582	96,408	5	155,995	59,489	90,541	-	150,030
Net Operating (Expenditure) / income before investment (losses) / gains	474	(8,393)	-	5	(865)	3,557		2,692
(Losses)/ gains on investment assets	(193)	-	125	(68)	142	(37)	175	280
Increase / (Decrease) in subsidiary investment values	3,186	11,834	-	15,020	(7,960)	(601)	-	(8,561)
Net Income (Expenditure)	3,466	3,441	120	7,027	(8,683)	2,919	175	(5,589)
Actuarial Loss on defined benefit pension scheme	(3,363)	-	-	(3,363)	(1,674)	-	-	(1,674)
Foreign exchange loss on Forward contract	(2,665)	-	-	(2,665)				
Foreign exchange (loss)/gain on pension liability	(63)	-	-	(63)	(395)	-	-	(395)
Unrealized foreign exchange gain taken to reserves	1,476	115	-	1,591	3,296	-	1	3,297
Net movement in funds	(1,149)	3,556	120	2,527	(7,456)	2,919	176	(4,361)
Reconciliation of funds								
Total funds brought forward at 1 January	49,539	29,024	1,274	79,836	48,588	26,190	1,098	75,876
Transfer of funds from other regions	1,583	(1,583)	-	-	8,406	(85)	-	8,321
Net movement in funds for the year	(1,149)	3,556	120	2,527	(7,456)	2,919	176	(4,360)
Total funds carried forward at 31 December	49,973	30,997	1,394	82,364	49,539	29,024	1,274	79,837

There are no recognised gains and losses other than those included above. All the above results arise from continuing operations. The notes on pages 43 to 70 form part of these financial statements.

Statement of Financial Activities for the year ended 31 December 2020 GROUP

	Notes	2020				2019			
		Unre- stricted US\$'000	Re- stricted US\$'000	Endowment US\$'000	Total US\$'000	Unre- stricted US\$'000	Re- stricted US\$'000	Endow- ment US\$'000	Total US\$'000
Income from:									
Donations and Legacies									
Grants from governments	2	58,733	87,950	-	146,683	57,370	87,011	-	144,381
Grants from multilaterals and other sources	3	1,754	16,117	-	17,871	1,249	16,692	-	17,941
Donations and legacies from others	3	436	8	-	444	112	-	-	112
Other Trading Activities		239	-	-	239	70	-	-	70
Income from Investments	4	219	10	-	229	241	282	-	523
Other Income		579	99	-	678	699	-	-	699
Total Income and Endowments		61,960	104,184	-	166,144	59,741	103,985	-	163,726
Expenditure on:									
Raising Funds									
Central fundraising	7	1,388	1,930	-	3,318	1,109	3,099	-	4,208
Regional fundraising	6	125	-	-	125	37	-	-	37
Cost of sales		-	-	-	-	(281)	(1)	-	282
Investment management costs		-	-	5	5	7	5	-	12
Charitable Activities									
Grants to Member Associations & Partners	5	37,557	78,262	-	115,819	37,748	71,684	-	109,432
Central expenditure	7	6,644	10,749	-	17,393	7,405	14,822	-	22,227
Regional expenditure	6	12,804	9,902	-	22,706	13,894	11,601	-	25,495
Pension finance charge		210	-	-	210	265	-	-	265
Total Expenditure		58,728	100,843	5	159,576	60,184	101,211	-	161,395
Net operating income/ (expenditures) before investment (Losses)/ Gains		3,232	3,341	-	5	6,568	(443)	2,774	-
(Losses)/ Gains on investment assets		- 193	-	125	- 68	105	-	175	280
Net Income/ (Expenditure) Income		3,039	3,341	120	6,500	(338)	2,774	175	2,611
Transfer between funds		1,483	(1,483)	-	-	(60)	60	-	-
Other recognized gains/ (losses)									
Actuarial Loss on defined benefit pension scheme		(3,363)	-	-	(3,363)	(1,674)	-	-	(1,674)
Foreign exchange loss on Forward contract		(2,665)	-	-	(2,665)				
Foreign exchange loss on pension liability		(63)	-	-	(63)	(395)	-	-	(395)
Unrealized foreign exchange gain taken to reserves		2,003	115	-	2,118	3,418	-	1	3,419
Net movement in funds		434	1,973	120	2,527	951	2,834	176	3,961
Reconciliation of funds									
Total funds brought forward at 1 January		49,539	29,024	1,274	79,837	48,588	26,190	1,098	75,876
Transfer of funds from other regions		-	-	-	-	-	-	-	-
Net movement in funds for the year		434	1,973	120	2,527	951	2,834	176	3,961
Total funds carried forward at 31 December		49,973	30,997	1,394	82,364	49,539	29,024	1,274	79,837

There are no recognised gains and losses other than those included above. All the above results arise from continuing operations. The notes on pages 43 to 70 form part of these financial statements.

Balance Sheets as at 31 December 2020

	Notes	2020 Total US\$'000	2019 Total US\$'000	2020 Total US\$'000	2019 Total US\$'000
		Charity	Charity	Group	Group
Fixed assets					
Tangible assets	9	17,409	17,556	19,920	20,204
Investments	10	38,055	23,091	2,790	2,847
Long term loans	11	-	105	97	207
Total fixed assets		55,464	40,752	22,807	23,258
Current assets					
Stock		452	195	452	195
Debtors	12	21,494	18,272	26,929	22,471
Short Term Loan		386	-	386	
Cash at bank and in hand		49,255	50,677	71,049	70,853
Total current assets		71,587	69,144	98,816	93,519
Creditors: amounts falling due within one year	13	(29,826)	(19,417)	(23,581)	(25,475)
Total current liabilities		(29,826)	(19,417)	(23,581)	(25,475)
Net current assets		41,761	49,727	75,235	68,045
Total assets less current liabilities		97,225	90,480	98,042	91,303
Provisions for liabilities	14	(85)	(19)	(902)	(842)
Net assets excluding pension liability		97,140	90,461	97,140	90,461
Forward Contract Liabilities	21	(2,352)	-	(2,352)	-
Defined benefit pension scheme liability	19	(12,424)	(10,624)	(12,424)	(10,624)
Total net assets including pension liability		82,364	79,837	82,364	79,837
Represented by:					
Unrestricted:	15				
General		21,510	16,873	21,510	16,873
Designated		28,887	31,168	28,887	31,168
Revaluation Reserve		12,000	12,122	12,000	12,122
Restricted		30,997	29,024	30,997	29,024
Endowment		1,394	1,274	1,394	1,274
Total funds and reserves excluding pension liability		94,788	90,461	94,788	90,461
Pension liability	19	(12,424)	(10,624)	(12,424)	(10,624)
Total funds and reserves including pension liability		82,364	79,837	82,364	79,837

Approved on behalf of the Board of Trustees on ----- The notes on pages 43 to 70 form part of these financial statements.

Kate Gilmore
Chair

Bience Gawanas
Treasurer

Consolidated Cash Flow Statement

Statement of Cash Flows for the Year Ended 31 December 2020

NOTE A: RECONCILIATION OF NET INCOME (EXPENDITURE) TO NET CASH INFLOW (OUTFLOW) FROM OPERATING ACTIVITIES

	Note	2020 US\$ '000	2019 US\$ '000
Net cash provided by operating activities	A	379	772
Cash flows from investing activities:			
Interest received and similar income		229	523
Purchase of tangible assets		(141)	(379)
Purchase of marketable securities		-	(350)
Sale of tangible assets		2	-
Sale of marketable securities		-	350
Net cash flows provided by investing activities		90	144
Cash flows from financing activities:			
Long term loan repayments received		57	-
Long term loans issued		(331)	(187)
Net cash flows in financing activities		(274)	(187)
Increase in cash	B	196	729

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

Net operating income / (expenditure)

	2020 USD'000	2019 USD'000
Net incoming resources	6,568	2,331
Interest receivable and similar income	(229)	(523)
Depreciation	563	508
Exchange movements on tangible assets	(142)	(540)
Exchange movement on investments	(17)	(105)
Actuarial loss on pension scheme	(1,625)	(1,023)
Unrealized Loss on Forward contract	(2,665)	-
Long term loan written off	4	-
(Gain) / loss on disposal of fixed assets	(2)	-
Movements in working Capital:		
(Increase)/ decrease in stock	(257)	101
(Increase) in debtors	(5,626)	(14,661)
Increase / (decrease) in creditors	(723)	11,483
Increase in provisions including forward contract	2,412	136
Unrealised exchange movement	2,118	3,066
Net cash provided by operating activities	379	772

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

	2020 USD'000	2019 USD'000
Increase in cash in the year	196	729
Change in cash for the year	196	729
Net cash at 1 January	70,853	70,124
Net cash at 31 December	71,049	70,853

NOTE OF EXPLANATION

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

Notes to the Financial Statements

1 Accounting Policies

BASIS OF ACCOUNTING

These financial statements have been prepared under the historical cost convention with items recognised at cost or transaction values unless otherwise stated in the relevant notes to these accounts. The financial statements are prepared under the historical cost convention, in accordance with the 'Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (SORP 2019), and applicable UK law and the Charities Act 2011. IPPF meets the definition of a public benefit entity under FRS 102. The Charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

GOING CONCERN

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern, including the impact of COVID-19. The trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements. In making this assessment, the trustees have considered the impact of COVID-19 and the impact it may have on its unrestricted income and reserves.

