



**A TOMORROW
FOR THE UNREACHED**

FPA SRI LANKA ANNUAL REPORT 2016

AS SRI LANKA MOVES FROM A LOW TO MIDDLE INCOME STATUS WITH ITS ATTENDANT ECONOMIC AND SOCIAL ADVANCEMENT, THE CONTOURS OF THE PATH THAT FPA SRI LANKA TREADS IN SERVICE TO THE NATION ALSO EVOLVE

Where once we wrestled with the fall out of mass poverty that directly impacted the success rates of social programmes such as ours, now the challenge is to reach and redress pockets of discrimination – perhaps in education, social standing, appearance, sexuality and more.

FPA Sri Lanka is committed to creating a vibrant tomorrow for the many that remain unreached by the life enriching initiatives that truly matter.

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INFORMATION

The Family Planning Association was the first institution to offer Sexual and Reproductive Health Services to Sri Lankans. For over sixty years, our work has been governed by five principles:

VOLUNTEERISM, OUTREACH, TRUST, SUSTAINABILITY AND INNOVATION. OUR SCOPE OF ACTION IS HEALTH, POLITICAL, LEGAL, SOCIAL, CULTURAL AND ECONOMIC. OUR APPROACH IS INCLUSIVE, RIGHTS-BASED AND GENDER-SENSITIVE. OUR CLIENTS ENJOY COMPLETE CONFIDENTIALITY AT ALL TIMES.



OUR VISION

A country with access to Sexual and Reproductive Health as a right for all.

OUR MISSION

To advocate Sexual and Reproductive Health Rights and provide services whilst maintaining sustainability and volunteerism to improve quality of life for all.

OUR VALUES

Passion : We are passionate about what we do

Volunteerism: We believe in the spirit of volunteerism as central to achieving our goals and ideals

Accountability : We value participatory, consensus-oriented, accountable and transparent decision-making

Diversity : We believe in diversity and equality in extending our services to everyone who needs them

Inclusiveness: We uphold social inclusion and non-discrimination

A LETTER FROM OUR PRESIDENT



Chandima R. Gunawardena
PRESIDENT

**AS AN AREA OF PRIORITY, FPA SRI LANKA HAS RESOLVED
THAT ONE OF ITS KEY INITIATIVES GOING FORWARD
WILL BE TO - 'REACH THE UNREACHED' IN THE CONTEXT
OF SRI LANKAN SOCIETY.**

A KEY REQUIREMENT WE STRONGLY BELIEVE, IS TO INCORPORATE SRH AS A SUBJECT WITHIN THE CURRICULA OF OUR SCHOOLS. OUR ADVOCACY TEAM HAS SPARED NO EFFORT TO WORK WITH RELEVANT AUTHORITIES TO BRING THIS TO FRUITION.

I have the honour to report on a year of achievement by FPA Sri Lanka, amidst much challenge. Since my taking over office as the President of FPA Sri Lanka, turbulence in the global socio-political context impacted our initiatives fairly significantly. A major challenge we have been faced with has been sourcing of funding to carry out our projects and plans for certain aspects of our services to the public. While we have been self-generating funds through our social marketing programme to carry out our project activities, here too, we are encountering competition from the traditional commercial sector.

That said, the resilience and stability of FPA Sri Lanka came to the fore in helping us close the year 2016 on an encouragingly positive note.

I would like to comment briefly on the macro environment within which we operated during the year and its impact on our sustainability and our ability to serve the deserving community in Sri Lanka. The FPA Sri Lanka has been in existence for over 60 years and was the first institution in Sri Lanka to bring Sexual and Reproductive Health Services (SRH) to the people. This

is a subject of great importance and yet of considerable sensitivity given the socio-cultural ethos of Sri Lanka. We have an exemplary record of 'treading lightly' yet with firm direction as we educate, discuss and support the community to access the very best of Sexual and Reproductive Health standards and norms. Thus, our work requires us to engage with stakeholders in the health, legal, political, social, cultural and economic arenas and we are heartened by the responses to our overtures.

FPA Sri Lanka is a member of the International Planned Parenthood Federation (IPPF); we are one of 160 such associations, working in 170 countries. We work to a strategic plan, which runs up to the year 2022, modelled along the lines of IPPF's own strategy. This plan is also aligned with the regulatory framework in Sri Lanka.

As an area of priority, FPA Sri Lanka has resolved that one of its key initiatives going forward will be to – 'reach the unreached' in the context of Sri Lankan society. Let me explain why.

In our work over the years, we have found that whilst awareness of this subject is relatively high in certain segments of the population, other areas, particularly the peripheries such as the North and East remain largely 'unreached'. However, I am glad to report that in this respect during the year we have made some progress. The situation is often exacerbated by a reluctance to discuss and be educated on sexuality and reproductive issues due to a socio-cultural milieu that regards this as a tabooed subject.

The issues surrounding SRH (Sexual and Reproductive Health) have relevance for the entire global community in varying degrees and substance. Sri Lanka's experience is fundamentally no different to many other countries – it is in the responses that bodies like FPA Sri Lanka make that we must tread carefully ever mindful of local sensitivities, customs and norms. Yet, the subject must be dealt with.

A key requirement we strongly believe, is to incorporate SRH as a subject within the curricula of our schools. Our Advocacy Team has spared no effort to work with relevant authorities to bring this to fruition. We aren't there yet; we hope the relevant arms of Government will recognise the absolute importance of this step, particularly in the context of ever-increasing trends of gender violence and sexual crime.

It is mainly here, in our advocacy and outreach activities that we felt the crunch when external funding dried up.

However, long years ago, before it became 'fashionable', FPA Sri Lanka was quietly converting its model from a purely social service entity to that of a social enterprise, increasing sustainability by actively generating its own funds through marketing and sale of relevant products. This has allowed FPA Sri Lanka to maintain solvency in terms of its operational costs. In fact, the IPPF has shown specific interest in our social enterprise model as one to be followed by other bodies around the world.

We are actively following up on prospective avenues of funding that are open to us as it is imperative that our outreach programmes are properly and adequately resourced. There are many global institutions that want to serve this part of the world and selected publics – they are looking for credible partners and that is where FPA Sri Lanka, with its scope and experience is well-placed to collaborate on mutually beneficial projects.

Another area of focus I am interested in is to attract more youth volunteers to come in and work with FPA Sri Lanka. Young people can play a vital role, particularly reaching young minds out there, disseminating The FPA Sri Lanka message and relating to specific publics. Youth are the future of FPA Sri Lanka.

I am extremely thankful to all members of our staff and volunteers for their untiring efforts to carry the important work of FPA Sri Lanka forward with great success.

I also thank our partners, donors, the Ministry of Health, other Ministries and statutory bodies who are all true stakeholders in our achievements.

A MESSAGE FROM THE EXECUTIVE DIRECTOR



Thushara Agus
EXECUTIVE DIRECTOR

**AS A RESILIENT ORGANISATION BUILT ON
A SOLID FOUNDATION, FPA SRI LANKA WAS ABLE
TO WEATHER THE STORMS AND EMERGE
STRONGER AT THE END OF THE YEAR.**

OUR ADVOCACY EFFORTS IN THE YEAR UNDER REVIEW WERE MAINLY DIRECTED TOWARDS THE IMPORTANCE OF COMPREHENSIVE SEXUALITY EDUCATION (CSE) IN SCHOOLS AND OTHER INSTITUTIONS.

2016 brought with it winds of change that blew across the country, region and globe in the context of our chosen field of operation. With the unveiling of 17 Sustainable Development Goals, world leaders, whilst committing to attain them also agreed on the achievement of three extraordinary scenarios over the next 15 years. These are to – **End** extreme poverty, **Fight** inequality and injustice and **Fix** climate change. Here at home, 2016 also marks the first year of implementation of the FPA's Strategic Plan (2016-2022), fashioned according to the IPPF Strategic Framework which was revealed and discussed in our Annual Report last year.

While these better known changes occurred in our macro-environment and internal structure, lesser known, unforeseen changes too affected our daily existence calling for quick adaptation and greater agility on our part. As a resilient organisation built on a solid foundation, FPA Sri Lanka was able to weather these storms and emerge stronger at the end of the year. Retrieval of half of our head office premises by the State and cessation of external funding for provision of free services were major challenges that came out of the blue.

The need of the hour – to be able to self-fund our service provision, free or otherwise – was leant further emphasis by the events that unfolded in 2016. Despite a shift in donor priorities and a volatile funding landscape,

maintaining an uninterrupted service channel to the **unreached** communities seems paramount to us. In this regard a two pronged approach will be the desired way forward. Rationalising service delivery to suit the actual need of the community and scouting for internally-generated funds to sustain what is implemented, will be the key to designing the future Service Delivery Arm of FPA Sri Lanka.

With regard to our HIV prevention work, a paradigm shift in the funding mechanism, saw The Global Fund transitioning from a cycle-based model to a needs-based allocation mode, aptly titled – **The New Funding Model**. Under this scheme the grant allocation to a country for HIV prevention will solely depend on the scale of the epidemic and the income status of the respective country. FPA Sri Lanka was fortunate enough to be elected a grant recipient for the next three years under the new funding model, attracting a substantial amount of donor funding for community interventions, to curtail the spread of HIV infection among **unreached** and **vulnerable** populations. This appointment reinforces the confidence placed in the Association by a large global donor and the National Government for a continuous period of six years, which augurs well for the future.

The Social Marketing Programme of FPA Sri Lanka rebounded after an initial setback in the early part of the year to achieve a revenue of Rs. 505 million, crossing the half a billion mark for the first time. Maintaining the momentum of growth and expansion, the unit introduced a new oral contraceptive pill – Ovorest, in the last quarter of 2016. The pipeline for new products is healthy with a line-up of products under registration that include specialised condoms, progesterone – only contraceptive pills and self-administered injectables. Under our new product development initiatives the marketing team is constantly exploring products of the future that will open another effective channel for all Sri Lankans to access Sexual and Reproductive Health products and services.

Changes in the socio-cultural aspects of our society amply indicate the need for open access to information and services in relation to Sexual and Reproductive Health. Denial of them to those in need or living in denial of the need, will only lead to increased sexual violence and social issues. Our advocacy efforts in the year under review were mainly directed towards the importance of Comprehensive Sexuality Education

(CSE) in schools and other institutions. Through multiple partnerships established with the Ministry of Health, Ministry of Women's Affairs and Child Protection and the Child Protection Bureau, FPA Sri Lanka has tirelessly advocated that CSE be initiated in educational institutes without delay. The fruits of our efforts remain to be seen by way of policy changes and full implementation by the Ministry of Education.

The concept of Social Enterprise calls for social service organisations to act as enterprises generating income for their sustenance through commercial activities. FPA Sri Lanka embarked on social marketing of contraceptives long before these concepts were popularised and is in a happy state today, where it can meet its own operational costs. A further step taken in this direction is to construct a purpose-designed office complex to accommodate the expansion of the Association's activities. A major part of the construction of the six-storied structure was carried out this year which was monitored by a property development committee comprised of both volunteers and staff members.

