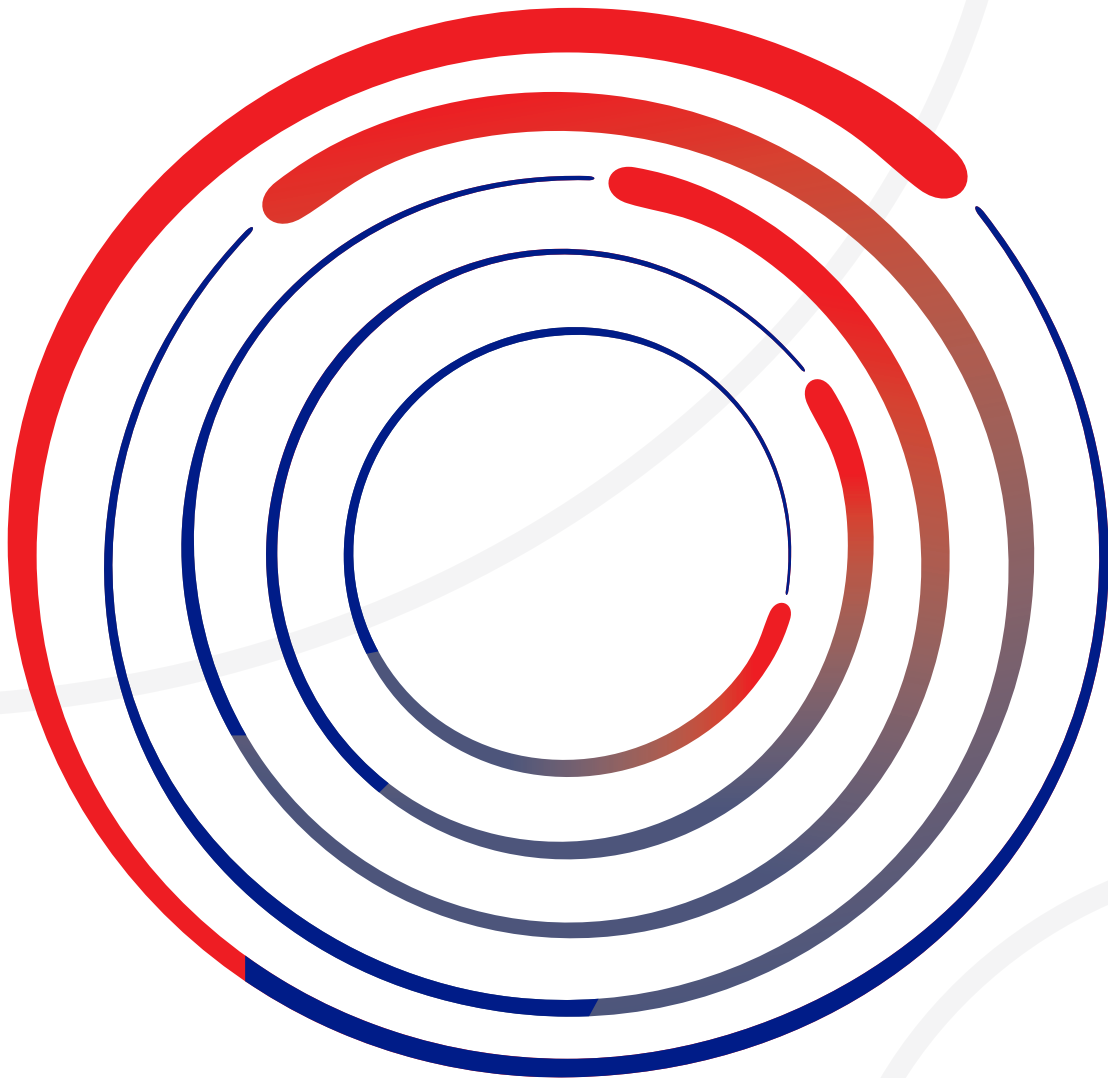


FPA SRI LANKA
ANNUAL REPORT
2021



Operational Review of 2021

As the effects of the Pandemic continued throughout the year, we were able to bring about a major shift in our approach to work. This began with the identification of the critical mass of our operations that needs to be done in the physical space.

Our Social Marketing of contraceptives was the key activity that continued without interruption in order to ensure that Sexual and Reproductive Health and Rights were delivered even within a vastly constrained external environment. Another area we kept running in the physical realm was the clinical operation in the underserved clusters, mainly in the Industrial Zones.

As a result, all our products and services were available and accessible at their respective outlets during the year. The curtailment and transference to the virtual platforms were observed in outreach work, trainings, meetings and advocacy group consultations. This was true adaptation to the new normal that became critical to keeping our staff safe. Additionally, we were able to leverage the relationship with our key government stakeholders to lobby for COVID-19 vaccination to our staff members.

Apart from a few, by the end of 2021, all our staff members were fully vaccinated and working on new platforms, geared to get through a prolonged Pandemic.



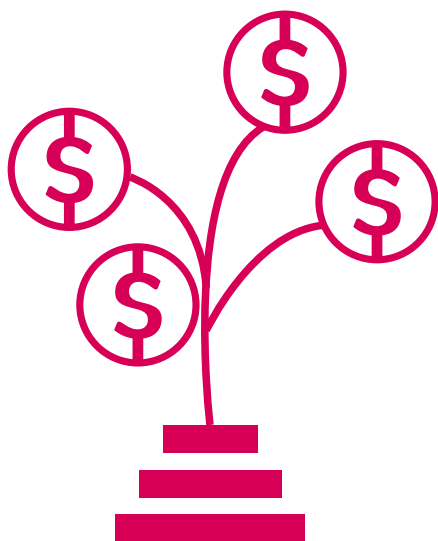
New Projects

2021 saw two of our large projects drawing to a conclusion. The first being The Global Fund's HIV Prevention Project which appointed FPASL as Principal Recipient (PR) 2 as it was entering a new phase of transition. This required them to engage only one PR, and we had to take on the Sub Recipient (SR) position in major, high-density districts of Colombo and Gampaha. FPASL's track record of target achievement was much appreciated as we were able to secure the sub-positions both in the national and regional grants funded by The Global Fund for the ensuing three years.

The UNFPA funded FP 2020 Project came to a proper conclusion in 2022. However, we were able to secure a few more projects that contributed to serving under-served populations and their SRH needs. They include Levis and RESPOND projects that were channelled through IPPF. The year 2021 saw the commencement and successful implementation of both of them.

On advocacy work, the division secured the RFSU and Netherland Embassy projects that contributed to advancing LGBTQIA+ rights. Several youth camps and educational programmes that were part of the UNFPA project were conducted virtually and latterly in the physical mode as well. This part of the UNFPA work was done by the Advocacy Unit.

The Movement Accelerator Grant from IPPF – SARO aimed to bring reforms to section 365 A of the Penal code of Sri Lanka. This was done through a partnership among iProbono, Ministry of Youth, Ministry of Justice and FPA Sri Lanka. The Project is designed to specifically address the impact of sections 365 and 365A of the Penal Code, which are actively being used to prosecute LGBTQIA+ persons.