The members of Board of Trustees have reviewed IPPF's financial position, its level of net assets and its future cashflow forecasts which take into account the impact of future activities, and believe it is appropriate to continue to produce the financial statements on a going concern basis.

BASIS OF PREPARATION

IPPF exists as an entity incorporated in the UK under the provisions of the IPPF Act ("the charity"). Its registered address is at 4 Newhams Row, London, SE1 3UZ United Kingdom and its activities are undertaken through a Secretariat of which there is a Central Office.

IPPF Arab World Region, East and South East Asia and Oceania Region and South Asia Region are not separate legal entities and their results are included in those of the charity. IPPF (Bangkok Hub) was established in 2016 and its results are also included with those of the charity.

Subsidiaries

IPPF Worldwide Inc. is a separately registered not-for-profit organisation. This is established for the purpose of receiving funding from organisations based in the United States of America. The Directors of the company are Central Office Divisional Directors. Their results are included with those of the group.

IPPF Africa Region (Nairobi, Kenya) and IPPF Europe Network are separate legal entities in Nairobi, Kenya and Brussels, Belgium respectively. As subsidiaries they use the name of the charity to raise funds exclusively for the IPPF and / or its local activities. They represent themselves publicly as the charity's local representative. Their results have been consolidated on a line-by-line basis in the statement of financial activities ("SOFA") and balance sheet.

IPPF has a dormant trading subsidiary, International Contraceptive and SRH Marketing Limited (trading as ICON). Up until 31 August 2013 this engaged in commodity supply services and social marketing of contraceptives in conjunction with Member Associations.

Autonomous Business Unit

The IPPF Western Hemisphere Region Inc (New York, USA), a separate company incorporated in the State of New York, USA, as a membership corporation with not-for-profit status, withdrew from the Federation on 31st August 2020. Therefore Appendix 1 that presented an unaudited consolidated position of IPPF (including Western Hemisphere Region Inc., has not been included as part of this report.

INCOME

Income is recognised when the Group and Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. See also the separate deferred income policy.

DEFERRED INCOME

Deferred income comprises amounts received in the period which the donor has given for use in future accounting periods and there is no entitlement to the funds at the year end.

COMMERCIAL TRADING ACTIVITIES

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

DONATIONS AND GRANTS

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

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

LEGACIES

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

INVESTMENT INCOME AND INTEREST

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

DONATION IN KIND - INCOME

Donations in kind are included in donations and similar income where the amounts are material at their market value. Commodities donated to IPPF for distribution to Member Associations are recognised at their market value as income to the extent that they have been received 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 recognise volunteer time as income in the Financial Statements. IPPF does not believe there is a concise, workable, or accurate method of quantifying this contribution, or establishing how this contribution is expressed in financial terms.

DONATION IN KIND – EXPENSE

Donations in kind supplied to Member Associations and partners are recorded as grants to Member Associations and partners at their cost plus delivery expenses.

EXPENDITURE AND BASIS OF ALLOCATION OF COSTS

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

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

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

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

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

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

TAXATION

IPPF is a registered charity and has no liability to corporation tax on its charitable activities under the Corporation Tax Act 2010 (chapters 2 and 3 of part ii, section 466 onwards) or Section 256 of the Taxation for Chargeable Gains Act 1992, to the extent surpluses are applied to its charitable purposes.

TANGIBLE FIXED ASSETS

All assets costing more than US\$5,000 are capitalised. Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. All assets are depreciated in line with their expected useful lives using the straight-line method at the following rates:

Freehold Land	no depreciation
---------------	-----------------

Freehold buildings	2 - 5%
Office furniture	10%
Office equipment	20%
Computer hardware	33%
Vehicles	33%
Freehold improvements	10%
Leasehold improvements	Period of lease

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

CASH AT BANK AND IN HAND

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

INVESTMENTS

Investments are valued at fair value at the balance sheet date. All gains and losses are taken to the Statement of Financial Activities as they arise and allocated to funds in line with the amounts held.

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

STOCK OF GOODS

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

Donated items of stock are recognised at fair value which is the amount the charity would have been willing to pay for the items on the open market.

FOREIGN CURRENCY

IPPF's financial statements are presented in US dollars. The following secretariat offices use their local currencies as their functional currencies: London (pound sterling), Tunis (Tunisian Dinar), Delhi (Indian Rupee), Brussels (Euro) and Kuala Lumpur (Malaysian Ringgit).

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

The results are translated, where required, into the presentational currency of 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

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

PROVISIONS

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

CONTINGENT LIABILITIES

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

FINANCIAL INSTRUMENTS AND FINANCIAL LIABILITIES

Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

The charity uses derivative financial investments to reduce its exposure to foreign exchange risk. In line with the charity's risk management policies, the charity does not enter into speculative derivative contracts. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the Statement of Financial Activities.

Trade and other debtors are recognised at the settlement amount due after any discount offered and net of the bad debt provision. Prepayments are valued

at the amount prepaid net of any trade discounts due. Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

PENSION CONTRIBUTIONS

IPPF contributes to both a closed defined benefit scheme and a number of defined contribution pension schemes (see note 19).

Defined contribution scheme costs are charged to the Statement of Financial Activities as they are incurred.

IPPF makes contributions to the Central Office defined benefit pension scheme (closed to new members from 1 September 2003 and current members from 1 September 2007) based on the advice from triennial actuarial valuations. Any material deficiencies or surpluses that arise are dealt with by changes to the level of contributions. In accordance with FRS 102, the Statement of Financial Activities includes: the cost of benefits accruing during the year in respect of current and past service (charged against net expenditure); the expected return on the scheme's assets and the increase in the present value of the scheme's liabilities arising from the passage of time (shown as pensions finance charge); actuarial gain recognised in the pension scheme (shown within net movement of funds). The balance sheet includes the deficit in the scheme taking assets at their year-end market value and liabilities at their actuarially calculated values.

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

KEY ESTIMATES:

PENSIONS: Estimates of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate of which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension funds' assets. A firm of consulting actuaries is engaged to provide IPPF with expert advice reporting the assumptions to be applied. During the year the liability moved from US\$10.6 million to US\$12.4 million as a result of assumptions being updated, differences in actual experiences against expectation, and exchange rate movements. Further details are in note 19.

There are no other critical estimates or judgements.

FUNDS

IPPF maintains five types of fund:

- Expendable Endowment – where the capital is held in perpetuity to generate income to further the charitable objects of IPPF;
- Restricted – where the purposes for which the funds can be used have been restricted by donors or the terms of an appeal;
- Pension Reserve – in accordance with FRS 102, the liability attributed to the Central Office Defined Benefit Scheme is shown as a separate fund. As the scheme is currently in deficit this is a negative reserve;
- Designated – where the funds are unrestricted, but where the Board of Trustees have designated them for a specific purpose; and
- Unrestricted – where the funds are not restricted as to use but may be applied for any purpose within the charity's objects.

Transfers between funds are made where the donor restrictions allow with appropriate disclosure in note 15. Other recognised gains and losses are allocated to funds in line with the restrictions on the funds which generated the gain/loss.