Towards the end of the year, a review visit was planned by the Accreditation Team of IPPF which necessitated numerous policy and procedural reviews, which kept both staff and governance members busy. Aligning policy with practice, updating those to suit the current milieu and developing relevant policy documents are activities that kept the Association's staff and members occupied as the year drew to a close.

Overall, 2016 was a challenging year with many changes taking place around and within the Association. I would not have been able to steer the Association if not for unstinted support extended to me by the President and the National Council, whose commitment to our cause was unwavering. The exceptional performance of staff during the year made the seemingly impossible, possible and I owe them a debt of gratitude. The regional and central office of International Planned Parenthood Federation, The Global Fund and the Ministry of Health of Sri Lanka are the three giant stakeholders of our operations, without whose collaboration, our work would have lost its meaning. In this backdrop, I look ahead to 2017 with optimism, as a year during which we will see the fruits of our past efforts.

REVIEW OF OPERATIONS

FPA SRI LANKA FOLLOWS A CLEAR AND COMPREHENSIVE STRATEGIC PLAN SET TO RUN FROM 2016 TO 2022. THIS IS OUR SECOND YEAR INTO THIS PLAN, WHICH IDENTIFIES FOUR KEY GOALS. ALL OF THE ASSOCIATION'S ENTERPRISE IS FOCUSED UPON ACHIEVING THESE GOALS AND THEY FORM THE TOPICS UNDER WHICH THIS SECTION OF OUR REPORT IS CONSTRUCTED.

These four goals are: —————>

1

**CHAMPION
RIGHTS**

2

**EMPOWER
COMMUNITIES**

3

**SERVE
PEOPLE**

4

**UNITE AND
PERFORM**



CHAMPION RIGHTS

To ensure the Sri Lankan Government respects, protects and fulfils Sexual and Reproductive Rights and gender equality.

THIS YEAR, WE TOOK A BROADER VIEW OF OUR REMIT, EMBRACING A COLLECTIVE INITIATIVE TO REALISE THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) IN SRI LANKA.

In doing so, we espoused the cause that Sexual Rights are also Human Rights and our core pursuit in service to SRH belongs within the wider scope of attaining our SDGs.

In this context, we see FPA Sri Lanka lending muscle and support to the National effort to secure the rights of our population especially young people, women and the marginalised with particular emphasis on SRH issues.

We have adopted a two-pronged approach to our endeavours – one at a National level concentrating on engaging Parliamentarians, the judiciary and civil administration and the other a simultaneous and like discourse with every Provincial Council across all Provinces.

Our aim is to facilitate the drafting, approval and implementation of the required laws and policies that will give life to the SDGs and, in tandem, SRH best practices and the safeguarding of these rights for all. As always, we are mindful of the more vulnerable of our target communities – children and young people, women, the LGBTIQ community, internal labour migrants and the HIV afflicted.

OUR ADVOCACY INITIATIVES - 2016

During 2016, we continued to strengthen relationships and engagement we enjoy with the many stakeholders who work within the ambit of our shared goals and subject matter.

Here is a summary of our advocacy initiatives and the stakeholders we engaged within working towards desired outcomes.

- FPA Sri Lanka engaged with the National Child Protection Authority in relation to matters such as combating child sex trafficking, the broadening of scope in the law on rape to recognise the rape of males (predominantly children) and the establishment of a National Child Protection Policy. The drafting of such policy is ongoing.
- We lobbied and worked with the National Institute of Education, Family Health Bureau, National STD and AIDS Control Programme and National Child Protection Authority with a view to introducing Comprehensive Sexuality Education in schools. We received the guidance of the Ministry of Education and Ministry of Women and Child Affairs and UN Partners too in this endeavour and await progress towards implementation.
- Through its membership on the National Gender Based Violence Forum, the FPA Sri Lanka was able to lend credible support to the National Committee of Women to establish and implement the National Action Plan to reduce Gender-Based Violence.
- The Association lobbied Constitutional Council Members, Parliamentarians and civil society activists on Sexual Orientation and Gender Identity and Expression (SOGIE) as an issue worthy of recognition and protection under the new constitution, currently being drafted.
- FPA Sri Lanka in pursuance of FP 2020 agenda drafted a memorandum for Cabinet approval which will pave the way for its adoption by Government. FPA Sri Lanka convened a meeting in collaboration with the Ministry of Sustainable Development and Wildlife to discuss the interests of Women and Youth to be incorporated to the SDG Bill, Road Map and budget to be crafted by the Ministry.
- We engaged with the Ministry of Justice as it re-assessed changes proposed for the Vagrants Ordinance.
- FPA Sri Lanka was invited to join the National Human Rights Commission Expert body deliberating on the issue of the rights of LGBT persons.

- We were included in the Expert Committee appointed to draft and provide expert comments to the chapter on Economic, Social and Cultural Rights within the National Human Rights Action Plan for 2017-2021.

THE STRATEGIC VALUE OF GOOD COMMUNICATION

Effective advocacy requires a good, strategic communications platform. During the year, FPA Sri Lanka drafted a Communications Strategy designed to guide and strengthen the activities of its communication's arm. It will promote the enhancement of our relationships with all stakeholders including the different media bodies and platforms, whilst helping to develop our role as watchdog as we monitor developments across our on- and off-line advocacy campaigns. As another desired outcome, the strategy will allow for the capture of vital feedback as our advocacy mobilises to raise awareness on how laws and policies affect individuals and communities.

HIGHLIGHTS OF PROJECT ACTIVITY IN 2016

PROMOTING AWARENESS - IN AND THROUGH THE MEDIA

FPA Sri Lanka contributed to the production of '*Diyani*' a teledrama specially created to address topics such as teenage pregnancies and other areas of vulnerability amongst young people. The key advocacy messages highlighted in this programme were the need to establish a child-friendly environment across the country as well as to introduce suitable educative programmes in schools to increase knowledge and awareness among the young, which would equip them to make informed decisions and reduce risk taking behaviour in respect of SRH.

In support of one of our key advocacy projects aimed at introducing SRH-based content into school curricula, FPA Sri Lanka launched a media campaign called 'Know it Own it' concerning Comprehensive Sexuality Education with the presence and participation of nationally recognised key personalities from the fields of sports, the media, the legal profession, law enforcement and Parliament.

During the year, we trained 20 media personnel – journalists at national level – on subject matter relating to our scope of activity. We reached 344,749 persons through our online platforms; an audience of 575,000 was targeted via the print media and an audience of 7 Mn was addressed via the electronic media.

REVIEW OF OPERATIONS

MINIMUM INITIAL SERVICE PACKAGE (MISP) FOR SEXUAL AND REPRODUCTIVE HEALTH DURING EMERGENCIES



MISP National Sensitisation Workshop



Hon. Minister of Disaster Management - Mr. Anura Priyadarshana Yapa

A National Sensitisation Workshop on the 'Minimum Initial Service Package (MISP) for Sexual and Reproductive Health during emergencies' took place in February 2016. The workshop was organised by FPA Sri Lanka in collaboration with the Ministry of Disaster Management.

MISP is a part of the International Planned Parenthood Federation's (IPPF) SPRINT Project, through which it is supported and implemented. The SPRINT (Sexual and Reproductive Health Programme in Humanitarian Settings) initiative is led by the IPPF in collaboration with UNFPA and other national and international partners and aims to improve health outcomes of crisis-affected populations by reducing preventable sexual and reproductive ill health, disability and death. Through this initiative, FPA Sri Lanka hopes to advocate for strengthening the capacity of service providers to deliver practical solutions for men and women, to deal with issues such as pregnancy, childbirth, STIs including HIV and the aftermath of rape and violence in a crisis or during a disaster.

This initiative also involves engaging with key decision-makers for policy changes, in order to raise awareness and strengthen co-ordination when delivering services to affected populations.

The workshop was attended by the Honourable Minister of Disaster Management, Anura Priyadarshana Yapa, who stressed the importance of highlighting Sexual and Reproductive Health during emergencies among other priorities and also stated that it should be included in the school curriculum for better acceptance and understanding of the needs of people. The Hon. Minister's recommendation has seen MISP being incorporated into the National Disaster Response Policy and training curriculum.

Dr. Harishchandra Yakandawala, who conducted a situational analysis through a rapid assessment for the SPRINT project in Sri Lanka, presented the findings of the current situation with regards to disaster and emergency response in Sri Lanka, which included recommendations for wider incorporation of MISP into the national disaster response mechanism and training through enhancing present curricula developed for disaster management in various sectors. This was followed by a technical session on MISP and a panel discussion conducted by resource persons from the Ministry of Health, the Family Health Bureau and the Faculty of Medicine of the University of Peradeniya.

Also present at the workshop were officials of the Ministry of Disaster Management and Disaster Management Centre, officials of the Ministry of Child and Women's Affairs, the Sri Lanka Police, academics from universities, representatives from Save the Children, Care International, Child Fund and staff from UNDP and UNFPA.

In addition, two representatives of IPPF South Asia Regional Office SPRINT Initiative were present as part of a week-long observation tour of the SPRINT Project implementation in Sri Lanka.

SENSITISATION WORKSHOP FOR LEGAL AND LAW ENFORCEMENT SECTORS



IGP Mr. Pujith Jayasundara; Madu Dissanayake – Director of Public Affairs, Policy and Advocacy – FPA Sri Lanka; Dr. Sisira Liyanage – Director – National STD AIDS Control Programme; Justice Eva Wanasundara; DIG Mr. Ajith Rohana



Panel discussion moderated by Justice Eva Wanasundara with members of the Global Fund Multi-Country South Asia Community Roles Models

FPA Sri Lanka held a Sensitisation Workshop for Legal and Law Enforcement Sectors in May 2016. The objectives of this Sensitisation Workshop were:

- To develop an organisational circular to address the discrimination faced by transgender people (TG) due to the enforcement of Penal Code Section 399, to be presented for approval by Inspector General of Police and Minister of Law and Order.
- To build a consensus about the organisational circular suitable for the prevention of harassment experienced by men who have sex with men (MSM) and TG people during police investigations.
- To develop a mechanism to diffuse the organisational circular throughout the country.

REVIEW OF OPERATIONS

- To increase awareness about Sexual Orientation and Gender Identity (SOGI) in order to reduce stigma and discrimination.
- To build the capacities of the legal and law enforcement sectors to strengthen the advocacy efforts in respect of SOGI and create more allies within the legal and law enforcement sector.

A workshop was held in collaboration with the Sri Lanka Police and the National STD/AIDS Control Programme for over 100 high-ranking police officers from Colombo representing the crimes division, traffic division, the vice division and the legal division of the Sri Lanka Police.

Distinguished guests included Justice Eva Wanasundara of the Supreme Court of Sri Lanka, Inspector General of Police, Pujith Jayasundara, all Deputy Inspector Generals of Police from Colombo, Senior Superintendents of Police and officers of the Sri Lanka Police, the Technical Hub of the Global Fund Multi-Country South Asia (GFMSA) Programme and the Community Role Models of the GFMSA programme. Opening remarks for the workshop were made by Dr. Sisira Liyanage – Director of the National STD/AIDS Control Programme. The Inspector General of Police, Pujith Jayasundara made a short speech during the course of the workshop and a panel discussion chaired by Justice Eva Wanasundara was held with the participation of four Community Role Models representing the MSM and TG communities.