Youth Empowerment

London Stock Exchange Group (LSEG) - Project on Comprehensive Sexuality Education

At the request of LSEG, FPA conducted 2 CSE programmes for young adults and out-of-school youth. The number of youth targeted in one programme was 30. The three-day comprehensive programme covered topics such as gender, the reproductive system, sexual health, sexual rights, modern contraceptives, STDs, LGBTQIA+ rights, and abortion. The programme was delivered in a participatory manner with games, participatory exercises, videos, and lectures given by trained SRH facilitators.

The initial programmes were held in the Southern province and will extend to the Central, Eastern and Northern Provinces as well in 2022. The programmes are conducted in Tamil and Sinhala, depending on the area.

UNFPA FP 2020 Project on Improving Access to Information/Services on SRHR and SGBV for Women and Young People (In the Southern, Central, Eastern and Northern Provinces)

Activities conducted were: 06 **Training of Trainers Programmes** on modern contraceptives, 60 **grass-root level trainings** for 611 female participants, 16 **Youth Camps** for 634 youth, 240 males and 394 females and 01 **sensitization programme** for women in urban settings in the Gampaha District. Sessions addressed SRH and Rights, modern contraception, pregnancy and termination, gender and GBV, relationships, services and referrals, menstruation etc. A **Training Module** was developed for physical sessions. Due to COVID-19 being widespread at the end of the year, the existing Module was adapted to suit online platforms with videos to suit the local setting.

The Global Fund called for proposals for the second phase of the SKPA programme, and FPA Sri Lanka joined an alliance with AFAO to submit a proposal for the SKPA 2 programme. With the support of AFAO, Regional Networks and four other country partners, the AFAO led proposal managed to secure the bid to carry out the SKPA 2 programme.

From January 2022 to June 2022, the SKPA 1 team will carry out its closeout activities, hoping to commence the SKPA 2 programme from July 2022 to June 2025.



Social Enterprise Hub of IPPF

Since January 2018, The Family Planning Association of Sri Lanka (FPASL) has functioned as IPPF's Social Enterprise Hub (SE Hub). The appointment of FPASL as the SE Hub was done with a strategic view that the Hub's potential and impact will be maximized if delivered, within the context of a well-established Member Association (MA) with significant expertise and a successful track record in social enterprise.

The SE Hub is located within FPASL's Head Office, with a dedicated two-member team, who are supported by the organization's Communications Officer, Social Marketing Staff and the Senior Management Team. The team works closely with IPPF London Office and the regional offices to ensure the successful implementation of the Social Enterprise Acceleration Programme (SEAP).

The Hub's primary objective is to establish and grow social enterprises (SRH and non-SRH) across the Federation to increase and diversify the Member Associations' funding base to provide for greater sustainability of MAs.



Key highlights and activities completed by the SE Hub for 2021 are as follows:

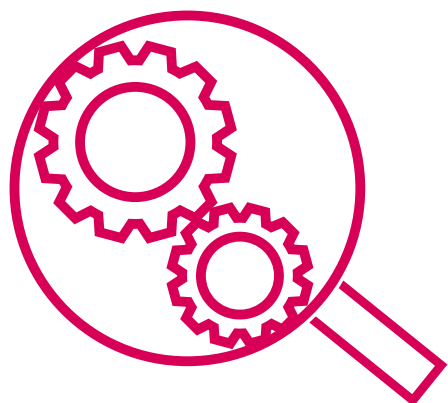
- * IPPF's SE Hub supported 20+ new enterprise/models in 2021, including the first ever MA in the European Network (EN) region. It has to date, worked with over 50 MAs, mainly due to its ability to work multi-lingually with the support of interpreters, translators and regional focal points.
- * Supported 13 MAs with seed grants to the total value of \$200,000. All projects are ongoing and expected to be completed by June 2022.
- * Organized the 2nd Global SE Internship - a two-week comprehensive online workshop to enhance SE knowledge and capabilities. This was attended and well received by 25 MA staff from across 15 countries.
- * Online tools: Upgrades done; enhanced learning modules; 2 of the 3 internal tools are now available in all IPPF languages. Through these channels, the Hub has received 15 Readiness Assessments and 14 Business Plans submitted by Member Associations, which is encouraging.
- * Global E-commerce store Planet 361 went live with FPASL getting on board. The Site supports the marketing and sale of products, services, and training. A Mobile App version is expected to go live soon. 6 MAs are working closely to come on board expeditiously.
- * 2 global SE webinars and multiple regional webinars were organized. Over 300 colleagues from different MAs across the world attended these events.
- * Collaboration with AWRO on the 'MAs Management Workshop' was a joint event of the SE Hub and Arab World Regional Office (AWRO).
- * A video series called 'The Buzz' was exclusively developed and shared as learnings from business leaders.
- * Formation of a close-knit regional support team that truly acknowledges/appreciates the support that the SE Hub provides. Efforts were made to align with the recommendations/solutions identified in the Learning Review conducted in 2020.
- * Many communication initiatives were carried out, including a 'Client Spotlight Series' (positive impact on MA clientele) to showcase the MA's SE work and to also provide federation-wide inspiration.

Monitoring and Evaluation

The newly developed client feedback application was integrated with the service delivery module of the Monitoring and Evaluation Information Management System (MEIMS) of FPA Sri Lanka and facilitated the Net Promoter Score (NPS) calculation with many data disaggregation levels. In 2021, we developed a TV application which enabled us to visualize and share real time data among our clients and visitors. The paper based Performance at a Glance billboard which we used to present annually over the years, will be fully replaced with the newly developed TV application.

We integrated MEIMS with Microsoft Powerbase to develop various dashboards including, [1] SRH Country Profile, [2] Our Performance at a Glance 2020, [3] Work in Progress 2021. The general public can access the newly developed dashboards with real time data through our corporate website and MEIMS homepage.

A management dashboard with more comprehensive analyses and visualization of our performance data is expected to be developed in 2022.



Social Marketing of Contraceptives


The Social Marketing Programme (SMP) ended the year on a positive note with the achievement of annual sales and revenue targets. However, the year was ridden with numerous unforeseen challenges stemming from suppliers and the macro-economic situation of the country. As we grappled with these challenges and overcame the obstacles, we were pleasantly surprised that the market and demand for our brands remained unchanged and this was the main strength of FPA Sri Lanka.

Out of the supplier related challenges we faced, the first relates to our Oral Contraceptive Pills supplier Bayer Pharma, Germany, backing out, saying that they were unable to supply to FPA Sri Lanka directly. This required us to procure Oral Contraceptives through IPPF at a much higher price than the direct supply line. The second was around our main supplier for Depo Provera Pfizer having to divert all its vaccine manufacturing plants to produce COVID-19 vaccines. This was the need of the hour as the global demand for COVID-19 vaccines had to be met and we had to look for alternate suppliers.

Though we had to face short term setbacks, we were able to find long term, sustainable solutions for these two issues as we had registered our own Oral Contraceptive Pill from another supplier as a precautionary measure. We also signed an agreement with Mylan Pharmaceuticals to import Medroxy-Progesterone Injections under our own branding. The issues, therefore, came as blessings in disguise, and we are optimistic that the steps taken to counter them will help us to further establish our Social Marketing Programme in the years to come. Presently these two brands are sold in the market and are well accepted by the clients, and have become top revenue earners in our portfolio.