2 Grants from Governments

GROUP	Local	2020	2019	2020	2019
	Currency (LC)	LC'000	LC'000	US\$'000	US\$'000
UNRESTRICTED					
Australia	Australian Dollar	3,600	3,600	2,526	2,412
China	US Dollar	(0)	431	(0)	431
Denmark	Danish Krone	50,000	50,000	7,470	7,292
Finland	Euro	1,350	1,350	1,580	1,484
Germany	Euro	15,000	12,000	16,811	13,487
Japan	US Dollar	3,982	5,857	3,982	5,857
South Korea	US Dollar	133	74	133	74
Malaysia	US Dollar	-	-	-	-
Netherlands	Euro	3,600	3,600	3,969	4,048
New Zealand	New Zealand \$	-	-	-	-
New Zealand	US Dollar	1,593	1,706	1,592	1,706
Norway	Norwegian Krone	60,000	60,000	6,261	6,805
Sweden	Swedish Krona	110,000	110,000	12,307	11,738
Switzerland	Swiss Franc	-	2,000	-	2,035
Switzerland	US Dollar	2,100	-	2,100	-
Thailand	US Dollar	2	2	2	2
UNRESTRICTED				58,733	57,370
RESTRICTED					
Australia	Australian Dollar	6,600	5,121	4,534	3,532
Australia	US Dollar	139	-	139	-
Belgium	Euro	200	2,078	239	2,287
Canada	Canadian Dollar	3,300	5,800	2,508	4,323
China	US Dollar	736	369	736	369
Denmark	Danish Krone	13,000	14,000	1,965	2,088
Germany	Euro	946	1,158	1,029	1,310
Japan	US Dollar	(194)	315	(194)	315
Netherlands	Euro	200	1,416	222	1,607
Netherlands	US Dollar	1,113	1,142	1,113	1,142
New Zealand	New Zealand Dollar	-	707	-	489
New Zealand	British pound	336	-	417	-
New Zealand	US Dollar	1,006	308	1,006	308
Norway	Norwegian Krone	18,000	20,150	1,889	2,283
Norway	US Dollar	-	(70)	-	(70)
Sweden	Swedish Krona	-	5,040	0	523
Switzerland	Swiss Franc	100	990	110	992
Switzerland	US Dollar	100	-	100	-
United Kingdom	British pound	55,302	46,616	70,558	59,323
USAID	US Dollar	-	202	-	202
Canada	US Dollar	-	-	839	1,241
European Commission	US Dollar	-	-	511	4,597
France	US Dollar	-	-	230	149
RESTRICTED				87,950	87,011
TOTAL RESTRICTED AND UNRESTRICTED GRANTS FROM GOVERNMENTS				146,683	144,381

3 Income from Multilaterals and Other Sources

Name of Donor	2020			2019		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Bill & Melinda Gates Foundation	-	2,942	2,942	-	3,194	3,194
Children's Investment Fund Foundation	-	-	-	-	250	250
Danish Family Planning Association	-	-	-	2	206	208
European Commission	-	125	125	-	(432)	(432)
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	-	-	-	-	187	187
The Global Fund	-	66	66	-	127	127
Open Society Foundation	-	300	300	-	435	435
Vitol Foundation	-	-	-	-	200	200
United Nations Programme on HIV/AIDS (UNAIDS)	-	-	-	-	80	80
United Nations Fund for Population Activities (UNFPA)	-	561	561	-	9	9
UN Women	-	-	-	-	89	89
World Health Organization (WHO)	-	41	41	-	-	-
Anonymous (At donor's request)	-	6,137	6,137	-	10,265	10,265
Amplify Change : Amplify Change (ARO)	-	909	909	-	-	-
Merk for Mothers	-	608	608	-	7	7
Conference fees Eurongos/Inspire	-	-	-	-	14	14
The William And Flora Hewlett Foundation	1,000	550	1,550	1,000	(0)	1,000
RFSU (The Swedish Association for Sexuality Education)	9	29	39	-	67	67
CORDAID	-	498	498	-	465	465
Rutgers - GUSO - CO	-	1,070	1,070	-	423	423
Bergstrom Foundation	-	228	228	-	149	149
David & Lucile Packard Foundation	-	1,000	1,000	-	500	500
Korea Foundation For International Healthcare	-	406	406	-	-	-
Sex Samfund	-	39	39	-	-	-
The Concept Foundation	-	27	27	-	-	-
Pentera Trust	62	-	62	-	-	-
Levi Strauss Foundation- (Last Year Others)	-	300	300	-	-	-
Other < \$100,000, or individuals not to be disclosed	1,119	288	1,407	359	456	815
	2,190	16,125	18,315	1,361	16,692	18,053

4 Investment Income and Interest

	2020			2019		
	US\$ Unrestricted	US\$ Restricted	US\$ Total	US\$ Unrestricted	US\$ Restricted	US\$ Total
Interest receivable from cash deposits	184	10	194	207	241	448
Property investment income	35	-	35	34	-	34
Dividends and similar income from	-	-	-	-	41	41
	219	10	229	241	282	523

5 Grants to Member Associations and Partner Organisations

Charity	2020			2019		
	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
Africa	16,153	55,923	72,076	15,642	40,992	56,634
Arab World	2,519	4,687	7,206	2,143	3,413	5,556
E, SE Asia & Oceania	3,966	3,795	7,760	3,864	2,251	6,115
Europe	1,135	1,592	2,727	1,350	2,483	3,833
South Asia	7,553	8,507	16,061	7,511	14,201	21,712
Western Hemisphere	5,923	1,602	7,525	7,138	3,017	10,155
Total	37,249	76,106	113,355	37,648	66,358	104,006

Charity and Group	2020			2019		
	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
Africa	16,179	55,923	72,102	15,770	44,288	60,059
Arab World	2,519	4,687	7,206	2,143	3,413	5,556
E, SE Asia & Oceania	3,966	3,795	7,760	3,864	2,251	6,115
Europe	1,417	3,748	5,165	1,487	4,513	6,000
South Asia	7,553	8,507	16,061	7,511	14,201	21,712
Western Hemisphere	5,923	1,602	7,525	6,973	3,017	9,990
Total	37,557	78,262	115,819	37,748	71,684	109,432

GRANTS TO MEMBER ASSOCIATIONS AND PARTNER ORGANISATIONS BY STRATEGIC OUTCOMES

Charity and Group	2020		2019		2019	
	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000	Unrestricted US\$'000	Restricted US\$'000	Total US\$'000
Strategic Outcomes						
Championing Rights	501	2,236	2,737	1,956	5,767	7,723
Empower Communities	75	1,583	1,658	5,453	7,782	13,234
Serve People	35,171	72,055	107,227	23,172	57,178	80,350
Unite and Perform	1,811	2,387	4,198	7,167	958	8,125
Total	37,557	78,262	115,819	37,748	71,684	109,432

Support costs for grants are included with in the central and regional charitable expenditure.

The following ten member associations received the largest grants across the Group in 2020.

Group – Member Associations	Unrestricted	Restricted	2020 Total	Unrestricted	Restricted	2019 Total
	US\$000	US\$000	US\$000	US\$000	US\$000	US\$000
Rahnuma-Family Planning Association of Pakistan	1,602	5,289	6,892	1,469	5,195	6,664
Family Guidance Association of Ethiopia	1,615	4,808	6,423	1,248	3,107	4,355
Reproductive Health Uganda	1,228	3,803	5,031	963	2,558	3,521
Family Planning Association of India	1,696	603	2,299	1,651	1,116	2,767
Family Health Options Kenya	538	713	1,251	845	1,455	2,300
Uzazi na Malezi Bora Tanzania	745	904	1,649	707	1,482	2,189
Family Planning Association of Nepal	1,319	456	1,775	1,377	482	1,859
Planned Parenthood Federation of Nigeria	1,589	251	1,840	1,531	266	1,797
Family Planning Association of Bangladesh	1,437	181	1,618	1,749	(16)	1,733
Associação Moçambicana para Desenvolvimento da Família	634	1,483	2,118	526	1,146	1,672

6 Regional Activities

REGIONAL ACTIVITIES BY STRATEGIC OUTCOMES

GROUP

	Programme activities US\$'000	Grants To IPPF/WHR US\$'000	Support costs US\$'000	2020 Total US\$'000
Strategic Outcomes				
Championing Rights	3,732	-	929	4,661
Empower Communities	978	-	308	1,286
Serve People	6,306	2,075	2,015	10,397
Unite and Perform	3,265	-	3,222	6,487
Total 2020	14,282	2,075	6,474	22,831

GROUP

	Programme activities US\$'000	Grants To IPPF/WHR US\$'000	Support costs US\$'000	2019 Total US\$'000
Strategic Outcomes				
Championing Rights	4,832	-	465	5,296
Empower Communities	1,507	-	286	1,794
Serve People	4,794	2,867	1,249	8,910
Unite and Perform	8,864	-	668	9,532
Total 2019	19,997	2,867	2,668	25,532

REGIONAL ACTIVITIES BY TYPE OF EXPENDITURE

GROUP	Programme activities US\$'000	Support costs US\$'000	2020 Total US\$'000	Programme activities US\$'000	Support costs US\$'000	2019 Total US\$'000
Personnel costs	10,702	4,269	14,971	10,715	1,048	11,762
Consultancies	784	833	1,618	1,857	274	2,131
Travel	1,103	286	1,390	5,249	375	5,624
Occupancy	248	810	1,058	783	328	1,110
Communications	93	12	105	165	90	255
Grants to IPPF/WHR	2,075		2,075	2,867		2,867
Other costs	1,226	387	1,613	1,228	553	1,782
Total	16,232	6,599	22,831	22,864	2,668	25,532

Support costs for regional activities are fully allocated to programme activities.