Several sessions on HIV and issues faced by the MSM and TG communities were conducted by Expert Resource Persons including Dr. Janaki Vidhanapathirana – Consultant, Community Physician of the National STD/AIDS Control Programme, Dr. Harischandra Yakandawala – Community Health Specialist, Ms. Madu Dissanayake – Director of Public Affairs, Policy and Advocacy of the The Family Planning Association of Sri Lanka, Mr. Ajith Rohana – Senior Superintendent of Police and Director of the Legal Division of the Sri Lanka Police and Dr. Prathiba Mahanamahewa – Senior Lecturer of the University of Colombo.

At the end of the workshop, all those who participated signed a commitment sheet in which they were asked to state their agreement to an organisational circular being issued either by the Ministry of Law and Order or the Department of Police setting out the new procedure while not infringing the basic human rights of the Transgender population.

HIGH LEVEL DIALOGUE ON HUMAN RIGHTS AND CONSTITUTIONAL REFORM VIS-A-VIS SRH



DIG Mr. Ajith Rohana – Sri Lanka Police; Ms. Ambika Satkunathan – Commissioner, Human Rights Commission of Sri Lanka; Dr. Harishchandra Yakandawala – Medical Director – FPA Sri Lanka; Prof. Carmena Gunaratne – Dean Faculty of Humanities & Social Sciences – Open University of Sri Lanka; Dr. Dulani Samaranyake – Department Community Medicine – University of Colombo participated in High Level Dialogue on Human Rights and Constitutional Reform Vis-A-Vis SRH



View of the audience at the High Level Dialogue on Human Rights and Constitutional Reform

In December 2016, FPA Sri Lanka organised a High-level Dialogue on Human Rights and Constitutional Reform, with particular focus on SRH issues under the Regional Multi Country South Asia Global Fund Programme implemented by UNDP Bangkok Regional Hub.

The event included the presentation of the scan of laws and policies related to HIV and a discussion on the legal barriers and impediments faced by groups such as the Transgender and MSM communities and sex workers in Sri Lanka.



The study conducted by FPA Sri Lanka showed that stigma and discrimination exacerbates the negative impact of HIV and hinders access by members of these groups to HIV prevention and treatment services. Furthermore, the scan also revealed a weak legal environment for the full realisation of human rights and fundamental freedoms for all, which is an essential element in the HIV response.

Speakers at the event included Anna Chernyshova of the UNDP Regional Hub in Bangkok who acknowledged Sri Lanka's low prevalence for HIV but cautioned that HIV is on the rise within certain communities and that obsolete laws hinder progress in achieving accurate statistics and improving prevention and care. Hon. Dr. Thusitha Wijemanne (MP) – Chairperson of the Sectoral Oversight Committee on Women and Gender for a new Sri Lankan Constitution – also spoke at the event

REVIEW OF OPERATIONS

and stressed that the main discussions on Constitutional Reform focused on how politicians can take action towards meaningful change in this field.

This was followed by a panel discussion with affected communities and key decision makers from a cross-section of practices including Law, Human Rights, Health and Law Enforcement. Speeches were also made by Hon. Vasantha Senanayake (State Minister) who stated that the first thing that needs to be done in terms of combating HIV AIDS is to educate the public. The Hon. Minister stated that this is a challenge that needs to be taken up by the Government, the Health Sector, the Education Sector, NGOs and every other stakeholder involved. Hon. Hirunika Premachandra MP also spoke at the event and stated that the subject matter under discussion is one that is difficult to speak up about in Parliament due to the prevalent prejudices. She further stated that this prejudice must be responded to by speaking up against discrimination and taking a stand.



LAUNCH OF 'KNOW IT OWN IT' CAMPAIGN FOR COMPREHENSIVE SEXUALITY EDUCATION



Mrs. Yeheli Sangakkara at the launch of 'Know It Own It' Campaign for Comprehensive Sexuality Education



Member of Parliament Hon. Bimal Rathnayake at the launch of 'Know It Own It' Campaign for Comprehensive Sexuality Education

The Youth Technical Advisory Committee (YTAC) of The Family Planning Association Sri Lanka in partnership with Hashtag Generation and Youth Advocacy Network, Sri Lanka organised a six-a-side Cricket Tournament and Quiz Competition to commemorate World AIDS Day and mark the 16 Days of Activism Against Gender-based Violence in December. The aim of the event was to raise awareness on HIV and AIDS among young Sri Lankans and address the stigma and discrimination faced by those living with HIV, whilst also galvanising action to end violence against women and girls across Sri Lanka.

Prior to the commencement of the quiz and tournament, an enlightening panel discussion took place with the participation of State Minister Vasantha Senanayake, Member of Parliament, Bimal Rathnayake, Ms. Natasha Balendra (Former Chairperson, The National Child Protection Authority), Mr. Chandima Gunawardena (President, FPA Sri Lanka) and Ms. Priskila Arulpragasam (Chairperson of YTAC FPA Sri Lanka).

The cricket tournament coincided with the launch of IPPF's 'Know It Own It' campaign underscoring the importance of access to Comprehensive Sexuality Education for all young people. The campaign supports young people's right to be able to access information and receive education that will enable them to be responsible citizens while enjoying happy and healthy social relationships with family and friends. It also expects to help them make informed decisions about their day-to-day situations and circumstances and avoid risky behaviours that would impact their life negatively as young people such as being in abusive relationships, experiencing unplanned pregnancies or acquiring sexually transmitted infections such as HIV.

Special invitees Ms. Yehali Sangakkara and cricketing legends Mr. Roshan Mahanama and Mr. Tilakaratne Dilshan endorsed our call for Comprehensive Sexuality Education and to end all forms of Gender-based Violence in Sri Lanka through media interviews and appearing with their messages of choice. They were joined by FPA Sri Lanka staff and students from participating educational institutes.

RESEARCH

A pilot project on saliva-based HIV rapid testing was rolled out island-wide. It was concluded that community based HIV rapid testing is feasible in Sri Lanka. Further, the legal and policy review on HIV epidemic in Sri Lanka was completed and launched.

PARTNERING GLOBAL/REGIONAL ADVOCACY

FPA Sri Lanka was partner to several important advocacy projects, collaborating with experts in the field, during the year 2016.

GLOBAL FUND MULTI-COUNTRY (SOUTH ASIA) HIV PROJECT

The overall goal of this project is to reduce the impact of, and vulnerability to, HIV in men who have sex with men (MSM) and transgender people through a process of Community Systems Strengthening. Through this process access to healthcare, legal services and law enforcement services are strengthened and enhanced by reducing stigma, discrimination and legal barriers. The GFMSA Project is a regional HIV programme operating since 2013 in seven countries – Afghanistan, Bangladesh, Bhutan, India, Nepal, Pakistan and Sri Lanka.

REVIEW OF OPERATIONS

Under this project –

- 61 stakeholders representing the fields of public health, legal, law enforcement and judiciary were trained to strengthen the pool of resource persons in the country who advocate for issues relating to men who have sex with men and transgender populations.
- 241 professionals representing the National Human Rights Commission, Legal Aid Commission, Faculty of Law, University of Colombo, Faculty of Social Science and Humanities, University of Kelaniya, Sri Lanka Law College and media organisations took part in sensitisation and capacity building workshops conducted under this programme.
- 73 healthcare providers received training on different aspects related to HIV service delivery for MSM and Transgender (TG) populations.

UNIVERSAL PERIODIC REVIEW

FPA Sri Lanka applied to do a Civil Society Report on SRHR issues for the Universal Periodic Review (UPR) process held at the UN Human Rights Council in Geneva, which will be reviewing the status of Sri Lanka by end of 2017. The initial work began with the signing of a partnership agreement with CPA (Centre for Policy Alternatives) to conduct community consultations in several districts as part of the information gathering process, which would feed into the final report which FPA Sri Lanka plans to submit in March 2017.

'LEAVE NO ONE BEHIND' - A HIGH LEVEL POLITICAL FORUM ON SUSTAINABLE DEVELOPMENT

Our Director of Public Affairs, Policy and Advocacy represented the IPPF and FPA Sri Lanka at the first ever High-level Political Forum on Sustainable Development themed 'Leave No One Behind' in New York in July 2016. This is the United Nations' central platform for follow-up and review of the 2030 Agenda for Sustainable Development and the SDGs, adopted at the United Nations Sustainable Development Summit on 25 September 2015.

GLOBAL SOUTH WOMEN'S FORUM ON SUSTAINABLE DEVELOPMENT

FPA Sri Lanka was invited to the 2016 First Global South Women's Forum on Sustainable Development, which was held to encourage and advocate to the Governments

of Global South countries to develop suitable indicators to measure Gender Equality within the SDGs. The event was organised by International Women's Rights Action Watch – Asia Pacific (IWRAP Asia Pacific) in partnership with GADC of Cambodia.

ADVOCACY IN ACTION

In a sense, Advocacy is Action! Whatever process takes a thought to a forum, a negotiation, causes proposals to be drafted, people or organisations to be lobbied that is all action.

Nevertheless, here are some examples of FPA Sri Lanka in action.

RESPONDING TO DISASTER

FPA Sri Lanka received funds from DFAT of the Australian Government to carry-out an emergency response for the flood and landslide-affected populations of five Districts – Colombo, Gampaha, Kegalle, Kurunegala and Puttalam.

This response took the form of sending out mobile medical teams, preparing and distributing dignity kits, procuring essential medicines, interventions for reducing GBV.

FPA Sri Lanka also supported the national assessment process inclusive of SRH and related needs in partnership with the World Food Programme, Sri Lanka Red Cross and the Disaster Management Centre, as a way of identifying the needs in different disaster affected areas.

UNFPA PARTNERSHIP FOR EMERGENCY RESPONSE

FPA Sri Lanka was fortunate to be able to partner with UNFPA to further enhance the services delivered to the flood and landslide-affected communities in Colombo and Kegalle. Through this initiative, FPA Sri Lanka was able to conduct weekly medical and psycho-social camps in the Kegalle District and pre-position 5,000 dignity kits and 1,400 maternity kits to meet any urgent demand.



EMPOWER COMMUNITIES

To ensure that 17.15 Mn people are able to act freely on their Sexual and Reproductive Health and Rights.

FPA SRI LANKA'S 'REASON FOR BEING' IS TO PROVIDE ALL PEOPLE OF OUR COUNTRY WITH THE INFORMATION, PRODUCTS AND SERVICES NECESSARY FOR THEM TO MAKE INFORMED CHOICES AND ACT WITH FREEDOM ON THEIR SEXUAL AND REPRODUCTIVE HEALTH RIGHTS.

During 2016, 800 women community activists were reached and strengthened to advocate for SRHR whilst 12 youth activists were encouraged to work on SRHR through the activities of EC Champions Project.

FPA Sri Lanka's partnership with the Gender Subcommittee of the Parliament was another highlight of the project where technical expertise was provided on issues related to age of consent and age of marriage, child sex trafficking, Comprehensive Sexuality Education and Sexual and Gender-Based Violence including Transgender.