A few of the other challenges we faced were issues related to the distribution of our products due to constant lockdowns. To overcome the same, we listed our products on most online platforms such as Daraz, Kapruka, etc. We also developed our own e-commerce site 'Planet 361' with the support of SEAP for fast and reliable delivery of our contraceptives. In addition to these, customers in Colombo and the suburbs are able to order contraceptives through PickMe and Uber (Popular online delivery partners) as well.



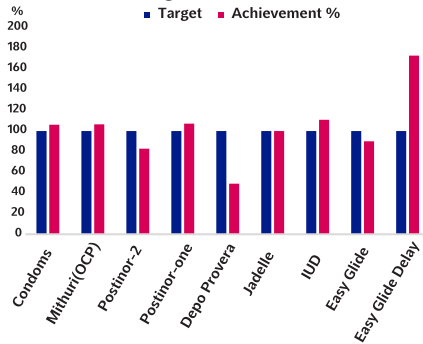
Another main challenge we faced was the second wave of COVID-19 after the Sinhala New Year. Due to the lockdowns in May and June, there was a considerable dip in our sales which was seemingly impossible to recover from. At the end of November, SMP had achieved 87% of the annual target. Achieving the balance 13% in one month was a daunting task, but our goal was to minimize the gap in revenue and increase the surplus generated at year-end. But by the end of December, we achieved a revenue of Rs. 630m exceeding the annual target of Rs. 625m.

Factors such as suppliers increasing their prices, devaluation of the Sri Lankan Rupee, increased freight charges and other limitations compelled us to increase our retail prices within permitted limits and reason. But due to the prudent management of our finances, we exceeded the promised surplus at the year-end by Rs. 17m. All these led us to believe that we need to venture out from the imported contraceptives and include some local products to balance the portfolio during turbulent times like this year.

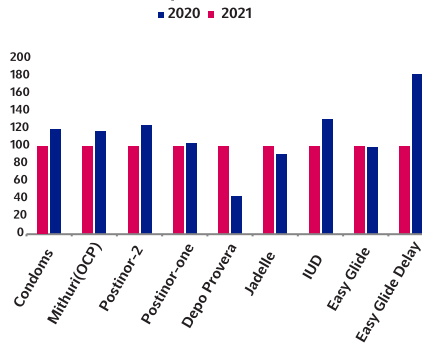
Overall, a successful year in terms of Projects, Marketing and other activities in our main operational field. The Senior Management Team wishes to express their gratitude to all donors, staff, board and TAC members who, in numerous ways, went beyond their call to help us achieve the results indicated above in a very challenging year.

Performance Highlights

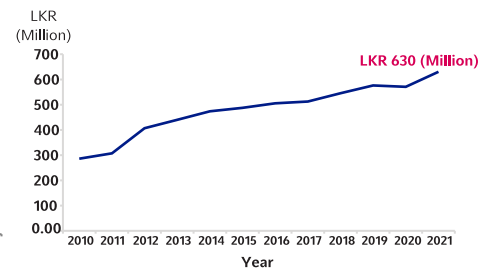
Sales Targets vs Achievement 2021



Sales Comparison between 2020/2021



Revenue



Total Income Generated (LKR)

971,968,401

Donor Distribution (LKR)

311,659,597

Total CYP

374,794

Youth Trained on CSE

1,362

281 **1081**



Static Associated Mobile

7 **16** **176**



4,955



New Users of Modern Contraceptive Methods through FPA Clinics

214



Services Provided

105,761



Total Clients

27,932



Women

17,306



Men

10,626



>25 Boys below 25

3,134



>25 Girls below 25

3,006



Transgender Clients

1,534



Special Needs Clients

48



Clients with HIV

1,033

Net Promoter Score

64%

Overall

Female

61%

Male

68%

Youth

58%

Financial Statements



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Independent Auditors' Report



KPMG
(Chartered Accountants)
32A, Sir Mohamed Macan Markar Mawatha,
P. O. Box 186
Colombo 00300, Sri Lanka.

Tel : +94 11 542 6426
Fax : +94 11 244 5872
+94 11 244 6058
Internet : www.kpmg.com/lk

TO THE MEMBERS OF THE FAMILY PLANNING ASSOCIATION OF SRI LANKA

Report on the Financial Statements

We have audited the accompanying financial statements of The Family Planning Association of Sri Lanka, ("the Association"), which comprise the Statement of financial position as at 31 December 2021, and the Statement of Income and Expenditure, Statement of Changes in Fund Balances and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with Sri Lanka Auditing Standard (SLAuS) for the Audits of Non – Specified Business Enterprises (Non - SBEs), which require that we plan and perform the audit to obtain reasonable assurance about whether the said financial statements are free of material misstatements. An Audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the said financial statements, assessing the accounting principles used and significant estimates made by the National Council, evaluating the overall presentation of the financial statements, and determining whether the said financial statements are prepared and presented in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities. We are independent of the Association in accordance with the Code of Ethics issued by CA Sri Lanka (Code of Ethics) and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. We therefore believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium-sized Entities.

Respective Responsibilities of the National Council and Auditors

The National Council is responsible for maintaining proper accounting records, preparing and presenting these financial statements in accordance with the Sri Lanka Accounting Standard for Small and Medium-sized Entities. Our responsibility is to express an opinion on these financial statements, based on our Audit in accordance with SLAuS for Non-SBEs.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we have obtained all the information and explanations that were required for the audit and, as far as appears from our examination, proper accounting records have been kept by the Association.

CHARTERED ACCOUNTANTS
Colombo, Sri Lanka
18 April 2022

P. Y. S. Perera FCA
W. J. C. Perera FCA
W. K. D. C. Abeyrathne FCA
R. M. D. B. Rajapakse FCA
M. N. M. Shameel FCA
Ms. P. M. K. Sumanasekara FCA
C. P. Jayatilake FCA
Ms. S. Joseph FCA

S. T. D. L. Perera FCA
Ms. B. K. D. T. N. Rodrigo FCA
Ms. C. T. K. N. Perera ACA
T. J. S. Rajakarier FCA
Ms. S. M. B. Jayasekara FCA
G. A. U. Karunaratne FCA
R. H. Rajan FCA
A. M. R. P. Alahakoon ACA

Principals

S.R.I. Perera FCMA (UK), LLB, Attorney-at-law
H. S. Goonawardene ACA
W. A. A. Weerasekara CFA, ACMA, MRICS

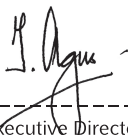
KPMG, a Sri Lankan Partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Statement of Financial Position