7 Central Activities

Central Activities by Strategic Outcomes

Group	Programme Activities undertaken directly US\$'000	Allocated Support costs US\$'000	2020 Total programmatic US\$'000
Strategic Outcomes			
Championing Rights	2,299	56	2,355
Empower Communities	763	-	763
Serve People	10,752	196	10,948
Unite and Perform	2,877	547	3,425
Total 2020	16,691	799	17,491

Group	Programme Activities undertaken directly US\$'000	Allocated Support costs US\$'000	2019 Total programmatic US\$'000
Strategic Outcomes			
Championing Rights	4,184	1,256	5,441
Empower Communities	766	467	1,233
Serve People	7,610	3,701	11,310
Unite and Perform	2,643	1,600	4,243
Total 2019	15,204	7,024	22,227

Support costs represent all other expenses incurred in the running of IPPF and are allocated based on a proportion of direct personnel costs attributable to the implementation of the activities.

Group	Fundraising costs US\$'000	Programme Activities undertaken directly US\$'000	Support costs US\$'000	2020 Total US\$'000
Personnel costs	1,493	7,240	2,453	11,186
Consultancies	1,487	4,000	1,181	6,668
Travel	70	347	154	571
Occupancy	24	16	254	294
Communications	108	348	5	461
Other costs	48	334	1,149	1,531
Total 2020	3,230	12,286	5,195	20,711

Group	Fundraising costs US\$'000	Programme Activities undertaken directly US\$'000	Support costs US\$'000	2019 Total US\$'000
Personnel costs	1,850	7,260	2,467	11,577
Consultancies	1,054	3,416	944	5,415
Travel	898	3,187	208	4,293
Occupancy	243	369	554	1,166

Communications	6	16	26	48
Other costs	156	955	2,825	3,935
Total 2019	4,208	15,203	7,024	26,434

Charity	Fundraising undertaken directly US\$'000	Programme Activities undertaken directly US\$'000	Support costs US\$'000	2020 Total US\$'000	Fundraising undertaken directly US\$'000	Programme Activities undertaken directly US\$'000	Support costs US\$'000	2019 Total US\$'000
Personnel costs	1,493	7,240	2,453	11,186	1,850	7,260	2,467	11,577
Consultancies	1,487	4,000	1,181	6,668	1,054	3,416	944	5,415
Travel	70	347	154	571	898	3,187	208	4,293
Occupancy	24	16	254	294	243	369	554	1,166
Communications	108	348	5	461	6	16	26	48
Other costs	48	334	1,149	1,531	156	955	2,825	3,935
Total	3,230	12,286	5,195	20,711	4,208	15,203	7,024	26,434

1) Programme activities represent expenses directly attributable to the issuing or monitoring of grants to Member Associations and partners as well as providing technical assistance to allow the grant recipients to implement programmes effectively. Central Office staff are occasionally involved in issuing grants to Member Associations and also provide technical support to Regional Office staff and Member Associations.

2) Support costs represent all other expenses incurred in the running of IPPF and are allocated across the Strategic Outcomes based on a proportion of direct personnel costs attributable to the implementation of the activities. This methodology is applied to all areas of the IPPF and has been selected for consistency of use and ease of implementation.

3) Fundraising costs comprise of activities related to the Federation's global income generation and resource development.

Included within support costs are fees payable to the external auditor, Deloitte LLP, of US\$176.8k and US\$221.1k for the charity and group respectively (2019- Deloitte LLP – US\$158.5k and US\$215.3k) for statutory audit. There were no fees from assurance services, tax advisory services or other financial services. Within other support costs is a foreign exchange gain in 2020 of US\$2.0m (group) and US\$1.5m (charity) (2019 gain of US\$3.4m (group) and US\$3.3m (charity)) and governance cost incurred by the London office of US \$ 259,149 (2019 of US \$ 479,770).

8 Employee Numbers and Emoluments

The average total number employed during the year were:

	Central Activities	Regional Activities	Total 2020 Charity	Regional Activities	Total 2020 Group
- Technical Knowledge and Support	37	29	66	28	94
- Strategic Planning, External Affairs, Advocacy & Communications	12	6	18	23	41
- Management, Governance, Accreditation and Policy	19	20	39	10	49
- Resource Mobilisation	8	3	11	2	13
- Support Services – Finance, Information Technology, Human Resources & Administration	25	41	66	23	89
Total 2020	101	99	200	86	286
	Central Activities	Regional Activities	Total 2019 Charity	Regional Activities	Total 2019 Group
- Technical Knowledge and Support	37	25	62	46	108
- Strategic Planning, External Affairs, Advocacy & Communications	12	3	15	26	41
- Management, Governance, Accreditation and Policy	21	22	43	11	54
- Resource Mobilisation	8	3	11	1	12
- Support Services – Finance, Information Technology, Human Resources & Administration	24	42	66	26	92
Total 2019	102	95	197	110	307

The headcount has been reduced to 286 from 307 as a result of secretariat unification and restructuring during the year.

The cost of employing these staff was:	2020 US\$'000 Charity	2019 US\$'000 Charity	2020 US\$'000 Group	2019 US\$'000 Group
Gross salaries of individuals on IPPF payroll	10,529	10,343	16,395	16,008
Social security costs	1,152	1,092	1,512	1,494
Pension	800	682	1,465	1,291
Temporary staff employed through third party agencies	782	2,194	782	2,271
Other employee benefits	1,319	962	3,758	3,194
Redundancy costs*	1,553	(4)	3,494	35
Total	16,135	15,268	27,407	24,293

*Redundancy costs have been incurred in different locations of the charity and the group, in line with the contractual obligations, the internal policies and the law of the land. Source of funds used for redundancy payments by the Charity are unrestricted core US\$ 1,258k and restricted US\$ 295k and by the Group are unrestricted core US\$ 3,027 and restricted US\$ 467k.

The number of Charity and Group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind, were in excess of US \$78,000 (£60,000) was:

	2020 Charity	2019 Charity	2020 Group	2019 Group
US\$78,000 to US\$90,000	20	8	28	22
US\$90,000 to US\$100,000	9	5	15	10
US\$100,000 to US\$110,000	8	8	12	10
US\$110,000 to US\$120,000	6	5	6	7
US\$120,000 to US\$130,000	4	-	7	1
US\$130,000 to US\$140,000	4	4	7	8
US\$140,000 to US\$150,000	-	2	1	2
US\$150,000 to US\$160,000	-	1	-	1
US\$160,000 to US\$170,000	1	2	2	2
US\$170,000 to US\$180,000	4	1	4	1
US\$180,000 to US\$190,000	1	1	1	2
US\$190,000 to US\$200,000	1	2	1	2
US\$200,000 to US\$210,000	1	1	1	1
US\$280,000 to US\$290,000	-	-	-	0
US\$330,000 to US\$340,000	-	1	-	1
US\$550,000 to US\$560,000	-	-	-	-

Charity: Contributions amounting to US\$ 402,267 (2019: US\$307,000) were made to defined contribution schemes on behalf of 62 higher paid employees (2019: 38). Group: contributions amounting to US\$564,765 (2019: US\$470,000) were made to defined contribution schemes on behalf of 81 higher paid employees (2019: 58). The expense is allocated between restricted and unrestricted funds in line with where the employees' salaries are charged.

No ex-gratia payments were made during the year (2019: Nil). No trustee received remuneration during the year (2019: Nil). No expenses were reimbursed to members the Board of Trustees and Finance, Audit and Risk Committee or incurred on their behalf for attendance at meetings as all the meetings were held virtually during the year due to COVID-19 (2019: US\$134,538).

Key management personnel

The key management personnel of the parent Charity are the Director General, the central office divisional directors and the regional directors of AWRO, ESEAOR and SARO. The total remuneration (including pension contributions and employers' national insurance) of the key management personnel of the Charity for the year totaled US\$1,487,127 (2019 US\$1,304,327).

The key management personnel of the Group comprise those of the Charity and key management personnel of EN and ARO. The total remuneration (including pension contributions and employers' national insurance) of the key management personnel of the Group for the year US\$1,922,049 (2019: US\$1,577,085).