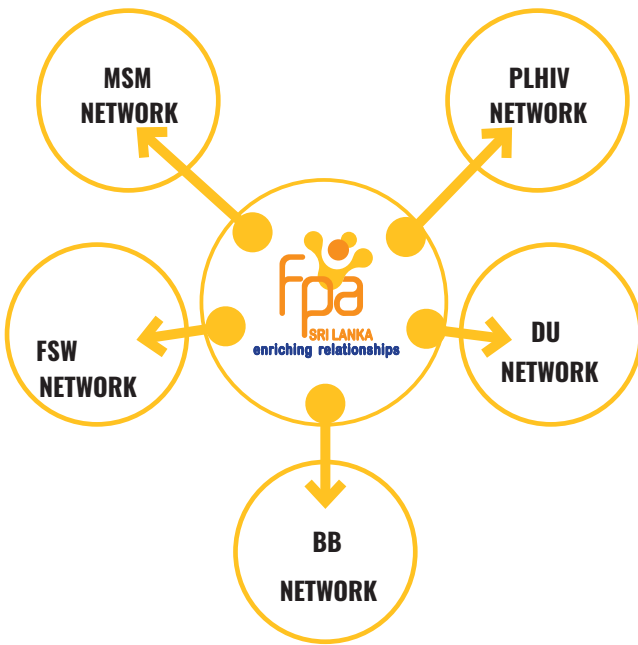
Workshops on SRH, Sexual and Gender Based Violence and women's rights were conducted in various parts of the country under the EC Champions Project. Sarvodaya Women's Movement conducted the trainings in partnership with FPA Sri Lanka for women leaders in Monaragala District.

THE HIV-AIDS CONTROL PROJECT SUPPORTED BY THE GLOBAL FUND

The New Funding Model of the Global Fund continues its support to implement the 2013-2017 national HIV control National Strategic Plan. Under this programme The Family Planning Association of Sri Lanka contributes as one of the Principal Recipients (PR2) along with the National STD AIDS Control Programme of the Ministry of Health, Government of Sri Lanka.

As the PR2, FPA Sri Lanka manages a network of 34 civil society organisational frameworks representing national level NGOs to community-based organisations operating in 13 Districts carrying out diverse peer led HIV prevention interventions among female sex workers, men who have sex with men, drug users, beach boys and people who are living with HIV. Apart from focusing on employing a peer to peer delivery of HIV and STI-related

messages, health devices including condoms and lubricating gel and mobilising most at risk populations to obtain voluntary counselling and testing services offered through the Government-run STD clinics, FPA Sri Lanka has been able to activate drop-in centres for FSW, MSM and DU in Colombo where the hidden, most at risk populations are encouraged to access knowledge-related to HIV and STD as well as condoms, lubricating gel and testing services.



FPA Sri Lanka operating as a key player in HIV prevention in Sri Lanka has continued to show steady progress.

With regard to facilitating people living with HIV to access treatment, care and support, FPA Sri Lanka has been able to increase the number of service recipients from 316 in 2013 to 647 by 31 December 2016 under the Global Fund project. This has been a key factor contributing to the Government's vision of adopting treatment as a form of prevention.

Further, the PLHIV (people living with HIV) networks operating under FPA Sri Lanka are receiving support to trace PLHIV, who have defaulted on their treatment and to provide them with support to access testing services through the private sector in the event that they are unable to obtain them through the state sector. Moreover, several batches from the PLHIV community were provided with knowledge enhancements on legal aspects, health and nutritional aspects applicable to PLHIV. Such training helped PLHIV to better understand

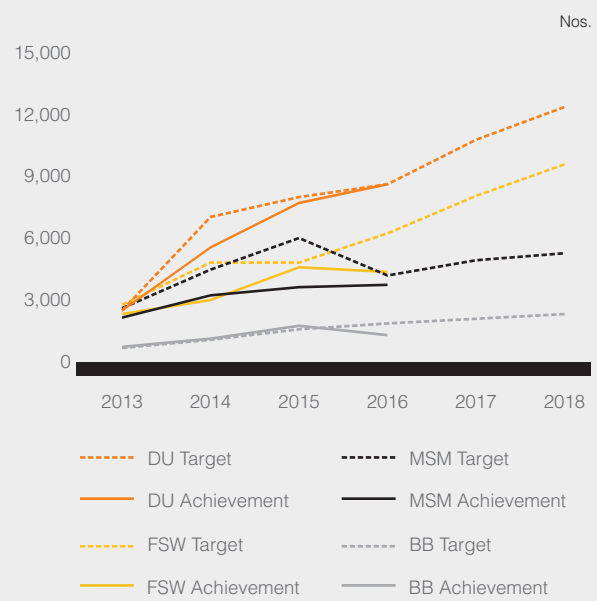
their rights whilst encouraging them to be mindful of their social obligation to lead a healthy life compatible with the law of the land, traditions and moral values.

The Transgender population, mainly the male to female transgender population, has been identified as the group displaying the least resilience when it comes to absorbing information, learning to use health devices and accessing services related to HIV prevention. In consideration of this fact, the Global Fund Project conducted a rapid situational assessment of transgender people in Sri Lanka through which many realities affecting transgender persons were unearthed. The findings are expected to strengthen the knowledge base while allowing the programme to devise effective strategies to reduce vulnerability of transgender persons to HIV infection.

Considering the fact that the programme reaches out to vulnerable groups of people who are legally and socially unaccepted, provisions have been made to provide them access to legal assistance.

Thus, it may be seen that the Global Fund Project's interventions have been able to play a proactive role in safeguarding multiple aspects concerning human rights including right to life, right to health and right to livelihood.

KEY AFFECTED POPULATION (KAP) TO BE REACHED AND ALREADY REACHED





SERVE PEOPLE

To deliver 6.12 Mn quality integrated Sexual and
Reproductive Health services

TO SERVE PEOPLE IN ALL MATTERS CONCERNING SRH IS FPA SRI LANKA'S CORE OBJECTIVE. TO HELP MORE PEOPLE, ESPECIALLY THE UNREACHED, OBTAIN AWARENESS, UNDERSTAND THEIR RIGHTS, OBTAIN ASSISTANCE AND BUILD PRODUCTIVE LIVES FREE OF STIGMA IS OUR CORE PURSUIT.

WE'RE MOVING TO A NEW HOME SOON!



We are moving to a new home soon – Foundation Stone Laying Ceremony of FPA Sri Lanka new building

REVIEW OF OPERATIONS



We are moving to a new home soon – Foundation Stone Laying Ceremony of FPA Sri Lanka's new building

FPA Sri Lanka has been operating from offices on State-owned leasehold property in Colombo for the past 40 years. The State has recognised the immense value and contribution FPA Sri Lanka has brought to the country and its people in doing what we do and had graciously extended this facility on crown land.

However, the lease is not for an indefinite period and will lapse soon. Given the escalation in land value in Colombo, we had to explore alternative accommodation.

Thus it was decided that FPA Sri Lanka began to build its own Head Office in Narahenpita, Colombo 5 in a central location close to many healthcare facilities and hospitals. The year 2016, saw the auspicious moment of inauguration of the project and completion of a part of the multi-storied super structure.

The building comprising six stories is purpose designed to house all FPA Sri Lanka operations under one roof. It has been adequately evaluated for space, amenities and parking requirement to suit the operational aspects of the Association and the requirements of our clients and other stakeholders.

To the Association, it was never merely about moving house; it has all to do with how well we could continue to serve and 'reach the unreachable' perhaps more effectively than before.

OUTREACH

The Outreach Unit of The Family Planning Association of Sri Lanka, which commenced operations in 1978 has a proud history of taking the concept of Family Planning to the people in rural areas. To date it serves the underserved with a dedicated and committed volunteer workforce and trained staff members in diverse and distant locations of the country. Objectives and strategies have changed over the years, to encompass wider aspects of Sexual and Reproductive Health and Rights under the directives of IPPF.

In 2016 too, The Family Planning Association of Sri Lanka's Outreach Unit continued to provide quality, rights-based Sexual and Reproductive Health services to the poor, marginalised, socially excluded and underserved communities, free of charge, through its six static clinics located in Ampara, Batticaloa, Nuwara Eliya, Maradana, Koggala and Matara.

Operating under the theme 'Meet the Unmet and Reach the Unreached'. FPA Sri Lanka has identified the unmet SRH needs especially of the poor, marginalised, socially excluded and underserved communities.

In 2016, Outreach has provided 171,500 Sexual and Reproductive Health services to target communities and 31,159 people had visited our clinics.

We have distributed 32,740 contraceptive items through our six service delivery points.

We have established a patient referral mechanism and this year, 4,207 clients were referred to Government Hospitals or private institutions for required intervention.

690 static clinics, 134 mobile health clinics, eight associated clinics, nine Demand Generation activities, 20 SRH awareness programmes, six mega static clinics, 11 special events for International days were organised and conducted.

FPA Sri Lanka has also developed a promotional leaflet on SRH and around 15,000 were distributed.

ENGAGING WITH OUR PUBLIC



FPA Sri Lanka engaging with the public

REVIEW OF OPERATIONS

With a view to monitoring our project activities, six IEC committee field visits were organised and these visits guided us in many ways to enhance such activities. Additionally, several field visits have been made by the M&E Unit and also by the Outreach Unit supervision staff to monitor and evaluate the activities of the six service delivery points.

The Outreach Unit contributed towards enhancing accessibility to a wide range of Sexual and Reproductive Health Services by incorporating the static clinics, mobile clinics, associated clinics, Demand Generation Programmes, SRH mobile exhibitions, volunteer health assistants, mega static clinics and advocacy strategies within the ambit of Outreach.

Some of the initiatives that fall within this section of reporting are:

DEMAND GENERATION PROGRAMMES

FPA Sri Lanka raises public awareness on the importance of SRH services and SRH issues through the conduct of Demand Generation Programmes for the general public as well as targeted populations such as adolescents, garment factory workers, the estate sector community and shanty dwellers.

THE LILI PROJECT (LIGHT TO LIFE)

The Light to Life (LILI) project addresses the Sexual and Reproductive Health needs and requirements of differently-abled people across the country. This community is one of the most vulnerable groups in society.

SRH MOBILE EXHIBITIONS AND AWARENESS PROGRAMMES

The SRH Mobile Exhibitions and Awareness Programmes were conducted for youth and adolescents to educate them on SRH issues and to motivate them to come to the static clinics for SRH services including psychological counselling.

FPA SRI LANKA MEDICAL UNIT

CENTRE FOR FAMILY HEALTH

FPA Sri Lanka's Centre for Family Health provides comprehensive Sexual and Reproductive Health Services within a Rights Framework and in the year under review, it offered 16,956 services to 2,810 clients through its static clinic at our headquarters. It also provided 10,441 services to 2,493 clients through 30 mobile clinics conducted around the country. Cancer screening is the most popular service provided at mobile clinics with 1,255 PAP smears being carried out during the year.

The MU continued to visit the National Institute of Mental Health (NIMH) twice a month to provide SRH services including STI/HIV screening to the mentally-ill patients and the staff at NIMH. A total of 106 persons were seen and 284 services provided. Four Continuous Medical Education Programmes were conducted for the staff throughout the year.