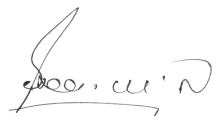
As at 31 December		2021	2020
	Note	Rs.	Rs.
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	4	37,961,343	41,556,954
Intangible Assets	5	-	4,534
Investment Property	6	229,289,593	240,494,769
Deferred Tax Assets	7	3,315,494	2,281,618
Total Non-Current Assets		270,566,430	284,337,875
Current Assets			
Inventories	8	63,422,288	121,055,229
Trade and other Receivables	9	136,936,971	121,323,415
Investments	10	393,686,187	299,278,497
Cash and Cash Equivalents		76,666,203	87,541,395
Total Current Assets		670,711,649	629,198,536
Total Assets		941,278,079	913,536,411
FUND AND LIABILITIES			
Accumulated Fund		129,904,866	146,667,409
Revenue Reserves	11	435,843,132	405,115,663
Total Fund		565,747,998	551,783,072
Non-Current Liabilities			
Retirement Benefit Obligations	12	37,143,000	36,196,147
Total Non-Current Liabilities		37,143,000	36,196,147
Current Liabilities			
Trade and other Payables	13	138,558,365	81,542,775
Deferred Income	14	95,268,917	114,274,257
Income Tax Payable		1,615,365	12,674,714
Short Term Loans and other Borrowings	15	97,180,393	110,244,465
Bank Overdraft		5,764,041	6,820,981
Total Current Liabilities		338,387,081	325,557,192
Total Fund and Liabilities		941,278,079	913,536,411

The Notes annexed form an integral part of these Financial Statements. It is certified that the Financial Statements have been prepared in compliance with the requirements of the Companies Act No. 07 of 2007.

The National Council is responsible for the preparation and presentation of these financial statements. Signed for and on behalf of the National Council by,




Executive Director



Finance Director



Director / National Council Member



Director / National Council Member

Colombo, Sri Lanka
06 April 2022

Statement of Income and Expenditure

For the Year Ended 31 December		2021	2020
	Note	Rs.	Rs.
Revenue		943,617,571	902,051,504
Donor Grants			
Restricted Grants			
Restricted Donor Grants	16	292,961,866	306,013,229
Restricted Project Costs on Goals	17	(292,961,866)	(306,013,229)
Surplus over Project Expenditure		-	-
Unrestricted Grants			
Unrestricted Donor Grants	16.1	16,730,279	21,230,928
Income Generated from Projects	18	3,666,551	4,111,954
Other Project Costs on Goals	19	(42,257,728)	(43,451,864)
Deficit over Project Expenditure		(21,860,898)	(18,108,982)
Contraceptive Sales	16	630,258,875	570,695,393
Cost of Contraceptive Sales		(445,667,537)	(369,192,436)
Gross Profit of Contraceptive Sales		184,591,337	201,502,957
Other Income	20	11,063,398	19,654,021
Administrative Expenses	21	(89,882,064)	(90,627,946)
Selling & Distribution Expenses	22	(76,159,784)	(73,194,072)
Net Finance Income	23	14,406,602	18,100,190
Surplus before Taxation	24	22,158,591	57,326,168
Income Tax Expense	25	(8,193,664)	(17,836,885)
Surplus for the Year		13,964,927	39,489,283

The Notes annexed form an integral part of these Financial Statements.
Figures in the brackets indicate deductions.

Statement of Changes in Fund Balances

	Accumulated Fund	Special Reserve Fund	Endowment Fund	President's Discretionary Fund	Total
	Rs.Rs.	Rs.	Rs.		Rs.
Balance as at 01 January 2020	160,795,753	334,980,171	13,352,353	3,165,512	512,293,789
Surplus for the Year	39,489,283	-	-	-	39,489,283
Transfer to Special Reserve Fund	(52,172,314)	52,172,314	-	-	-
Transfer to Endowment Fund	(1,168,331)	-	1,168,331	-	-
Transfer to President's Fund	(276,982)	-	-	276,982	-
Balance as at 31 December 2020	146,667,409	387,152,485	14,520,684	3,442,494	551,783,072
Balance as at 01 January 2021	146,667,409	387,152,485	14,520,684	3,442,494	551,783,072
Surplus for the Year	13,964,927	-	-	-	13,964,927
Transfer to Special Reserve Fund	(29,829,311)	29,829,311	-	-	-
Transfer to Endowment Fund	(726,034)	-	726,034	-	-
Transfer to President's Fund	(172,125)	-	-	172,125	-
Balance as at 31 December 2021	129,904,866	416,981,796	15,246,718	3,614,619	565,747,999

The Notes annexed form an integral part of these Financial Statements.

Figures in brackets indicate deductions.

Statement Of Cash Flows

For the year ended 31 December	Note	2021 Rs.	2020 Rs.
Cash Flows from Project Activities			
Surplus before Taxation		22,158,591	57,326,168
Adjustments for;			
Depreciation of Property, Plant and Equipment	4	9,591,420	9,457,818
Finance Income	23.1	(16,913,082)	(23,945,472)
Finance Expenses	23.1	2,506,480	5,845,282
Interest Expense on Import Loans under Cost of Contraceptive Ssales		2,645,800	6,912,811
Depreciation of Investment Property	6	11,205,176	11,606,655
Amortization of Intangible Assets - ERP System	5	4,534	169,963
Inventory Provision		-	30,703
Bad Debt Provision Charge / (Reversal)		451,926	(944,212)
Provision for Retirement Gratuity	12	5,598,024	5,453,127
Operating Surplus before Working Capital Changes		37,248,869	71,912,843
Changes in;			
Inventories		57,632,941	(23,538,412)
Trade and other Receivables		(15,613,556)	33,607,799
Trade and other Payables		57,015,591	26,551,443
Cash Generated from Operations		136,283,845	108,533,674
Interest Paid		(5,152,280)	(12,758,093)
Gratuity Paid	12	(4,651,171)	(3,772,260)
Income Tax Paid		(15,191,361)	(6,372,030)
Net Cash Generated from Project Activities		111,289,033	85,631,290
Cash Flows from Investing Activities			
Acquisition of Property, Plant & Equipment	4	(5,995,809)	(7,106,096)
Interest Received		16,913,082	23,945,472
Acquisition of Investment Property	6	-	(9,619,870)
Investments made in Fixed Deposits and Treasury Bills		(96,503,145)	(21,161,136)
Net Cash used in Investing Activities		(85,585,872)	(13,941,630)
Cash Flows from Financing Activities			
Loans Obtained during the Year		317,727,768	355,702,454
Loans Settled during the Year		(333,930,485)	(431,469,785)
Funds Received during the Year	14	273,643,170	324,412,877
Expenditure Incurred from Restricted Grants	14	(292,961,866)	(306,013,229)
Net Cash used in Financing Activities		(35,521,413)	(57,367,683)
Net Increase / (Decrease) in Cash and Cash Equivalents		(9,818,252)	14,321,978
Cash and Cash Equivalents at the Beginning of the Year		80,720,414	66,398,436
Cash and Cash Equivalents at the End of the Year		70,902,162	80,720,414
Analysis of Cash & Cash Equivalents at the End of the Year			
Cash in Hand and at Bank		76,666,203	87,541,395
Bank Overdraft		(5,764,041)	(6,820,981)
		70,902,162	80,720,414

The Notes annexed form an integral part of these Financial Statements.
Figures in brackets indicate deductions.