The remuneration of the highest paid employee was US\$330,883 (2019: US\$337,089)

9 Tangible Fixed Assets

	Freehold property US\$'000 Charity	Fixtures, fittings computers US\$'000 Charity	equipment & Total US\$'000 Charity	Freehold Property US\$'000 Group	Fixtures, fittings computers US\$'000 Group	equipment & Total US\$'000 Group
Cost						
Cost at 1st January 2020	19,331	1,688	21,020	21,467	3,535	25,002
Exchange adjustments	170	28	198	170	9	180
Additions	-	0	0	0	141	141
Cost at 31st December 2020	19,502	1,716	21,218	21,638	3,685	25,323
Depreciation						
Accumulated depreciation at 1st January 2020	1,798	1,666	3,464	1,943	2,856	4,799
Exchange adjustments	17	27	44	1	40	41
Charge for the year	299	2	302	336	226	563
Accumulated depreciation at 31st December 2020	2,114	1,695	3,809	2,281	3,122	5,403
Net book value at 31st December 2020	17,388	21	17,409	19,357	563	19,920
Net book value at 31st December 2019	17,534	22	17,556	19,524	679	20,203

All tangible fixed assets are held for charity use.

10 Investments

	2020 Total US\$'000 CHARITY	2019 Total US\$'000 CHARITY	2020 Total US\$'000 GROUP	2019 Total US\$'000 GROUP
Cash and cash equivalents	1,669		1,669	
Listed Investments		1,539		1,539
Subsidiary undertakings	35,265	20,245	-	-
Investment property	1,121	1,307	1,121	1,307
Total	38,055	23,091	2,790	2,846

Listed investments

	2020 US\$'000	2019 US\$'000
Shares and securities investments at market value:		
At 1st January 2020	1,539	1,248
Additions	-	350
Disposal proceeds	-	(350)
Realised / unrealised -gain for the year	121	236
Forex movement	9	55
At 31st December 2020	1,669	1,539

Listed on New York Exchange

IPPF's Investment manager, Charles SCHWEB have the discretion to manage the Investment portfolio within an agreed risk and ethically.

The risk of this investment is very low as the composition at the balance sheet date is mainly cash and cash equivalent. This Investment was held by WHR on behalf of Cape Verde and IPPF have a full discretion on the use of this Endowment.

Investment property	Total US\$'000 2020	Total US\$'000 2019
Investment property at fair value:		
Investment property at 1 January	1,307	1,257
Revaluation	(193)	-
Foreign exchange movement	8	50
Investment property 31 December	1,121	1,307

Investment property at fair value:

The investment property was acquired on 31 December 2012 for no cost, following the early termination of a lease on a property for which IPPF holds the freehold. It is included in the balance sheet at fair value, valued by management. The last independent property valuation was carried out as at 31 December 2020 by an external valuer – Strutt & Parker.

Investments in subsidiary undertakings:

International Contraceptive & SRH Marketing Limited (trading as ICON) is a wholly owned dormant trading subsidiary incorporated in the UK and registered in England and Wales. The company owns the entire issued ordinary share capital of US\$1. This entity is dormant and is being closed down.

IPPF Worldwide Inc. is a separately registered not-for-profit organisation in United States of America (EIN 204365831).

International Planned Parenthood Federation (Africa Region) (IPPF ARO) (No. 8229) and International Planned Parenthood Federation Europe Network (IPPF ENR) (Company # BE 0840.619.519) are separate legal entities in Nairobi, Kenya and Brussels, Belgium respectively. Their individual results and net assets are as follows:

	Worldwide Inc		ARO		EN	
	Year to 31 De- cember 2020	Year to 31 De- cember 2019	Year to 31 December 2020	Year to 31 December 2019	Year to 31 December 2020	Year to 31 December 2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Income	10,745	13,642	13,489	15,023	5,772	5,504
Expenditure	(54)	(13,889)	(9,823)	(15,134)	(5,109)	(5,507)
Surplus/(deficit)	10,691	(247)	3,666	(111)	663	(3)

	Worldwide Inc		ARO		EN	
	Year to 31 De- cember 2020	Year to 31 De- cember 2019	Year to 31 December 2020	Year to 31 December 2019	Year to 31 December 2020	Year to 31 December 2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Fixed assets	-	-	1,684	1,742	924	1,007
Current assets	21,036	10,251	14,615	11,698	3,551	2,773
Current liabilities	(501)	(407)	(4,955)	(5,764)	(272)	(233)
Provisions for liabilities	-	-	(711)	(711)	(106)	(112)
Net Assets	20,535	9,844	10,632	6,966	4,098	3,435

11 Term Loans to Member Associations

	2020 Total US\$'000 CHARITY	2019 Total US\$'000 CHARITY	2020 Total US\$'000 GROUP	2019 Total US\$'000 GROUP
Short Term Loans to Member Association	386	-	386	
Long Term Loans to Member Associations	-	105	97	207
Total	386	105	483	207

The loans to Member Associations bear interest at rates ranging from 0% to 5.5%. The long term loan is repayable in 2035.

12 Debtors (Amounts falling due within one year)

	2020 Total US\$'000 CHARITY	2019 Total US\$'000 CHARITY	2020 Total US\$'000 GROUP	2019 Total US\$'000 GROUP
Receivable from donors	14,330	235	17,720	2,330
Receivable from associations	1,257	1,983	3,156	3,294
Receivable from others	4,629	15,989	4,475	16,464
Prepayments	1,278	65	1,578	383
Total	21,494	18,272	26,929	22,471

13 Creditors (Amounts falling due within one year)

	2020 Total US\$'000 CHARITY	2019 Total US\$'000 CHARITY	2020 Total US\$'000 GROUP	2019 Total US\$'000 GROUP
Trade creditors*	3,936	2,780	4,404	3,195
Payable to associations	-	1,727	17	1,727
Accruals and other creditors	13,796	12,664	18,630	13,523
Due to regional offices	1,614	496	49	151
Held on behalf of IPPF Worldwide Inc	10,000	(407)		-
Deferred income (see below)	481	2,157	481	6,879
Total	29,826	19,417	23,581	25,475

* Creditors includes \$94,340 (2019:Nil) payable to Nexus initiatives for which IPPF act as an agent per the memorandum of understanding signed on 17th of December 2020.

The intercompany balances, none of which represent loan arrangements, are interest free and repayable on demand.

Deferred Income

	2020 Total US\$'000 Charity	2019 Total US\$'000 Charity	2020 Total US\$'000 GROUP	2019 Total US\$'000 GROUP
Deferred income balances brought forward	2,157	160	6,879	3,070
Released in the year	(2,157)	(160)	(2,157)	(3,070)
Reclassification as payable	-	-	(4,722)	-
Deferred in the year	481	2,157	481	6,879

Deferred income balances carried forward	481	2,157	481	6,879
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Income has been deferred based on conditions outline by the donor and mainly as stipulated in the grant agreement. These fund represent cash collected in 2020 for the use of 2021.

14 Provisions

	2020 Total US\$'000 CHARITY	2019 Total US\$'000 CHARITY	2020 Total US\$'000 GROUP	2019 Total US\$'000 GROUP
Opening balance	19	-	842	706
Utilised in year	(19)	-	(32)	(4)
Arising in year	85	19	91	141
Foreign Exchange			2	
Closing balance	85	19	902	842

Provisions are arises from outstanding legal matters which are expected to be fully settled in 2021 and may take cash settlement to beneficiaries.