HAPPY LIFE CONTACT CENTRE

The HL contact centre provided SRH services to the public through its hotline (2 588 488), SMS (071 6 408 408) e-mail (happy@happyliife.lk), website (www.happyliife.lk) and chat in all 3 languages. It has become a popular channel especially among young people who use it to sort through issues pertaining to SRH. Within the year 2016, 11,561 people have benefited from the work of the Centre.

It provided educational programmes on SRH for a wide cross section of publics – 16 lectures were conducted for 1,414 persons comprising garment factory workers, visually-impaired youth, schoolchildren and the general public.

'ALOKAYA' - A TRUE GUIDING LIGHT

As a health intervention, counselling is one of the most underdeveloped and under-appreciated areas of healthcare services in this country.

FPA Sri Lanka understood early, the benefits counselling could bring when applied to the field of SRH. Thus we started the '*Alokaya*' counselling centre in the 1980s with

a view to developing it to be a fully-fledged counselling arm to our Sexual and Reproductive Health and Rights agenda. SRH and Counselling go hand in hand as many clients who seek SRH services are in need of some form of pre-service counselling.

Having achieved insight and taken action well in advance, FPA Sri Lanka has widened its scope to include many other types of complementary activities. The following activities were conducted by '*Alokaya*' counselling centre during the year under review:

- Two workshops in Drama Therapy – for counsellors
- Pre-Marital workshop
- Two Certificate course programmes in Drama Therapy
- Pre-Marital workshop at Thuruliya Garments – Thulhiriya
- Counselling awareness and Stress Management Programme at Pizza Hut

Plans are afoot to develop '*Alokaya*' to be a fully-integrated counselling unit geared to cater to emerging needs of our future generations.

In 2016, the counselling arm of the Medical Unit has provided 2,895 services to 969 clients on SRH issues during 2016. The '*Alokaya*' centre has conducted many training programmes and certificate courses related to SRH counselling for professionals in the private and public sector who are engaged in their own counselling services.

Stress management, sex therapy and drama therapy courses were the most popular training and certificate programmes among the many offered during the year. School teachers' counsellors from the private and public sectors and officials of the Ministry of Social Empowerment and Welfare regularly trained with us.

'*Alokaya*' counsellors continued their weekly visits to the Dilmah Factory at Peliyagoda to provide counselling services for staff aimed at improving productivity.

Because of its association with the much stigmatised field of mental health, 'counselling' became a word nobody wanted to hear.

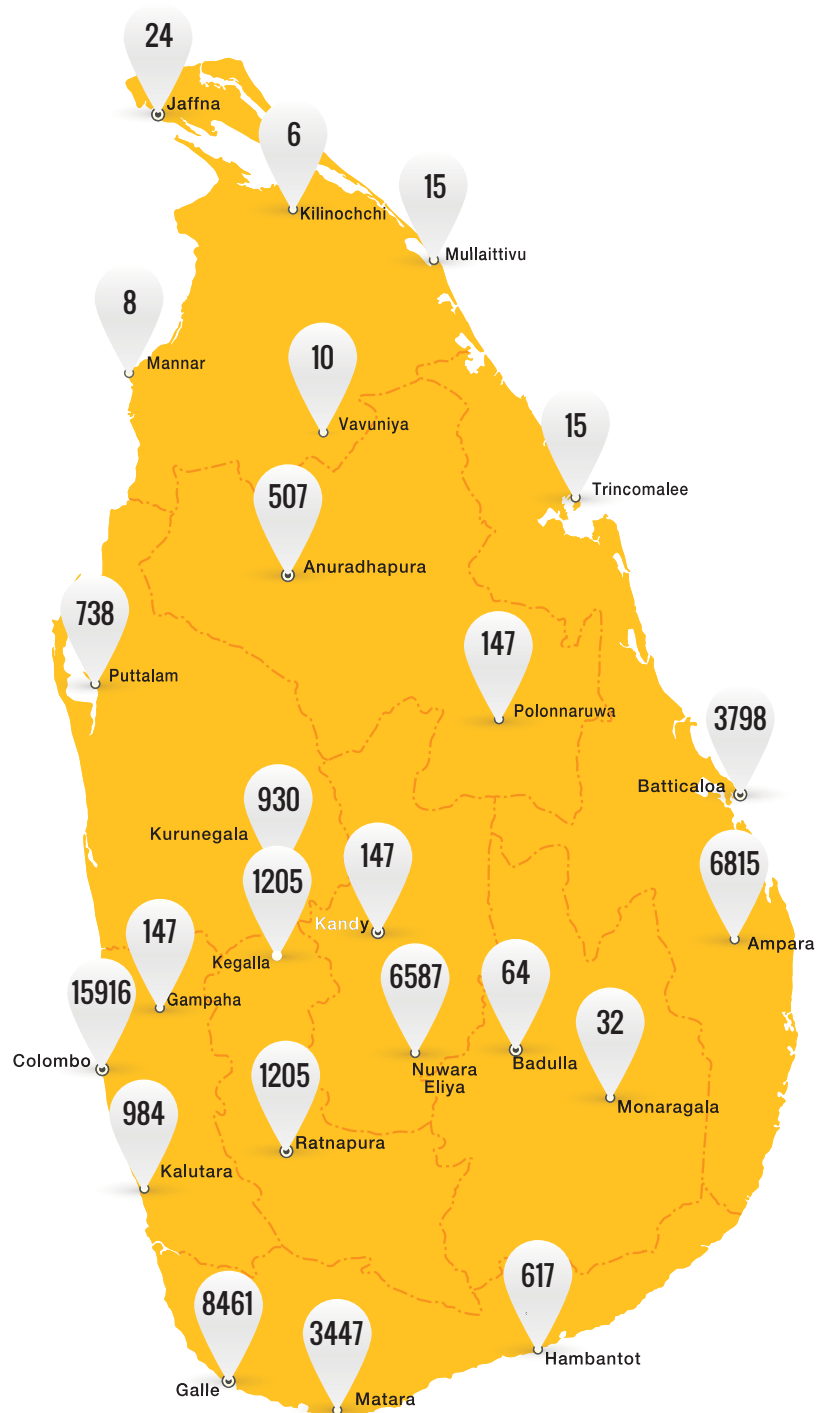


UNITE AND PERFORM

To establish FPA Sri Lanka as a high-performing,
accountable and united Association.

The core ethos of FPA Sri Lanka is to further the cause of an exemplary SRH regime where freedom and rights of the individual are assured. It is then required of us to adopt similarly exemplary standards of transparency, good governance, unity and accountability.

Here are some areas of enterprise that prevailed in 2016, in this cause.



REVIEW OF OPERATIONS

AN EVOLVING MONITORING AND EVALUATION REGIME

The value of a good Monitoring and Evaluation (M&E) regime cannot be overstated. It keeps us on track, with the attainment of our goals, helps us streamline processes and improve performance.

Within FPA Sri Lanka, monitoring and evaluation is seen as an investment and a shared responsibility, which enables FPA Sri Lanka to operate as a learning organisation with innovations and continuous improvement. In line with its policy, M&E at FPA Sri Lanka is guided by seven guiding principles namely; Independence, Impartiality, Transparency, Ethics, Partnership, Credibility and Utility.

In 2016, we initiated implementation of the newly developed Monitoring and Evaluation Standard Operational Procedure (SOP) Manual. The Monitoring and Evaluation Information Management System (MEIMS) was further strengthened to meet the requirements of the Global Fund's New Funding Model. The Peer Education Monitoring Module of the MEIMS was improved to initiate the performance based incentive scheme across the project. The advocacy monitoring module was further enhanced to effectively measure achievements against expected results.

Generation of strategic information is one of the key areas in any M&E system. Strategic information based on strong research findings is the basis for programme design and evidence based decision-making.

FPA Sri Lanka contributed to the designing and implementation of national and sub-national level research projects to develop the knowledge base of the Sexual and Reproductive Health and Rights subject which includes:

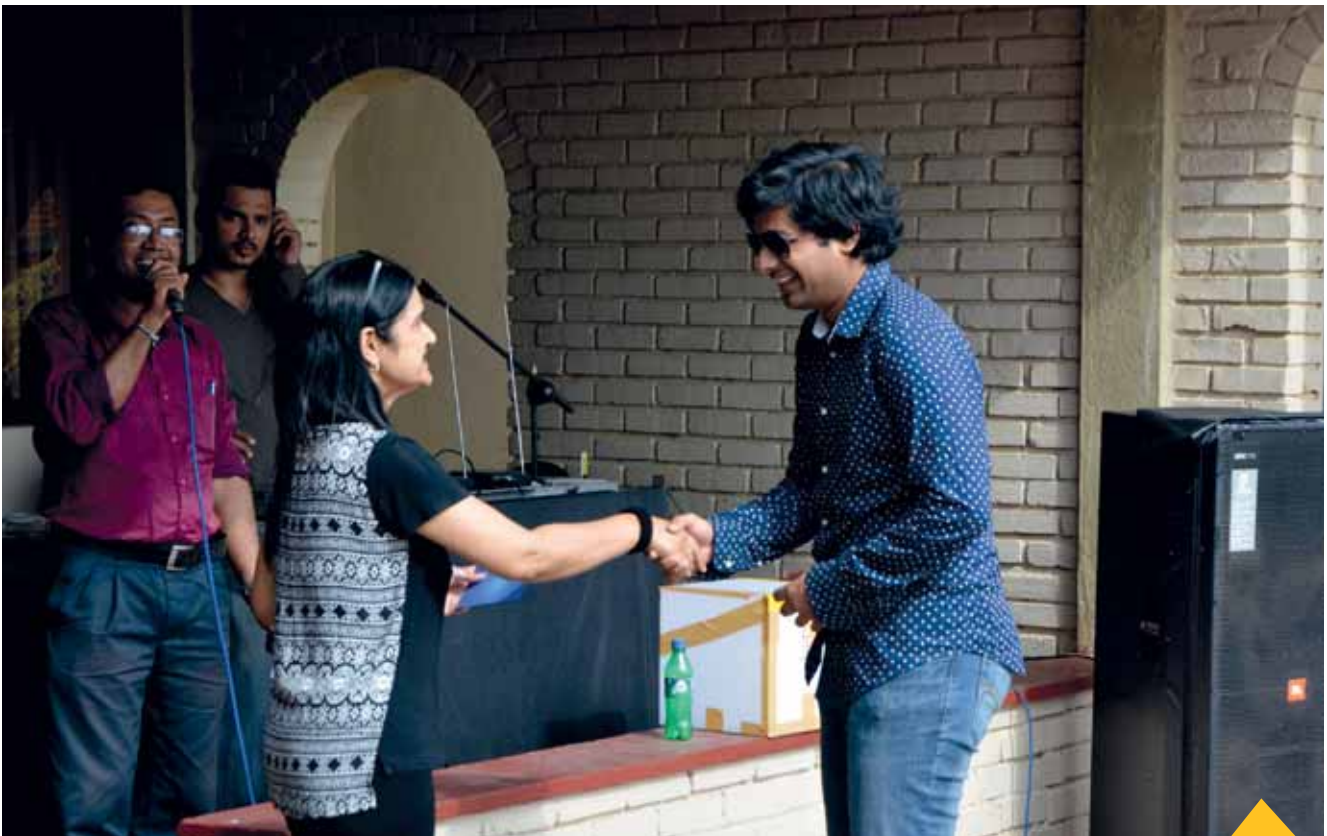
- Factors associated with clinic escorts in peer led HIV prevention interventions for men who have sex with men (MSM) in Sri Lanka. *Journal of Virus Eradication* 11/2016; 2 (Suppl 4):41-44.
- Time taken to escort men who have sex with men (MSM) for HIV testing in the peer group interventions in Sri Lanka. *Journal of Sexual Health and HIV Medicine* 12/2016; 2 (2016):27-34., DOI:10.4038/joshhm.v2i0.42.
- Perceptions of the laws on abortion in Sri Lanka: A community based study in the city of Colombo. *Ceylon Medical Journal* 12/2016; 61(4):171-175., DOI:10.4038/cmj.v61i4.8384.
- HIV risk behaviours among young female sex workers in selected districts of Sri Lanka; a baseline cross sectional study. Annual Research Symposium – 2016, National Centre for Advance Studies in Humanities and Social Sciences, University Grant Commission and Sri Lanka Foundation Institute; 11/2016.
- Use of Information Communication Tools (ICT) to provide Sexual & Reproductive Health (SRH) information and counselling to the Most at Risk Populations (MARPs) for HIV in Sri Lanka. International Conference on AIDS in Asia and the Pacific (ICAAP), Dhaka, Bangladesh; 03/2016, DOI:10.13140/RG.2.1.2198.6966.
- Attitudes of Adults Concerning Induced Abortion and Abortion Law – A Community Based Study in Colombo City of Sri Lanka. Asia Pacific Conference on Reproductive and Sexual Health and Rights, Nay Pyi Taw, Myanmar; 02/2016, DOI:10.13140/RG.2.1.3665.8964.
- Acceptance of a Family Planning Method at FPA Sri Lanka Clinic – A Case Study. International Conference on Family Planning – 2016, NUSA DUA, INDONESIA; 01/2016, DOI:10.13140/RG.2.1.3858.5369.
- An assessment of knowledge and attitudes regarding induced abortions among clients attending clinics of The Family Planning Association of Sri Lanka. Annual Research Symposium – 2016, University of Colombo; 10/2016.
- Young people's knowledge on Induced Abortion and Abortion Law: A Community Based Study in Colombo City, Sri Lanka. Annual Research Symposium – 2016, National Centre for Advance Studies in Humanities and Social Sciences, University Grant Commission and Sri Lanka Foundation Institute; 11/2016.
- Acceptability and feasibility of Oral fluid rapid HIV antibody test among high risk groups in Sri Lanka. Affiliation: Ministry of Health, Sri Lanka, DOI:10.13140/RG.2.2.16728.29443.