Notes To The Financial Statements

1. REPORTING ENTITY

1.1 General

The Family Planning Association of Sri Lanka ("Company") is a Company limited by Guarantee incorporated and domiciled in Sri Lanka. The registered office of the Association is located at No. 37/27, Bullers Lane, Colombo 07 and the principal place of business is also situated at the same place.

1.2 Principal Activities and Nature of Operations

During the year, the principal activities of the Association were as follows;

- (i) The formulation and development of information, education and training programs including the application of audio visual and mass media materials.
- (ii) The provision of medical and clinical services, advice on family planning technology and maintenance of clinical service statistics.
- (iii) The promotion of national and local fund raising campaigns.
- (iv) The assessment of the conduct and effect of the programs undertaken.

1.3 Number of Employees

The number of the employees of the Association at the end of the year was 117 (2020 - 113).

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The Statement of Financial Position, Statement of Income and Expenditure and Statement of Changes in Fund Balances, Statement of Cash Flows and Notes to the Financial Statements ("Financial

Statements") of the Association as at 31 December 2021 and for the year then ended, comply with the Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs) issued by the Institute of Chartered Accountants of Sri Lanka and the requirements of the Companies Act No. 07 of 2007.

The Financial Statements of The Family Planning Association of Sri Lanka for the year ended 31 December 2021 were authorized for issue in accordance with a resolution of the National Council on 06 April 2022.

2.2 Basis of Measurement

The Financial Statements have been prepared on the historical cost basis except for the defined benefit obligations which are measured at the fair value in the Statement of Financial Position.

2.3 Functional and Presentation Currency

The Financial Statements are presented in Sri Lankan Rupees (LKR), which is the Association's functional currency. All amounts have been rounded to the nearest rupee unless stated otherwise.

2.4 Use of Estimates and Judgments

The preparation of Financial Statements in conformity with SLFRS for SMEs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of Assets, Liabilities, Income and Expenses. Actual results may differ from these estimates.

Estimates and underline assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised and in any future periods affected.

2.5 Going Concern

The National Council has made an assessment of Association's ability to continue as a going concern and are satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, the Council is not aware of any material uncertainties that may cast significant doubt upon the Association's ability to continue as a going concern and they do not intend either to liquidate or to cease operations of the Association. Therefore, the Financial Statements continue to be prepared on the going concern basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The Association has consistently applied the following accounting policies to all periods presented in these Financial Statements.

3.1. Foreign Currency Translation

Transactions in foreign currencies are translated to the functional currency (LKR) of the Association at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange at the reporting date.

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

Foreign currency differences are generally recognized in profit or loss.

Notes To The Financial Statements

3.2 Financial Instruments

3.2.1 Non-derivative Financial Assets

The Association initially recognizes loans and receivables on the date when they are originated.

The Association derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Association is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Loans and Receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses. The losses arising from impairment are recognized in Statement of Income and Expenditure.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in

their fair value, and are used by the Association in the management of its short-term commitments.

3.2.2 Non-derivative Financial Liabilities

All financial liabilities are recognized initially on the trade date, which is the date that the Association becomes a party to the contractual provisions of the instrument. The Association derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Association classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

3.3 Property, Plant and Equipment

3.3.1 Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in Statement of Income and Expenditure.

3.3.2 Subsequent Expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic

benefits associated with the expenditure will flow to the Association.

The costs of the day-to-day servicing of property, plant and equipment are expensed as incurred.

3.3.3 Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is recognized in profit or loss.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	Lower of lease period or 20 Years
Other Equipment	04 Years
Audio and Video Equipment	04 Years
Furniture and Fittings	10 Years
Motor Vehicles	04 Years
Computer Equipment	04 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted appropriately.

3.4 Intangible Assets

3.4.1 Recognition and Measurement

Intangible assets that are acquired by the Association and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Notes To The Financial Statements

3.4.2 Subsequent Expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

3.4.3 Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual value using the straight-line method over their estimated useful lives, and is generally recognized in Statement of Income and Expenditure. The estimated useful life of intangible asset is as follows:

ERP System – SAGE Evolution 4 Years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.5 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost.

When the use of a property changes such that it is reclassified as property, plant and equipment, its carrying value at the date of reclassification becomes its cost for subsequent accounting.

3.6 Inventories

Inventories are measured at the lower of cost and net realizable value.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and

condition.

The cost of inventories is based on First-In, First-Out (FIFO) principle.

3.7 Impairment

3.7.1 Non-derivative Financial Assets

A financial asset not classified as at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes; default or delinquency by a debtor, restructuring of an amount due to the Association on terms that the Association would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers or the disappearance of an active market for a security.

3.7.1.1 Financial Assets Measured at Amortized Cost

The Association considers evidence of impairment for financial assets measured at amortized cost (loans and receivables) at both an individual asset and collective level. All individually significant assets are individually assessed for impairment. Those found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

3.7.1.2 Non-Financial Assets

The carrying amounts of the Association's non-financial assets, other than inventories and deferred tax assets, are reviewed at

each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or cash generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognized in the Statement of Income and Expenditure.

3.8 Employee Benefits

3.8.1 Short-term Employee Benefits

Short-term employee benefit obligations are expensed as the related service is provided.

3.8.2 Defined Contribution Plans

A Defined Contribution Plan is a post-employment benefit plan under which an entity pays fixed contribution into separate entity and will have no legal or constructive obligation to pay further amounts.

All employees who are eligible for Employees' Provident Fund and Employees' Trust Fund are covered by relevant contributions to the defined contribution plans and are recognized as an expense in Statement of Income and Expenditure when incurred.

Notes To The Financial Statements

Employees' Provident Fund (EPF):

The Association and employees contribute 12% and 8% respectively on the basic salary of each employee to the above mentioned fund.

Employees' Trust Fund (ETF):

The Association contributes 3% of the basic salary of each employee to the Employees' Trust Fund.

3.8.3 Defined Benefits Plan - Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Association's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs are deducted.

The Association provided for gratuity liability based on the gratuity formula method.

The retirement benefit obligation is not externally funded.

3.9 Provisions

A provision is recognized if the Association has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.10 Deferred Income

Where income from donors is restricted for specific activity and specific future accounting period, the income has been deferred and shown as a current liability.

3.11 Grants and Subsidies

Grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is set up as deferred income. Where the Association receives non-monetary grants, the asset and that grant are recorded at nominal amounts and is released to the statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

3.12 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Association, and the revenue and associated costs incurred or to be incurred can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Revenue is measured net of trade discounts, returns, rebates and value added taxes.

(i) Sale of Goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

(ii) Grants

Where income from donors is restricted for specific activity it has been deferred and released into revenue as funds are expensed on those specific activity.

3.13 Other Income

Interest income is recognized in Statement of Income and Expenditure as it accrues, using the effective interest method.

Gain on disposal of property, plant and equipment will be accounted for in Statement of Income and Expenditure, after deducting from the net sales proceeds on disposal of the carrying amount of such assets.

3.14 Finance Costs

Finance costs comprise interest expense on borrowings.

3.15 Taxation

As per SLFRS for SMEs, tax expense is the aggregate amount included in determination of surplus or deficit for the period in respect of current and deferred taxes. Income tax expense is recognized in the income statement.