15 Group Funds and Reserves

RESTRICTED FUNDS

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

	Balance at 01-Jan 2020 US\$'000	Income US \$'000	Expenditure US \$'000	Transfers US \$'000	Balance at 31-Dec 2020 US \$'000
Government					
Australia					
SPRINT III	715	2,801	(2,342)	-	1,174
Samoa	47	139	(124)	-	61
Pacific Strategy	537	1,462	(985)	-	1,014
Australia - Other	427	184	(126)	(301)	184
Belgium - She Decides	1,605	-	(1,453)	-	152
Canada					
Protections of children working in mines in DRC	(380)	319	(108)	-	(168)
She Decides	423	1	(327)	-	97
Freedom to Choose - RHASS	(452)	520	(887)	-	(819)
Canada- Young People	1,779	1,778	(1,518)	-	2,040
Canada - Other	(8)	-	-	-	(8)
China - China Grant	57	736	(602)	-	190
Denmark					
Friendship Retreat and other	48	160	(2)	-	206
Denmark - Support for RHU	590	-	(597)	-	(7)
France	76	230	-	-	306
Germany					
Germany - other	28	-	(13)	(15)	-
Germany - Enhancing SRH refugees in West	209	1,029	(749)	-	490
Africa					
Japan	2,628	(199)	(705)	-	1,725
Netherlands					

Netherlands Other	4	-	(0)	-	3
Right Here Right Now	61	179	(335)	-	(95)
Get Up Speak Out	611	1,070	(1,409)	-	272
New Zealand	-	-	-	-	-
Reproductive Health Facility for the Pacific	251	430	(152)	(12)	517
New Zealand - Pacific Strategy	313	993	(464)	-	841
Norway					
Norway Other	(2)	-	2	-	-
Elimination of FGM in 3 AWR countries	116	291	(391)	-	16
South Africa - BRICS Study Tour India	3	-	-	(3)	-
Sweden - She Decides and Women Delivery	-	-	-	-	0
Switzerland - Support for IPPF Geneva Office	19	210	(229)	-	(0)
United Kingdom					
Women Integrated Sexual Health Lot 1	23	6,146	(4,584)	-	1,585
Women Integrated Sexual Health Lot 2	8,396	59,427	(57,275)	(0)	10,549
UK Connect - ACCESS SRHR	(681)	2,435	(1,752)	-	1
United States of America -Projects	(109)	-	109	-	(0)
Multi-donor Fund - Nexus	-	541	(550)	3	(7)
Multi-donor Fund - Safe Abortion Action Fund	1,174	4,538	(5,101)	-	611
Total government restricted funds	18,507	85,420	(82,670)	(327)	20,930
Multilateral and other sources					
Arab Gulf Fund- Youth Health Protection	90	-	-	-	90
Bergstrom - Support of Africa Region	(300)	228	(59)	-	(131)
Bill & Melinda Gates Foundation					
Countdown 2030 Europe	908	2,295	(2,540)	-	663
Other	765	148	(347)	(74)	492
Cordaid - Jeune S3 IPPFAR	(22)	318	(96)	-	200
Danish Arab Partnership for Improved SRHR	(16)	39	(19)	-	4
The David and Lucile Packard Foundation					
Africa Region various	37	300	-	-	337
Abortion Stigma	454	1	(376)	-	80
Business Plan and Solutions	250	-	(76)	-	174
Frontiers	-	700	-	-	700
AULO strength adolescence SRH	250	-	-	-	250
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	(74)	-	17	-	(56)
European Commission (EC)					
State of the African Women Campaign	2,740	536	(200)	-	3,076
Other projects	73	100	(42)	(79)	51
KOREA FOUNDATION FOR INTERNATIONAL HEALTHCARE	-	406	(187)	-	219
Health Pooled Fund - Crown Agents-Technical assistance to South Sudan	81	-	-	-	81
Levi Strauss	40	200	(40)	-	200
Reckitt Benckiser (Brands) - Partnership Project Fund	43	-	-	-	43
United Nations Fund for Population Activities (UNFPA)					
United Nations Fund for Population Activities (UNFPA) - Workplan	-	454	(404)	(1)	49

Other	20	-	(28)	10	2
United Nations Programme on HIV/AIDS (UNAIDS)	497	14	(52)	(446)	13
William and Flora Hewlett Foundation					
Voices: Towards universal access to SRHR for all	(107)	450	(90)	-	253
Other	105	-	(105)	-	0
World Health Organisation					
National dissemination workshops and other	8	41	(54)	-	(4)
Multi-donor Fund- EuroNGOs	1	-	-	-	1
Multi-donor Fund- Covid-19	-	2,748	(2,245)	-	502
Multi-donor Fund - SheDecides	1,519	674	(1,439)	-	754
Multi-donor Fund - IPPF Governance Reform	70	1,207	(1,277)	-	-
Anonymous donors (not disclosed at their request)	2,737	5,530	(7,143)	1	1,125
Other (various)	348	2,374	(1,167)	(656)	898
Total Multilateral and other sources	10,517	18,764	(17,969)	(1,246)	10,066
Total Restricted Funds	29,024	104,184	(100,639)	(1,573)	30,997

	Balance at 01-Jan 2019 US \$'000	Income US \$'000	Expenditure US \$'000	Transfers US \$'000	Balance at 31-Dec 2019 US \$'000
Government					
Australia					
SPRINT III	963	2,442	(2,690)	-	715
Samoa	141	138	(233)	-	47
Pacific Strategy	568	670	(703)	2	537
Australia - Other	178	168	79	2	427
Belgium - She Decides	1,323	2,069	(1,787)	-	1,605
Canada					
Protection of children working in DRC mines	12	837	(1,228)	-	(380)
She Decides	1,921	52	(1,551)	-	423
Freedom to Choose - RHASS	11	404	(868)	-	(452)
Canada- Young People	-	3,922	(2,143)	-	1,779
Canada - Other	(8)	450	(450)	-	(8)
China - China Grant	400	376	(719)	-	57
Denmark					
Friendship Retreat and other	78	-	(52)	22	48
Denmark - Support for RHU	-	590	-	-	590
France	-	149	(73)	-	76
Germany					
Germany - other	51	178	(199)	-	28
Germany - Enhancing SRH refugees in West Africa.	-	1,132	(922)	-	209
Japan	3,664	184	(1,219)	-	2,628
Netherlands					
Netherlands Other	3	-	(9)	10	4

Right Here Right Now	177	423	(539)	-	61
Get Up Speak Out	652	1,611	(1,652)	-	611
New Zealand	-	-	-	-	-
Reproductive Health Facility for the Pacific	12	485	(245)	-	251
New Zealand - Pacific Strategy	-	313	-	-	313
Norway					
Norway Other	61	(61)	(8)	6	(2)
Elimination of FGM in 3 AWR countries	191	386	(461)	-	116
South Africa - BRICS Study Tour India	3	-	-	-	3
Sweden - She Decides and Women Delivery	80	4	(84)	-	0
Switzerland - Support for IPPF Geneva Office	57	755	(794)	-	19
United Kingdom					
Women Integrated Sexual Health Lot 1	(212)	2,012	(1,776)	-	23
Women Integrated Sexual Health Lot 2	3,415	54,878	(49,896)	-	8,396
UK Connect - ACCESS SRHR	-	1,217	(1,899)	-	(681)
United States of America -Projects	(255)	202	(56)	-	(109)
Multi-donor Fund - Nexus	-	-	-	-	-
Multi-donor Fund - Safe Abortion Action Fund	1,119	5,640	(5,585)	-	1,174
Total government restricted funds	14,605	81,625	(77,761)	42	18,507

Multilateral and other sources

Arab Gulf Fund- Youth Health Protection	90	-	-	-	90
Bergstrom - Support of Africa Region	(305)	149	(145)	-	(300)
Bill & Melinda Gates Foundation					
Countdown 2030 Europe	926	2,090	(2,109)	-	908
Other	713	611	(559)	-	765
Cordaid - Jeune S3 IPPFAR	54	465	(541)	-	(22)
Danish Arab Partnership for Improved SRHR	(1)	206	(221)	-	(16)
The David and Lucile Packard Foundation					
Africa Region various	240	-	(203)	-	37
Abortion Stigma	838	15	(389)	(10)	454
Business Plan and Solutions	38	250	(38)	-	250
Frontiers	-	-	-	-	-
AULO strength adolescence SRH	-	250	-	-	250
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)	667	142	(882)	-	(74)
European Commission (EC)					
State of the African Women Campaign	(7)	4,635	(1,888)	-	2,740
Other projects	566	(469)	(24)	-	73
KOREA FOUNDATION FOR INTERNATIONAL HEALTHCARE	-	-	-	-	-
Health Pooled Fund - Crown Agents-Technical assistance to South Sudan	81	-	-	-	81
Levi Strauss	-	175	(135)	-	40
Reckitt Benckiser (Brands) - Partnership Project Fund	42	-	-	-	43
United Nations Fund for Population Activities (UNFPA)					
United Nations Fund for Population Activities (UNFPA) - Workplan	-	-	-	-	-
Other	2	29	(30)	18	20
United Nations Programme on HIV/AIDS (UNAIDS)	476	50	(28)	-	497
William and Flora Hewlett Foundation					
Voices: Towards universal access to SRHR for all	35	-	(143)	-	(107)

Other	842	25	(762)	-	105
World Health Organisation					
National dissemination workshops and other	7	-	(12)	12	8
Multi-donor Fund- EuroNGOs	84	131	(196)	(17)	1
Multi-donor Fund- Covid-19	-	-	-	-	-
Multi-donor Fund - SheDecides	2,200	1,744	(2,426)	-	1,519
Multi-donor Fund - IPPF Governance Reform	-	2,328	(2,257)	-	70
Anonymous donors (not disclosed at their request)	2,545	8,607	(8,430)	14	2,737
Other (various)	1,448	925	(1,970)	(59)	348
Total Multilateral and other sources	11,584	22,359	(23,390)	(42)	10,517
Total Restricted Funds	26,190	103,984	(101,150)	-	29,024

The subtotal funds by Government and Multilateral in note 15 differ to those in note 2 and note 3 due to some projects being funded by both Government and Multilateral sources. This is the case with multi-donor projects such as SAAF, Covid-19, SheDecides and IPPF Governance Reform.