As the pioneer organisation which lead the Sexual and Reproductive Health and Rights initiatives in the country, FPA Sri Lanka contributed to the development of monitoring end evaluation capacities of our partner organisations.

Our Monitoring and Evaluation Unit provided technical assistance and support to develop the M&E policies of the Saviya Development Foundation (SDF) and Community Strengthen Development Foundation (CSDF).

A series of M&E capacity building programmes were conducted for 15 Civil Society Organisations (CSOs). In recognition of the quality of our M&E regime, FPA Sri Lanka was invited to contribute towards the consultative process for development of Sri Lanka National Evaluation Policy which was headed by The Parliamentarians Forum for Development Evaluation-South Asia (PFDE-South Asia).

HUMAN RESOURCE DEVELOPMENT



FPA Sri Lanka's Annual Staff Outing

REVIEW OF OPERATIONS



FPA Sri Lanka's Annual Staff Outing



FPA Sri Lanka's Annual Staff Outing



FPA Sri Lanka's Annual Staff Outing

FPA Sri Lanka considers its human asset the most valuable of all and is fortunate to have a pool of multifaceted individuals of varied expertise working cohesively.

The Association's HRD processes must source and develop a highly skilled, flexible and committed workforce and an adaptable and innovative management. It must also seek to empower, motivate and retain people through emancipated human management processes augmented by the fostering of a harmonious relationship between management and employees.

The HRM strategies for the year include development, management and engagement of talent; monitoring and controlling of HR indicators; management of rewards and remuneration and development of an information system (HRIS).

Creating a conducive, physical environment for FPA Sri Lanka staff is another facet that is in the pipeline.

CHINTHANA TRAINING CENTRE

Chinthana Training Centre, FPA Sri Lanka's training facility is situated amid a lush coconut plantation on the Colombo – Chilaw highway,

It was purchased in the 1970s, mainly as an investment that will hold in good stead for the Association. The then management felt the need for a large training centre to carry out the mass scale volunteer training taking place, connected to concurrent projects.

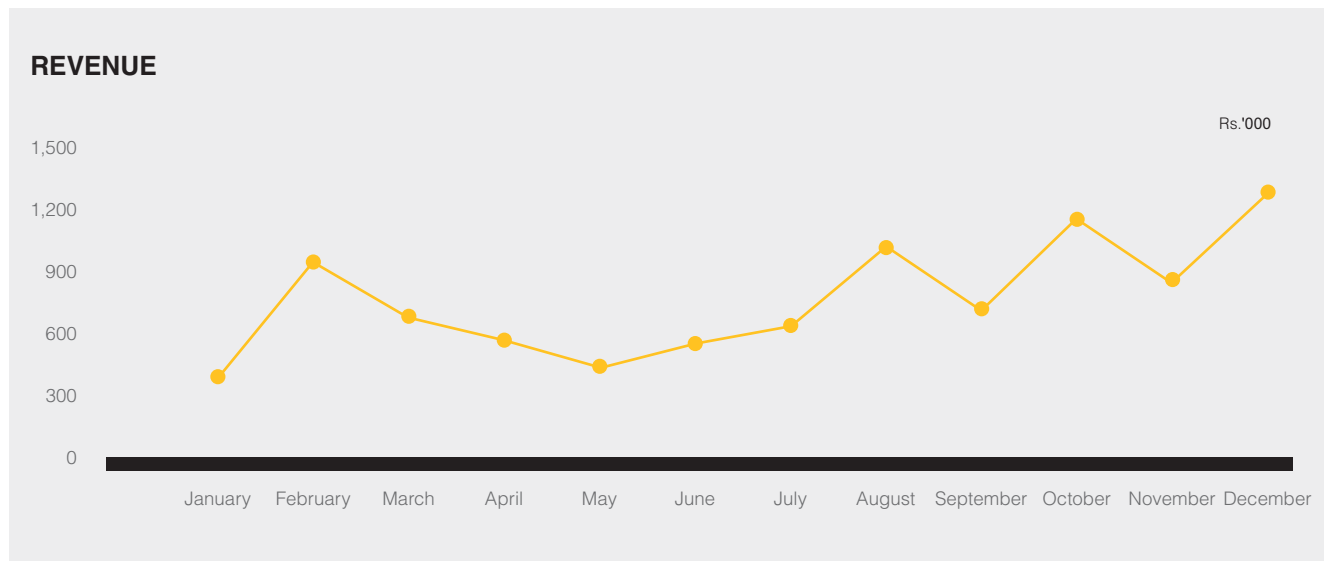
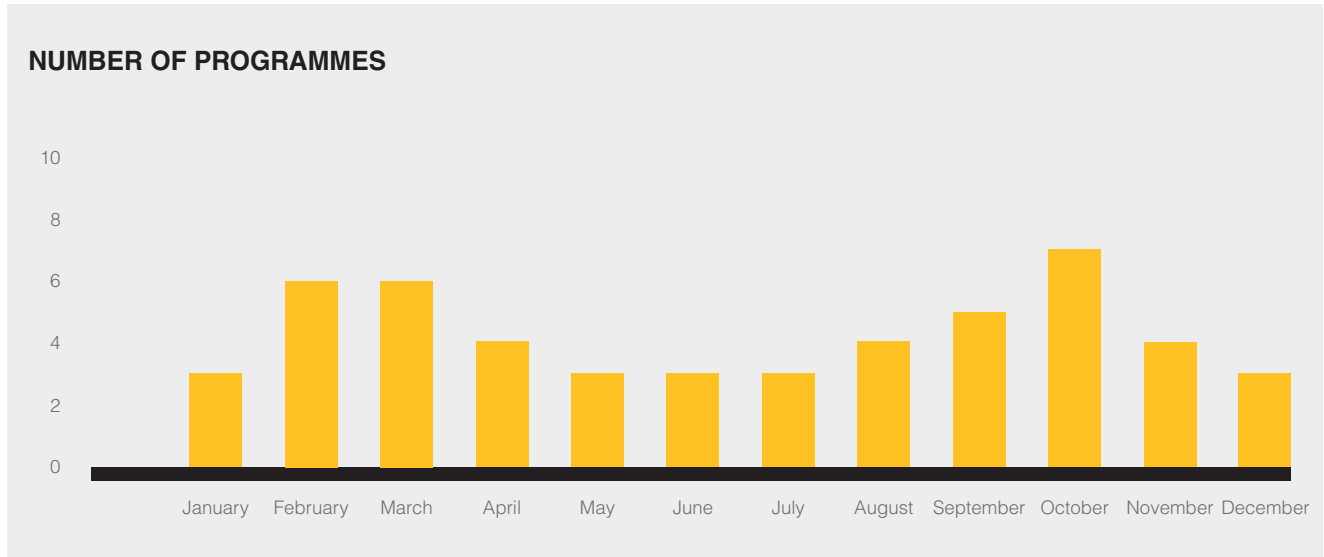
This property now consists of a fully equipped training facility with an auditorium and cottage type residential facilities for overnight stays.

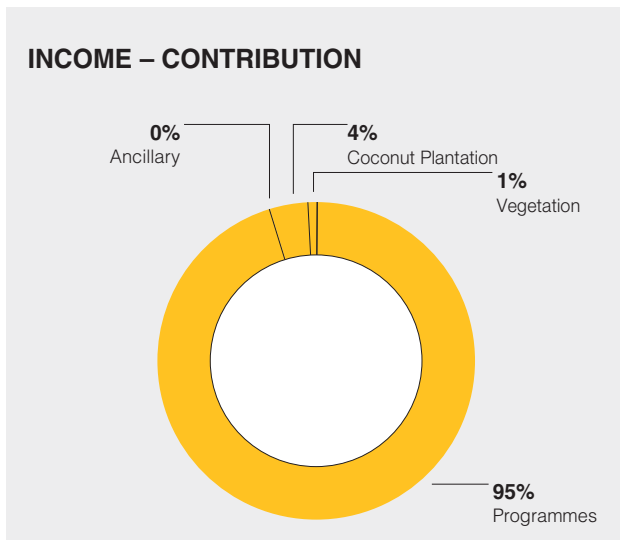
Chinthana has become a popular venue for Government and NGO sector residential workshops as well. To attract a corporate and business clientele however has proven to be difficult as there are many competing facilities and hotels that offer a more 'modern' products with amenities such as swimming pools, beach frontage, A/C, television and Wi Fi within rooms among others. Due to the age of its buildings, upgrading Chinthana to these standards will require a substantial amount of investment.

REVIEW OF OPERATIONS

However, the Centre is well maintained by a dedicated team of staff and is renowned for its typical Sri Lankan culinary fare, which is much appreciated by those who visit the Centre. Following the opening of the Airport highway, Chinthana is more easily accessible from Colombo and has experienced a growth in facility reservations.