3.15.1 Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted on the reporting date, and any adjustment to tax payable in respect of previous years.

Provision for taxation is based on the profit for the year adjusted for taxation purposes in accordance with the provision of the Inland Revenue Act No. 24 of 2017 and subsequent amendments thereto.

The Association is Liable for income tax at the rate of 14% on the taxable profit on business and 24% on Investment Income.

Notes To The Financial Statements

3.15.2 Deferred Taxation

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

3.16 National Council's Responsibility for the Financial Statements

National Council is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Notes To The Financial Statements

4 Property, Plant and Equipment

	Freehold Land	Buildings	Furniture and Fittings	Other Equipment	Audio and Video Equipment	Motor Vehicle	Computer Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost								
Balance as at 01.01.2021	665,780	50,835,419	4,009,770	28,698,368	1,215,145	54,750,625	25,967,093	166,142,200
Additions	-	-	26,910	2,308,749	-	-	3,660,150	5,995,809
Balance as at 31.12.2021	665,780	50,835,419	4,036,680	31,007,117	1,215,145	54,750,625	29,627,243	172,138,009
Accumulated Depreciation								
Balance as at 01.01.2021	-	24,246,019	3,147,335	25,512,966	1,215,145	49,070,889	21,392,892	124,585,246
Charge for the Year	-	1,906,969	315,394	2,354,445	-	3,293,938	1,720,674	9,591,420
Balance as at 31.12.2021	-	26,152,988	3,462,729	27,867,411	1,215,145	52,364,827	23,113,566	134,176,666
Carrying Amount								
As at 31 December 2021	665,780	24,682,431	573,951	3,139,706	-	2,385,798	6,513,677	37,961,343
As at 31 December 2020	665,780	26,589,400	862,435	3,185,402	-	5,679,736	4,574,201	41,556,954

4.1 Building on Leased Land

Buildings of the Association includes a building which has been constructed on leasehold land at Bullers Lane, Colombo 07 (Land No. 2872 obtained from the Government of Sri Lanka). The initial Lease Agreement for the said land has been expired on 11 August 2000 and by a letter dated 02 August 2006 Ministry of Agriculture, Lands, Animal Production and Health, Irrigation and Tourism (Western Province) has confirmed that the lease period has been further extended for a further period of 30 years from 11 August 2000. Further from a letter dated 31 January 2007 Land Commissioner's Department has also confirmed that the Minister has approved the lease period extension. However, no new agreement has been signed by the two parties as of the reporting date.

The Association pays Rs. 500,000/- per annum as annual rent to the Divisional Secretariat Thimbrigasyaya for above mention land.

Notes To The Financial Statements

5 Intangible Assets

	Balance as at 01.01.2021 Rs.	Additions Rs.	Balance as at 31.12.2021 Rs.
Cost			
ERP System - SAGE Evolution	6,800,174	-	6,800,174
	<u>6,800,174</u>	<u>-</u>	<u>6,800,174</u>
	Balance as at 01.01.2021 Rs.	Charge for the year Rs.	Balance as at 31.12.2021 Rs.
Amortization			
ERP System - SAGE Evolution	6,795,640	4,534	6,800,174
	<u>6,795,640</u>	<u>4,534</u>	<u>6,800,174</u>
		2021 Rs.	2020 Rs.
Carrying Amount			
ERP System - SAGE Evolution		-	4,534

6 Investment Property

	Balance as at 01.01.2021 Rs.	Additions Rs.	Balance as at 31.12.2021 Rs.
Cost			
Land	39,739,000	-	39,739,000
Building	224,103,517	-	224,103,517
	<u>263,842,517</u>	<u>-</u>	<u>263,842,517</u>
	Balance as at 01.01.2021 Rs.	Charge for the year Rs.	Balance as at 31.12.2021 RS.
Accumulated Depreciation			
Building	23,347,748	11,205,176	34,552,924
	<u>23,347,748</u>	<u>11,205,176</u>	<u>34,552,924</u>
As at 31 December		2021 Rs.	2020 Rs.
Carrying Amount			
Land		39,739,000	39,739,000
Building		189,550,593	200,755,769
		<u>229,289,593</u>	<u>240,494,769</u>

Notes To The Financial Statements

As at 31 December	2021 Rs.	2020 Rs.		
7 Deferred Tax Assets				
Balance as at the Beginning of the Year	2,281,618	2,129,345		
Amounts Recognized during the Year	1,033,876	152,273		
Balance as at the End of the Year	3,315,494	2,281,618		
7.1 Deferred Tax Assets / (Liabilities) are Attributable to the Following Temporary Differences:				
As at 31 December	2021		2020	
	Temporary Differences Rs.	Tax Effect at 14% Rs.	Temporary Differences Rs.	Tax Effect at 14% Rs.
Property, Plant and Equipment	(13,460,906)	(1,884,526)	(19,898,879)	(2,785,843)
Employee Benefits	37,143,001	5,200,020	36,196,147	5,067,461
	23,682,095	3,315,494	16,297,268	2,281,618
8 Inventories				
Contraceptives			61,065,559	117,025,890
Packing Materials and Pharmaceutical Items			1,825,976	3,515,657
Stationery & Other Items			561,456	544,385
			63,452,991	121,085,932
Provision for Inventories			(30,703)	(30,703)
			63,422,288	121,055,229
9 Trade and other Receivables				
Trade Debtors			120,506,219	92,985,059
Provision for Bad and Doubtful Debts			(3,048,484)	(2,750,931)
			117,457,735	90,234,128
Staff Loans			452,000	-
Prepaid Expenses			3,875,350	3,233,997
Other Receivables			15,151,886	27,855,290
			136,936,971	121,323,415
10 Investments				
Fixed Deposits (Note 10.1)			393,445,695	299,041,650
Call Deposits			240,492	236,847
			393,686,187	299,278,497
10.1 Fixed Deposits				
Capital			386,661,174	290,161,674
Interest Receivable			6,784,521	879,976
			393,445,695	299,041,650

Notes To The Financial Statements

As at 31 December	2021 Rs.	2020 Rs.
11 Revenue Reserves		
Special Reserve Fund (Note 11.1)	416,981,795	387,152,485
Endowment Fund (Note 11.2)	15,246,718	14,520,684
President's Discretionary Fund (Note 11.3)	3,614,619	3,442,494
	<u>435,843,132</u>	<u>405,115,663</u>
11.1 Special Reserve Fund		
Fund Balance at the Beginning of the Year	387,152,484	334,980,171
Transferred from Undesignated Fund	29,829,311	2,172,314
Fund Balance at the End of the Year	<u>416,981,795</u>	<u>387,152,485</u>
11.2 Endowment Fund		
Fund Balance at the Beginning of the Year	14,520,684	13,352,353
Transferred from Undesignated Fund	726,034	1,168,331
Fund Balance at the End of the Year	<u>15,246,718</u>	<u>14,520,684</u>
11.3 President's Discretionary Fund		
Fund Balance at the Beginning of the Year	3,442,494	3,165,512
Transferred from Undesignated Fund	172,125	276,982
Fund Balance at the End of the Year	<u>3,614,619</u>	<u>3,442,494</u>
12 Retirement Benefit Obligations		
Balance as at the Beginning of the Year	36,196,147	34,515,280
Provision for the Year	5,598,024	5,453,127
Benefit Paid during the Year	(4,651,171)	(3,772,260)
Balance as at the End of the Year	<u>37,143,000</u>	<u>36,196,147</u>

As required by Sri Lanka Accounting Standard for Small & Medium-sized Entities, the Association has provided gratuity liability based on the Gratuity Formula Method.