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.

Unrestricted funds and reserves	Note	Asset	Fixed	Other	Innovation Fund	Pension Reserve	General Fund	Total
		Revaluation Reserve	Asset Reserve	Designated Funds				
Group		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2020								
Additions to Fixed Assets (note 9)	a	-	(38)	(2)	-	-	40	(0)
Transfer to Designated Regional Funds	b	-	-	(1,031)	-	-	1,031	-
Other funds	c	-	-	6,069	-	-	(4,586)	1,483
Transfers between funds		-	(38)	5,036	-	-	(3,515)	1,483
Balance as at 1 January 2020		12,122	8,082	22,333	753	(10,624)	16,873	49,538
Net income/(expenditure)		(123)	(397)	(6,557)	(476)	1,626	8,965	3,038
Unrealised foreign exchange movement		-	151	-	-	(63)	1,852	1,940
Actuarial gains/(losses) on defined benefit pension scheme		-	-	-	-	(3,363)	-	(3,363)
Forward Contract Unrealised Loss		-	-	-	-	-	(2,665)	(2,665)
Net gains/(losses) on investment assets		-	-	-	-	-	-	-
Balance as at 31 December 2020		12,000	7,798	20,812	277	(12,424)	21,510	49,972

Unrestricted funds and reserves	Note	Asset	Fixed	Other	Innovation Fund	Pension Reserve	General Fund	Total
		Revaluation Reserve	Asset Reserve	Designated Funds				
Group		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2019								
Additions to Fixed Assets (note 9)	a	-	256	-	-	-	(9)	247
Transfer to Designated Regional Funds	b	-	-	5,186	-	-	(5,186)	-
Other funds	c	-	22	498	(472)	-	(8,489)	(8,441)
Transfers between funds		-	277	5,684	(472)	-	(13,684)	(8,194)

Balance as at 1 January 2019	12,122	7,670	22,511	1,895	(9,973)	14,363	48,588
Net income/(expenditure)	-	(391)	(5,863)	(670)	1,418	5,062	(444)
Unrealised foreign exchange movement	-	525	-	-	(395)	2,706	2,836
Actuarial gains/(losses) on defined benefit pension scheme	-	-	-	-	(1,674)	-	(1,674)
Transfer of funds from other regions	-	-	-	-	-	8,321	8,321
Net gains/(losses) on investment assets	-	-	-	-	-	105	105
Balance as at 31 December 2019	12,122	8,082	22,333	753	(10,624)	16,873	49,538

Explanations of movements on unrestricted funds and reserves:

- The Fixed Asset Reserve represents the net book value of fixed assets with fixed asset additions being funded from the General Fund and depreciation being charged to this reserve each period.
- Funds allocated to the Designated Regional Funds from savings on budget allocation for utilisation in 2021.
- Funds set aside for innovation projects and other transfers.

Asset Revaluation Reserve	The Asset Revaluation Reserve represents the difference between the historical cost of fixed assets and the depreciated revalued equivalent.
Fixed Asset Reserve	The Fixed Asset Reserve represents the value of IPPF funds invested in unrestricted fixed assets (see note 9) or allocated for their replacement.
Other Designated Funds	Other Designated Funds include the Member Association Performance Fund, the Resource Mobilisation Fund, and various funds set aside for use by specific Regions.
Innovation Fund	The Innovation Fund is used to develop innovative projects and try new approaches to our work.
Pension Fund	The Pension Fund represents the value of IPPF's assets and liabilities arising in respect of the Central Office Defined Benefit Pension Scheme, which was closed in 2007. The movements in this fund are detailed in note 19.
General Fund	The General Fund contains the undesignated unrestricted funds of IPPF which are free of donor restrictions for specific activities or countries. These will fund future activities.

16 Net assets between funds

CHARITY

	2020 Total US\$'000
Fixed assets	55,464
Current assets	71,587
Current liabilities	(29,826)
Provisions for liabilities	(2,437)
Pension liability	(12,424)
Total 2020	82,364

CHARITY

	2019 Total US\$'000
Fixed assets	40,752
Current assets	68,076
Current liabilities	(18,349)
Provisions for liabilities	(19)
Pension liability	(10,624)
Total 2019	79,837

GROUP

	2020 Total US\$'000
Fixed assets	22,807
Current assets	98,816
Current liabilities	(23,581)
Provisions for liabilities	(3,254)
Pension liability	(12,424)

Total 2020	82,264
GROUP	2019 Total US\$'000
Fixed assets	23,258
Current assets	92,452
Current liabilities	(24,407)
Provisions for liabilities	(842)
Pension liability	(10,624)
Total 2019	79,837

17 Forward Commitments

Charity and Group	2020 US\$'000	2019 US\$'000
Orders for contraceptives and services due within one year	0	9

The commitments recognised 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:

The total future minimum lease payments under non-cancellable operating leases

Group	Buildings	Equipment	2020	Buildings	Equipment	2019
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Due						
Within the next 1 year	554	15	568	848	19	867
Between 2-5 years	960	-	960	812	1	813
Greater than 5 years		-	-	27	-	27
Total	1,513	15	1,528	1,687	20	1,706

18 Contingent Liability

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

19 Pension Schemes

IPPF operates three pension schemes as described below:

THE CENTRAL OFFICE DEFINED BENEFIT PENSION SCHEME (CLOSED)

This is a defined benefit scheme covering full-time staff in the Central Office, London. A decision was taken to close the scheme to current members in 1 September 2007. This followed the earlier decision in September 2003 to close the scheme to new members. 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 2018 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:

- Pensioners (average duration of the fund liability is 11.5 years);
- Non Pensioners (average duration of the fund liability is 22 years);

- Investment return 3.85% per annum pre-retirement.
- Investment return 2.35 % per annum post retirement.
- Pension revaluation before retirement in line with CPI (maximum 5%) – 2.70% per annum; and
- Pension increases after retirement in line with RPI (maximum 5%) - 3.45% per annum.

The report for the actuarial valuation as at 1 July 2018 showed the fund to have an asset value of GBP£31.9 million under the ongoing valuation method. This is equivalent to a funding level of 77% (market value of assets versus liabilities). An updated recovery plan was submitted to the Pensions Regulator from December 2019. This informed the regulator that of the recovery plan end date to be 31st October 2025.

As a result of the latest valuation as at 1 July 2018, the Employer and the Trustee agreed the following deficit funding contributions from 1 January 2020 to 31 October 2025:

1 January 2020 to 30 June 2020: Nil, 1 July 2020 to 31 October 2025: £229,290 per month (payable in July to Dec).

On 1 July 2021 and on each subsequent anniversary, the monthly amount will increase by 3.5%.

The next full valuation is due to be carried out as at 1 July 2021.

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

THE CENTRAL OFFICE DEFINED CONTRIBUTION PENSION SCHEME

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

The 2020 pension charge for this scheme is US\$210k (2019: US\$265k).

THE OVERSEAS EMPLOYEE PENSION SCHEME

Most full-time employees 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 2020 pension charge for this scheme is US\$402k (Charity) and US\$564k (Group) (2019: US\$153K (Charity) and US\$645K (Group)).

At 31 December 2020 there were no outstanding or prepaid contributions for any of the defined contribution schemes, (2019: US\$nil).

FRS 102 DISCLOSURE NOTE

There is one defined benefit pension scheme providing benefits on final pensionable salary, the Central Office Defined Benefit Pension Scheme. The latest full actuarial valuation of this scheme was carried out at 1 July 2018 and was updated for accounting purposes to 31 December 2020 by a qualified independent actuary from Premier Pensions Management Ltd.

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

	2020 US\$'000	2019 US\$'000
Pension contributions	1,900	1,690

Outstanding contributions at the year-end Nil (2019: US\$4k Charity and US\$18k Group).