While a definite decision on the future of Chinthana is being considered, FPA Sri Lanka runs the Centre in a prudent manner so as to make it self-sufficient. Many initiatives such as cultivation of vegetables, sale of coconuts and others have been taken to this end.





SOCIAL MARKETING PROGRAMME

It is worth commenting here that at its inception FPA Sri Lanka was a donor funded entity. Gradually, far sightedness on the part of its administrators saw the Association explore financial independence in what could possibly be one of Sri Lanka's earliest examples of a successful social enterprise.

Towards that end, FPA Sri Lanka began marketing a range of products and services of great quality, in keeping with its core pursuit, SRH. This then became what we now call our Social Marketing Programme.

The Social Marketing Programme (SMP) of The Family Planning Association of Sri Lanka first started in 1973 as a Community Based Distribution Programme with the support of IPPF and PSI and FPA Sri Lanka took direct control of the programme in 1978. Since taking over the programme in 1978, the Association has continued to develop and expand it by introducing new products and extending its reach to new territories.

The objective of the Social Marketing Programme of FPA Sri Lanka is to offer quality contraceptives and SRH commodities to clients at an affordable price and with convenient accessibility. Over the years, SMP has introduced many new products to suit the different needs of clients, especially those from lower to middle income groups.

Our product portfolio catering to the upper end of the market is also of premium quality as exemplified by our high-end condom range which is gradually gaining popularity in the market.

FPA Sri Lanka being an accredited member of IPPF has one of the most successful and effectively managed Social Marketing programmes. Recognising the effectiveness of the programme, IPPF sent a delegation from Rahnuma FPA Pakistan – who was interested in starting a contraceptive social marketing programme - to study the social marketing programme in Sri Lanka. FPA Sri Lanka was also requested to help Rahnuma FPA Pakistan to conduct a feasibility study in Pakistan. A team of our senior members visited Pakistan to conduct a study and help develop a contraceptive social marketing programme.

We have a very strong sales and marketing team consisting of 24 members headed by a Marketing Director, that include sales executives, medical delegates, field supervisors, a credit control unit and support staff.

Most of the products marketed by FPA Sri Lanka are imported from leading multinational organisations and all these products are registered at the National Medicines Regulatory Authority of the Ministry of Health. Some of these products are imported in bulk and packed locally. This helps us to keep the costs low and provide employment for local youth. The cost savings are passed on to the consumer. Thus they are in a position to get the products at an optimal price. Some of the products such as *Preethi* and *Mithuri* which were in the market for four decades have become generics among the users and the health-care providers in the country. All products marketed by FPA Sri Lanka consist of user information in all three languages as a support for all communities in the country.

FPA Sri Lanka has its own Security Manual pertaining to contraceptive marketing, which provides guidelines on forecasting, procurement, storage, transport and quality maintenance of the products marketed by us. This has helped the organisation to manage the SMP efficiently and provide clients with the right products in the right quantities in the right condition at the right price and at the right place.

REVIEW OF OPERATIONS

HIGHLIGHTS OF PERFORMANCE

In 2016, the Social Marketing Programme was able to cross the half a Billion Rupee mark for the first time in FPA Sri Lanka history.

Though the condom sales target for the year was not achieved it has shown a growth over the previous year.

Sales of *Mithuri*, Postinor and Easy Glide Lubricants have shown growth, while there is a decline in the Depo Provera injections.

Movement of Jadelle and IUD have shown a decline over the previous year, which was mainly due to the termination of the AUS-AID project – we still achieved the annual target.

Overall SMP revenue has increased by 3.5% over the previous year.

During the period in review, the SMP was able to exceed the budgeted surplus by Rs.14 Mn.

BEST SALES PERSONS

WINNER



Mr. S.N.M. Jibri

1ST

Runner-up



Mr. Lahiru Kulasinghe

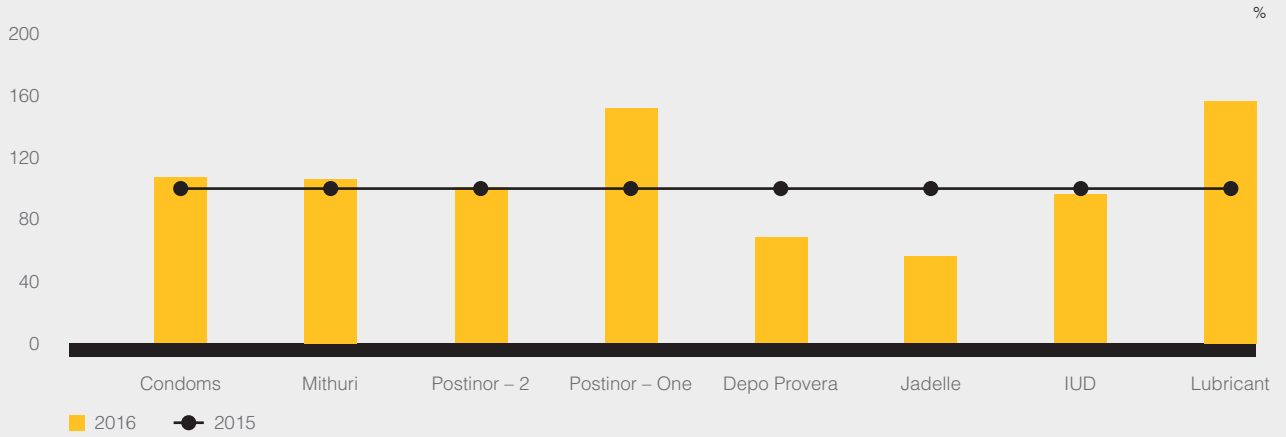
2ND

Runner-up

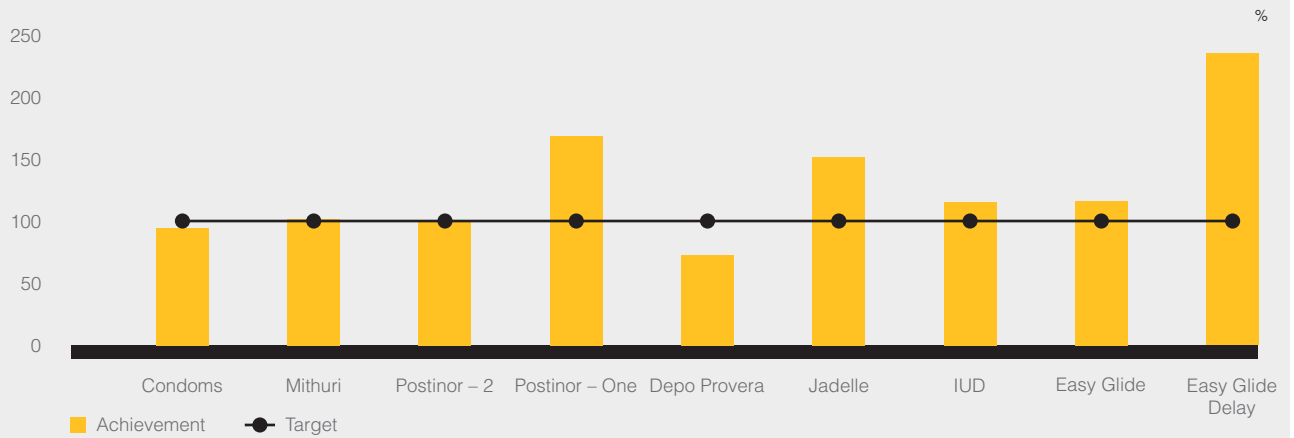


Mr. Thushara Bataduwarachchi

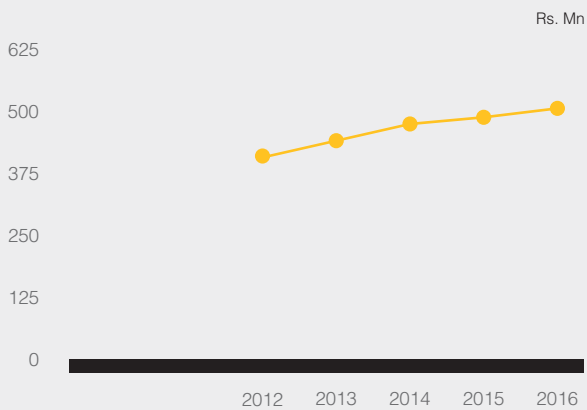
SALES – 2015 VS. 2016



SALES – ACHIEVEMENT VS. TARGET



REVENUE



PRODUCTS MARKETED BY FPA SRI LANKA



Preethi

Made with natural latex that gets you right into action and promises nothing but satisfaction. Preethi condoms are manufactured by Dongkuk Vietnam Co. Ltd. in Vietnam.



Preethi Super

Studded condoms, with specially designed dots on the outer side of the condom for all-round pleasure. These Condoms are made of natural Latex Rubber. Preethi Super condoms too are manufactured by Dongkuk Vietnam Co. Ltd. in Vietnam.



Preethi Hot

Preethi Hot condoms are natural rubber latex male condoms lubricated with a warming gel. Preethi Hot Condoms are manufactured by Karex Industries, Malaysia.



Preethi Cool

Preethi Cool condoms are natural rubber latex male condoms lubricated with silicone oil and a cooling gel. Preethi Cool Condoms are manufactured by Karex Industries, Malaysia.



Stamina

Benzocaine in Stamina will help you to prolong your love making allowing both the most intimate occasion - a lasting & memorable experience. Stamina condoms are manufactured in Thailand by Suretex Ltd.



Rough Rider

Hundreds of raised rubber 'studs' make the Rough Rider the condom offering maximum sensation and excitement. Rough Rider condoms too are manufactured in Thailand by Ansell.

PRODUCTS MARKETED BY FPA SRI LANKA

**Lifestyle Mixed Berry**

Flavored with strawberry, raspberry or blueberry to give a nice aroma to enhance your taste and desire for the occasion.

**Lifestyle Sensitive**

The ultra thin, smooth surface gives both partners a real natural feeling and experience. You will not feel you are wearing a condom. All Lifestyle condoms are manufactured in Thailand by Ansell.

**Mithuri – Oral Contraceptive Pill**

Mithuri is an Oral Contraceptive Pill that which should be taken daily. By taking *Mithuri* correctly and consistently, pregnancies could be avoided. *Mithuri* is manufactured by Bayer Health Care in Germany under their brand Microgynon.

**Ovorest Oral Contraceptive Pill**

A combined Oral Contraceptive Pill (OCP) containing derivatives of the female hormone Oestrogen and Progestin in low doses as Ethinylestradiol and Levonogestrel. Should be taken daily to avoid a pregnancy. Consistent and correct use provides you with 99.9% effectiveness. Manufactured in Bangladesh by Renata Ltd. There is no delay in conceiving after discontinuation of the pill.

**Postinor - 2**

An emergency contraceptive pill to be taken within 72 hours of unprotected sexual intercourse. Postinor – 2 is manufactured by Gedeon Richter PLC in Hungary.

**Postinor One**

Postinor One (morning after pill) is a single dose oral emergency contraceptive pill. This also should be taken within 72 hours of unprotected sexual intercourse. This regime allows you to take only 1 pill instead of two. Postinor One is also manufactured by Gedeon Richter PLC in Hungary.