The principal assumptions used to arrive above gratuity liability are as follows;

As at 31 December	2021	2020
Expected Annual Average Salary Increment rate (%)	11%	7%
Discount Rate (%)	11.72%	8%
Staff Turnover Factor (%)	11.96%	1%
Maximum Retirement Age of the Employees	60 Years	60 Years

Notes To The Financial Statements

As at 31 December	2021 Rs.	2020 Rs.
13 Trade and other Payables		
Accounts Payable	80,967,861	24,926,633
Rent Received in Advance	420,000	11,420,000
Security Deposit Payable	7,979,731	6,214,634
Accrued Expenses	14,501,368	13,180,580
Sundry Creditors	34,689,405	25,800,928
	138,558,365	81,542,775

14 Deferred Income					
	Balance as at 01.01.2021	Funds Received	Funds Receivable	Grants transferred to Income	Balance as at 31.12.2021
	Rs.	Rs.	Rs.	Rs.	Rs.
IPPF	20,140,735	87,607,019	313,356	69,732,503	38,328,607
UNAIDS	28,140	-	-	-	28,140
UN Population Fund	8,836,880	13,680,084	-	21,746,429	770,535
Global Fund	82,891,102	164,288,481	-	196,769,939	50,409,644
Others	2,377,400	8,067,586	-	4,712,995	5,731,991
	114,274,257	273,643,170	313,356	292,961,866	95,268,917

As at 31 December	2021 Rs.	2020 Rs.
15 Short Term Loans and other Borrowings		

Short Term Loans	81,071,378	35,854,485
Import Loans	16,109,015	74,389,980
	97,180,393	110,244,465

For the Year ended 31 December	2021 Rs.	2020 Rs.
16 Revenue		

Restricted Donor Grants (Note 14)	292,961,866	306,013,229
Unrestricted Donor Grants (Note 16.1)	16,730,279	21,230,928
Contraceptive Sales	630,258,875	570,695,393
Income Generated from Projects	3,666,551	4,111,954
	943,617,571	902,051,504

16.1 Unrestricted Grants		
Core Grant	16,730,279	21,230,928
	16,730,279	21,230,928

Notes To The Financial Statements

As at 31 December	2021 Rs.	2020 Rs.
17 Restricted Project Costs on Goals		
Global Fund ATM	162,384,480	220,932,400
Global Fund - SKPA	34,385,459	14,814,175
IPPF Projects	69,732,503	51,952,371
Other Projects	26,459,424	18,314,283
	<u>292,961,866</u>	<u>306,013,229</u>
18 Income Generated from Projects		
Training Services Income	849,100	1,036,400
Fundraising Income	2,084,351	2,197,719
Clinic Income	733,100	877,835
	<u>3,666,551</u>	<u>4,111,954</u>
19 Other Project Costs on Goals		
Chinthana Training Centre	4,020,173	5,424,619
Communication Unit	3,137,136	2,677,299
Youth Project	634,353	78,896
SRH Institute	1,245,924	1,480,288
Advocacy Unit	6,406,003	4,355,982
Centre for Family Health	7,005,528	8,597,403
Outreach Unit	19,536,340	20,477,761
Comprehensive Sexuality Education Programmes	272,271	351,366
Associated Clinics Project	-	8,250
	<u>42,257,728</u>	<u>43,451,864</u>
20 Other Income		
Miscellaneous Income	759,279	4,480,968
Rent Income	8,336,667	14,095,000
Project Income	1,967,452	1,078,053
	<u>11,063,398</u>	<u>19,654,021</u>

Notes To The Financial Statements

For the year ended 31 December	2021 Rs.	2020 Rs.
21 Administrative Expenses		
Personnel & Employee Benefits	48,275,033	47,669,085
Bank Charges	1,102,459	1,301,115
Travel & Per diem Expenses	644,898	1,186,608
Vehicle Running Costs	1,643,115	321,968
Printing & Stationery	163,046	1,651,117
Consumables	2,493,153	1,804,440
Communications	4,983,151	4,644,935
Depreciation and Amortization	20,801,129	21,234,438
Audit Fees & Expenses	785,578	679,106
Consultancy & Professional Fees	895,140	1,570,253
Maintenance of Building & Equipment	4,543,493	1,623,314
Insurance Expense	2,292,403	2,282,858
Development Activities	2,317,532	4,844,202
Occupancy Cost	(1,058,066)	(185,493)
	89,882,064	90,627,946
22 Selling & Distribution Expenses		
Personnel & Employee Benefits	22,930,536	23,285,961
Travel & Per diem Expenses	10,458,405	9,560,074
Vehicle Running Costs	15,251,684	13,812,206
Printing & Stationery	327,184	226,876
Promotional Expenses	19,929,848	22,031,702
Consultancy & Professional Fees	1,969,427	1,451,029
Bad Debtors	451,926	(944,212)
Insurance	82,869	227,686
Website Maintenance	84,153	182,393
Consumables	4,673,752	3,360,357
	76,159,784	73,194,072
23 Net Finance Income		
23.1 Finance Income		
Interest on Fixed & Call Deposits / Money Market Account	16,913,082	23,945,472
	16,913,082	23,945,472
23.2 Finance Costs		
Interest on Short Term Loans	(2,506,480)	(5,845,282)
	(2,506,480)	(5,845,282)
Net Finance Income Recognized in Income & Expenditure	14,406,602	18,100,190

Notes To The Financial Statements

For the year ended 31 December	2021 Rs.	2020 Rs.
24 Surplus before Taxation		
<i>Surplus before taxation is stated after charging all expenses including the following:</i>		
Included in Administrative Expenses		
Defined Contribution Plan Costs - Gratuity	2,549,485	2,201,236
Defined Contribution Plan Costs - EPF and ETF	6,545,960	6,385,917
Depreciation and Amortization	20,801,129	21,234,438
Auditors' Remuneration	724,000	660,000
Included in Selling and Distribution Expenses		
Defined Contribution Plan Costs - Gratuity	1,262,775	1,233,376
Defined Contribution Plan Costs - EPF and ETF	2,614,928	2,656,113
Included in Project Costs on Goals		
Defined Contribution Plan Costs - Gratuity	1,791,755	2,018,515
Defined Contribution Plan Costs - EPF and ETF	4,426,268	3,574,851
25 Income Tax Expense		
Income Tax on Current Year Surplus (Note 25.1)	8,062,440	13,554,442
NGO Tax (Note 25.2)	1,182,877	1,996,038
Last Year (Over)/Under Provision	(17,777)	2,438,678
Deferred Tax Originated During the Year	(1,033,876)	(152,273)
	8,193,664	17,836,885
25.1 Reconciliation Between Accounting Profit to Income Tax		
Surplus before Taxation	22,158,591	57,326,168
Adjustment on Disallowable Expenses	332,821,334	349,223,460
Adjustment on Allowable Expenses	(311,682,495)	(333,895,041)
Profit on Trade or Business	43,297,430	72,654,587
Investment Income	8,336,667	14,095,000
Taxable Income	51,634,097	86,749,587
Tax @ 14%	6,061,640	10,171,642
Tax @ 24%	2,000,800	3,382,800
	8,062,440	3,554,442
25.2 NGO Tax Liability		
Grants Received from Global Fund	164,288,481	237,623,555
Profit and Income liable to NGO Tax (3% from Funds Received)	4,928,654	7,128,707
Tax @ 24%	1,182,877	1,996,038