The major assumptions used in the FRS 102 valuation were:

	2020 Per annum	2019 Per annum
Inflation – RPI	3.00%	3.40%
Inflation – CPI	2.20%	2.60%
Rate of discount	1.20%	2.00%
Pension increases:		
Pre 88 GMP	Nil	Nil
Post 88 GMP		2.70%
Excess over GMP accrued pre 1.3.1998	6.00%	6.00%
Excess over GMP accrued between 1.3.1998 and 31.7.2002	6.00%	6.00%
Excess over GMP accrued between 1.8.2002 and 5.4.2005	3.00%	3.60%
Excess over GMP accrued from 5.4.2005	2.30%	2.30%

Life expectancy (at age 65):	Years	
Males born 1954	23.0	21.8
Females born 1954	25.0	24.1
Males born 1974	24.0	23.2
Females born 1973	26.1	25.5

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

	2020	2019
Pre-retirement mortality (male/female)	S1PA / S1PA	S1PA / S1PA
Post retirement mortality for non-pensioner members (male/female)	S1PA /S1PA	S1PA / S1PA
Post retirement mortality for pensioner members (male/female)	S1PA / S1PA	S1PA / S1PA

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

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

Scheme assets

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

	2020	2019
	US\$'000	US\$'000
Bonds	10,814	11,314
Equities	18,910	27,418
Cash	849	155
Liability Driven Investment	22,466	7,293
Total market value of assets	53,040	46,180
Present value of scheme liability	(65,464)	(56,804)
Deficit in scheme – Net pension liability	(12,424)	(10,624)

The expected rates of return on the assets in the scheme were 1.2% (2019 – 2.0%). The actual return on scheme assets was \$ 6.7 m (2019 - \$4.9m).

Movement in pension fund liability during the year:	2020	2019
	US\$'000	US\$'000
Deficit in scheme at 1 January	(10,624)	(9,973)
Employer's contributions	1,836	1,690
Benefits paid	(210)	(272)
Actuarial losses	(3,363)	(1,674)
Exchange rate gain	(65)	(395)
Deficit in scheme at 31 December	(12,425)	(10,624)

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

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

The pension fund liability of US\$12.4 million does not exceed the unrestricted funds balance.

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

	2020 US\$'000	2019 US\$'000
Expected return on pension fund assets	(919)	(1,179)
Interest on pension fund liabilities	1,129	1,451
Net Interest Cost	210	272
Net cost recognised within net income for the year	210	272
Other recognised gains/losses – actuarial losses	3,363	1,674
Other recognised gains/losses – Unrealised foreign exchange loss (gain)	(65)	(395)
Total cost relating to defined benefit scheme recognized in the Statement of Financial Activities	(3,507)	(1,425)

20 Related Parties

IPPF requires each Board of Trustees member and Finance, Audit and Risk 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 organisation 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 employees always act in the best interests of IPPF and that there is openness and transparency concerning any actual or potential conflict of interest.

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

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

No remuneration was paid to members of the Board of Trustees or Audit committee.

Total expenses reimbursed to members of the Board of Trustees and Finance, Audit and Risk Committee members or incurred on their behalf for attendance at meetings was US\$ 8,449 (2019: US\$134,538).

There were no other related party transactions during the period.

21 Forward Currency Contracts

IPPF entered into forward currency contracts(FCC) with Global Reach in July and November 2020 with the aim of achieving the following two objectives:

- create certainty over the budget rates in 2021
- optimise the exchange rates that can be achieved.

IPPF's primary objective in hedging a foreign exchange position is to de-risk its budgeted income by identifying a projected income amount in one base currency (i.e. US\$) against grant income received in multiple currencies from multiple donors. All FCCs set out the currency pair, selling currency amount, settlement date, and delivery rate.

The FCC's rate of exchange is fixed and the value date is not beyond 2021, allowing IPPF to budget for future financial allocations knowing in advance precisely what the income or costs from the transaction will be at the specified future date. The nature of FCCs protects IPPF from unexpected or adverse movements in the currencies' future spot rates.

For IPPF, the selling currencies are AUD, DKK, SEK, NOK, NZD, EUR and the buying currency is USD.

The FCCs are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Gains or losses arising from changes in fair value are taken to the Statement of Financial Activities (SOFA). The fair value of the FCC is determined using forward exchange market rates at the balance sheet date. The mark to market loss on hedge contract and margin held as a deposit as at 31st December 2020 is presented as follows:

	2020 US\$'000	2019 US\$'000
Margin held due to the aggregate loss >5% carried to balance sheet as deposit	1,112	-
Market to market loss carried to income and expenditures report	2,352	-

Members of the Board of Trustees

The following were trustees in the period 1st January to May 2020 :

		Date resigned
Ms. Namukuza Olgah Daphynne	Uganda	16th May 2020
Mr. Antonio Rosario Niquice	Mozambique	4th May 2020
Ms. Clementine Guelmbaye Poloumbodje	Chad	16th May 2020
Ms. Rana Abu Ghazaleh (President)	Palestine	16th May 2020
Mr. Mohamed Tarek Ghedira	Tunisia	16th May 2020
Ms. Maysam Shouman	Lebanon	16th May 2020
Ms. Waimarama Matena (appointed November 2019)	New Zealand	16th May 2020
Dr. Chung Yul Lee (appointed November 2019)	China	16th May 2020
Mr. Andreas Prager (appointed November 2019)	New Zealand	16th May 2020
Ms. Mahtab Akbar Rashdi (Treasurer)	Pakistan	16th May 2020
Mr. Umesh Rudraradhya	India	16th May 2020
Ms. Pramisha Shrestha (appointed May 2019)	Nepal	16th May 2020
Ms. Alice Ackerman	France	16th May 2020
Mr. Gabriel Bianchi	Slovakia	16th May 2020
Ms. Gunta Lazdane	Latvia	16th May 2020
Ms. Donya Nasser	USA	16th May 2020
Ms. Jovana Rios Cisnero	Panama	16th May 2020
Mr. Kobe Smith	Guyana	16th May 2020

The following were trustees from 17th May 2020 to the date of this report, unless otherwise shown:

Kate Gilmore (Interim Chair)	France	External	
Isaac Adewole	Nigeria	External	
Abhina Aher	India	External	
Rosa Ayong Tchonang	Cameroon	Internal	
Ulukbek Batyrgaliev	Kyrgyzstan	Internal	
Surakshya Giri	Nepal	Internal	
Adriana Mendoza Bautista	Bolivia	Internal	(resigned August 2020)
Bience Gawanas (Treasurer)	USA	External	
Jacob Mutambo	Zambia	Internal	
Donya Nasser	USA	Internal	
Aurélia Nguyen	Switzerland	External	
Deika Nieto Villar	Panama	Internal	(resigned August 2020)
Dr Josephine Obel (on leave)	Denmark	Internal	
Elizabeth Schaffer	USA	External	
Kobe Smith	Guyana	Internal	(resigned August 2020)

MEMBERS OF THE NOMINATION AND GOVERNANCE COMMITTEE

Don Gunawardena	Sri Lanka	Internal
Ramatou Hama	Niger	Internal
Talaat Latif	Egypt	Internal
Neish McLean	Jamaica	External
Isabel Serrano	Spain	Internal
Jona Turalde	Philippines	External
Daniela Urquijo Defex	Colombia	Internal

MEMBERS OF THE FINANCE, AUDIT AND RISK COMMITTEE

Elizabeth Schaffer	USA	External (Joined July 2020)
Bience Gawanas	USA	External (Joined July 2020)
Judith Maffon	Benin	Internal
Nicolette Loonen	Netherlands	Internal
Maisarah Ahmad	Malaysia	Internal
Lakshan Seneviratne	Sri Lanka	External (Joined November 2020)

Contact Names and Addresses

Registered Address

4 Newhams Row
London
SE1 3UZ
United Kingdom

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

Directors' Leadership Team

Director-General	Alvaro Bermejo
Director, Programme Division	Manuelle Hurwitz
Director, External Affairs Division	Mina Barling
Director, Finance & Technology Division	Varun Anand
Director, People, Organization and Culture	Mariama Daramy-Lewis
Americas and Caribbean Regional Director	Eugenia Lopez Uribe
Africa Regional Director	Marie-Evelyne Petrus-Barry
Arab World Regional Director	Fadoua Bakhadda
East and South East Asia and Oceania Regional Director	Tomoko Fukuda
European Network Regional Director	Caroline Hickson
South Asia Regional Director	Sonal Mehta

Principal Banker

Barclays Bank PLC
One Churchill Place
London
E14 5HP
United Kingdom

External Auditor

Deloitte LLP, Statutory Auditor
Hill House
1 Little New Street
London
EC4A 3TR
United Kingdom

Internal Auditor

RSM Risk Assurance Services LLP UK
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1BP
United Kingdom

Solicitor

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

How to Help

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

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