Notes To The Financial Statements

26 Related Party Disclosures

26.1 Transactions with Key Management Personnel

According to Sri Lanka Accounting Standard for Small & Medium-sized Entities, Key Management Personnel, are those having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. Accordingly, the members of the National Council and Chief Executive Officers have been classified as Key Management Personnel.

Close Family Members of a Key Management Person are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the Entity.

They may include;

- a. The individual's domestic partner and children;
- b. Children of the individual's domestic partner; and
- c. Dependents of the Individual or the individual's domestic partner

Close Family Members are related parties to the Entity.

For the year ended 31 December

Key Management Personnel Compensation
Salaries, EPF, ETF and Gratuity

2021 Rs.	2020 Rs.
7,575,676	7,467,044

27 Subsequent Events

There have been no material events arisen subsequent to the reporting date which require adjustments to or disclosure in the financial statements.

28 Contingent Liabilities

There were no material contingent liabilities as at the reporting date which require adjustment to or disclosure in the financial statements.

29 Comparative Figures

To facilitate comparison relevant balances pertaining to the previous year have been reclassified to conform to current year classification and presentation.

30 Capital Commitments

The Association does not have significant Commitments as at the reporting date.

List of Abbreviations

AFL	AIDS Foundation Lanka	MEIMS	Monitoring and Evaluation Information Management System
APA	Asia Pacific Alliance	MSM	Men who have Sex with Men
BCC	Behavior Change Communication	NC	National Council
CBO	Community Based Organization	NGO	Non Governmental Organization
CFH	Centre for Family Health	NSACP	National STD/AIDS Control Programme
CSR	Corporate Social Responsibility	PLHIV	People Living with HIV
CPP	Child Protection Policy	PR	Principal Recipient
DU	Drug User	SARO	South Asia Regional Office
ED	Executive Director	SDP	Service Delivery Point
EU	European Union	SE	Social Enterprise
FAC	Finance and Administration Committee	SEAP	Social Enterprise Acceleration Programme
FP	Family Planning	SE Hub	Social Enterprise Hub
FPA Sri Lanka	The Family Planning Association of Sri Lanka	SGBV	Sexual Gender Based Violence
FSW	Female Sex Workers	SKPA	The Sustainability of HIV Services for Key Populations in Asia
GBV	Gender Based Violence	SMP	Social Marketing Programme
GFMSA	Global Fund Multi-county South Asia	SR	Sub Recipient
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immunodeficiency Syndrome	SRH	Sexual and Reproductive Health
HR	Human Resource	SRHR	Sexual and Reproductive Health and Rights
HPV	Human Papilloma Virus	STIs	Sexually Transmitted Infections
HQ	Headquarters	STD	Sexually Transmitted Disease
ICPD	International Conference on Population and Development	TAC	Technical Advisory Committee
IDPs	Internally Displaced Persons	TG	Transgender
IEC	Information Education Communication	UN	United Nations
IPPF	International Planned Parenthood Federation	UNFPA	United Nations Population Fund
MA	Member Association	VCT	Voluntary Counseling and Testing
MPRCs	Multi Purpose Resource Centres	WHO	World Health Organization
M&E	Monitoring and Evaluation	YTAC	Youth Technical Advisory Committee

Acknowledgements

We acknowledge with deep gratitude the contributions made by the following individuals and organizations, whose support and assistance to our work in 2021 has been invaluable.

Ministry of Health – Government of Sri Lanka

Ministry of Defence - Government of Sri Lanka

Family Health Bureau (FHB) – Ministry of Health - Government of Sri Lanka

Health Education Bureau (HEB) – Ministry of Health - Government of Sri Lanka

International Planned Parenthood Federation – IPPF

IPPF South Asia Regional Office – IPPF SARO

IPPF Humanitarian Hub

The Global Fund to Fight AIDS, Tuberculosis and Malaria – GFATM

The National STD/AIDS Control Programme – NSACP

The United Nations Population Fund – UNFPA

The Swedish Association for Sexuality Education – RFSU

The Australian Federation of AIDS Organisations – AFAO

The Department of Foreign Affairs and Trade – DFAT

Levi Strauss & Co

Netherlands Embassy

Sri Lanka College of Obstetricians and Gynaecologists – SLCOG

AIDS Foundation

Richard Peiris & Co. Ltd

Dr. L.M Perera

Professor Athula Kaluarachchi

Professor Harshalal R. Seneviratne

Professor A. Sheriffdeen

Professor L. R. Amarasekara

Professor Sanath Lanerolle

Dr. Loshan Munasighhe

Dr. Chitramali de Silva

Dr. Asanthi Balapitiya

All Government officials who assisted us in our project areas of Sri Lanka

All dealers and suppliers of FPA Sri Lanka

All project partners of FPA Sri Lanka

Corporate Information

Name of Organization

The Family Planning Association of Sri Lanka (FPA Sri Lanka).

Year of Establishment

1953

Registration

- Registered as a company limited by guarantee under the Companies Act No. 07 of 2007. Registration No. A 32.
- Registered as a Voluntary Social Service/ Non-Governmental Organisation under the Voluntary Social Service Organisation (Registration and Supervision) Act No. 31 of 1980 as amended by Act No. 08 of 1998. Registration No. L 13807.
- Approved charity under Inland Revenue Act by Gazette Notification dated 5 May 1965.

International Affiliation

Accredited Member of the International Planned Parenthood Federation (IPPF).

IPPF

International Planned Parenthood Federation (IPPF) is the global service provider and a leading advocate of SRH and related right for all. It is a worldwide movement of national organisations working with and for communities and Individuals.

Company Secretary

Diani C. Millavithanchchi
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Bankers

Bank of Ceylon
Commercial Bank of Ceylon PLC
National Savings Bank
Standard Chartered Bank
Hatton National Bank PLC

Auditors

KPMG Sri Lanka

Registered Address

37/27, Bullers Lane, Colombo 07, Sri Lanka.

Tel : + 94 112 555 455
Fax : + 94 112 556 611
Website : www.fpasrilanka.org
E-mail : fpa@fpasrilanka.org

Chinthana Training Centre

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Fax : + 94 31 225 1251
Website : www.fpasrilanka.org
E-mail : fpa@fpasrilanka.org

Centre for Family Health

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FPA 'Suwa Sewa' Centres

Ampara

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Wathupitiwala

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