PRODUCTS MARKETED BY FPA SRI LANKA

**Depo Provera**

An injectable contraceptive that prevents a pregnancy for up to 3 months with each injection. Depo – Provera is manufactured by Pfizer in Belgium.

**Copper – T IUD**

The intrauterine contraceptive device also known as a Copper T is an extremely effective contraceptive method, which can last up to 10 years.

**Jadelle**

Jadelle is a sub-dermal implant, which is an effective and reversible contraceptive that prevents a pregnancy for up to 5 years. Ideal for women who have completed their family and or who need to space out childbirth. Jadelle is manufactured by Bayer Healthcare in Finland.

**Easy Glide**

A water soluble, non-irritating and non-staining lubricant. Brings you and your partner satisfying and pleasurable love-making by moisturising the vagina. Manufactured by Karex Industries Sdn. Bhd, Malaysia.

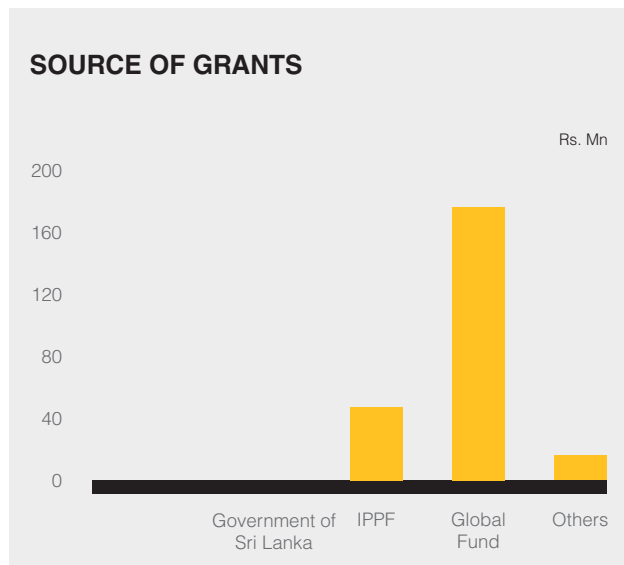
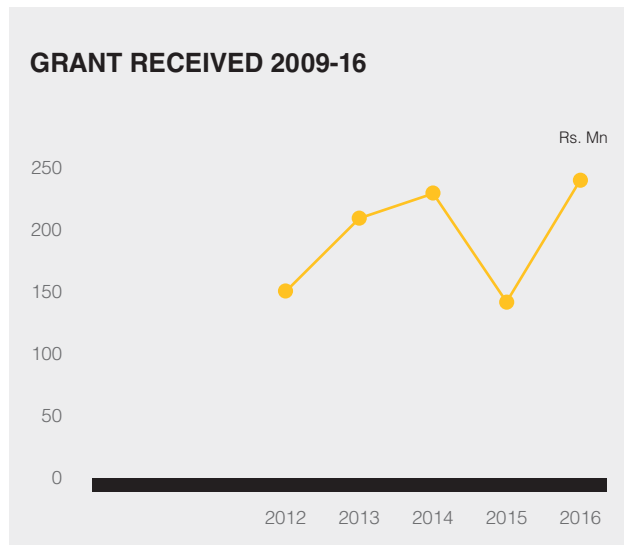
**Easy Glide Delay**

Water soluble with desensitising cream for longer love-making, containing 5% Benzocaine. Brings you and your partner a satisfying and pleasurable experience by moisturising the vagina. Manufactured by Karex Industries Sdn. Bhd, Malaysia.

FINANCIAL REVIEW

DONOR SUPPORT

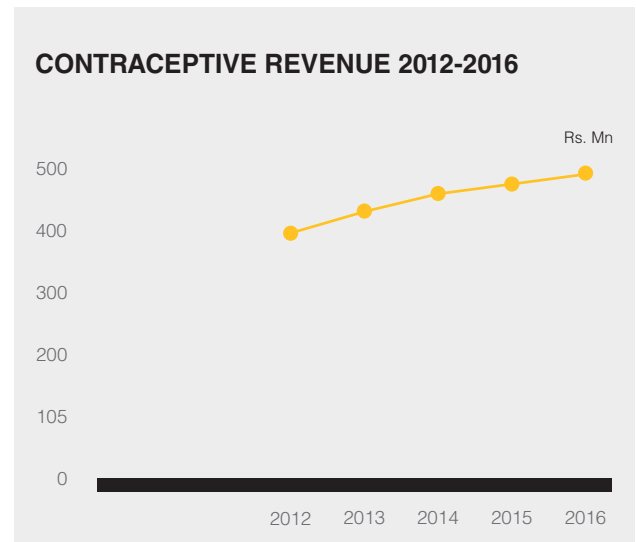
In the Financial year under review, the Association managed to record a satisfactory growth in all its revenue streams. A total of Rs. 240 Mn was received as grants out of which 20% was received from IPPF and 73 % was received from Global Fund to respond to maintaining low prevalence of HIV and improve the quality of life of people infected with HIV.



REVENUE FROM SOCIAL MARKETING OF CONTRACEPTIVES

Social Marketing recorded a steady growth in the sale of contraceptives since 2011. In 2016, it recorded a revenue of Rs. 490 Mn (net of tax). This contributes to 88% of the total revenue. The Association was able to maintain a gross profit of 36%, despite the currency fluctuations.

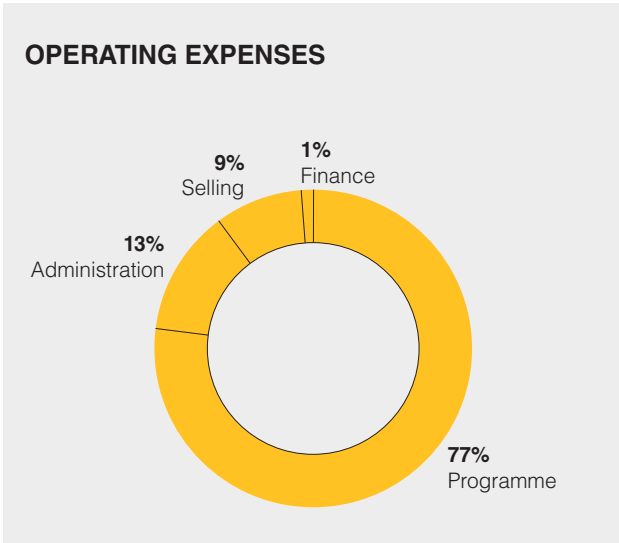
With the surplus from the Social Marketing Unit, an Investment of Rs. 46 Mn was made in the new building under construction during the year.



OPERATING EXPENSES

77% of the total revenue generated was spent on programmatic activities, while the administration overhead's amounted to 10%. Selling & Distribution costs were 9%, which was similar to that of the previous year.

FINANCIAL REVIEW

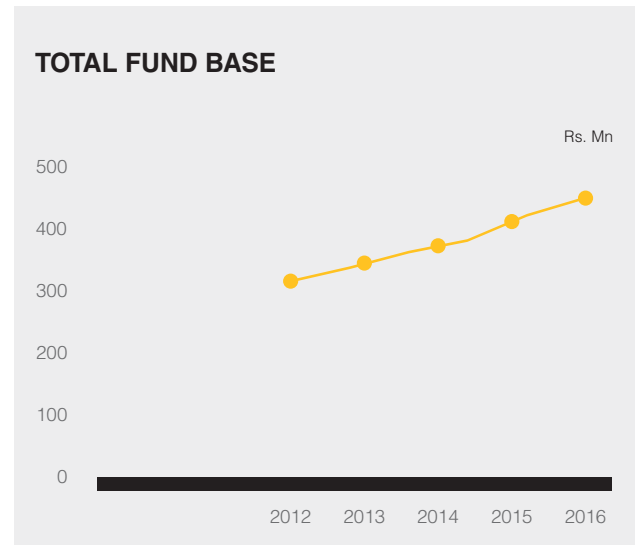


BALANCE SHEET

FPA Sri Lanka's Statement of Financial Position for the year under review, continued to reflect strength and stability, proving that sound fundamentals, financial policies and strategies are key to the success of the organisation.

ASSET GROWTH

The Association's total fund base increased upto Rs. 449 Mn in the current year, of which 50%, representing high liquidity investments, such as fixed and call deposits and Government securities.



Despite the growth in the fund base, the financial year did not see an increase in the investment portfolio due to investing Rs. 40 Mn in the construction of the new building.

NATIONAL COUNCIL MEMBERS



01. Mr. Chandima Gunawardana
HONORARY PRESIDENT

02. Dr. Pramilla Senanayake
HONORARY VICE-PRESIDENT

03. Dr. Esther Amarasekara
HONORARY GENERAL SECRETARY

04. Mr. Errol Smith
HONORARY TREASURER

05. Prof. Athula Kaluarachchi
HONORARY ASSISTANT
GENERAL SECRETARY

06. Ms. Sachini Uduwela
HONORARY ASSISTANT TREASURER

07. Dr. Lasantha Malavige
CHAIRPERSON - MEDICAL

08. Dr. Sriani Basnayake
CHAIRPERSON - IEC

9. Mr. Kamil Mohammed
CHAIRPERSON - FAC

10. Mr. Chathura Jayasinghe
CHAIRPERSON - SMP

11. Ms. Priskila Arulpragasam
CHAIRPERSON - YOUTH

12. Ms. Thushara Agus
EX-OFFICIO - EXECUTIVE DIRECTOR

SENIOR MANAGEMENT TEAM

Mr. Suhail Junaid
DIRECTOR - MARKETING

Dr. Harischandra Yakandawala
DIRECTOR - MEDICAL

Ms. Sureka Perera
DIRECTOR - FINANCE



Ms. Madusha Dissanayake
DIRECTOR - PUBLIC AFFAIRS,
POLICY AND ADVOCACY

Ms. Thushara Agus
EXECUTIVE DIRECTOR

LEADERSHIP AND GOVERNANCE

FPA Sri Lanka is an institution founded by volunteers and we strive to maintain the spirit of volunteerism in our Organisation through good governance.

The main body of governance is the National Council. All operational level decisions are made by the Senior Management Team, while policy-related decisions are taken at National Council level, so as to maintain accountability and transparency.

There are five Technical Advisory Committees who are tasked with specific operational and administrative areas.

In 2016, a new Committee was elected to serve for the next two years (2016-2018) at the Annual General Meeting which was held on 25 June 2016 at FPA Sri Lanka head office auditorium.

Members of the Governance team and other Technical Advisory Committees also participated in several events during the year. Among those were:

- The FPA Sri Lanka Staff service and sales service awards ceremony held in January.
- Participation of the Honorary President and Executive Director in the Regional Council Meeting which was held in Teheran in August 2016.
- Accreditation Training and SARYN Meeting held in Bangkok in July 2016.
- 'Know it, Own it' Cricket Tournament and Quiz organised by the Youth Technical Advisory Committee (YTAC).
- The Executive Director summoned special meetings for members of the National Council and other technical committees to obtain their opinions and comments on the preparation of Strategic Plan for 2016-2022.
- Members of the National Council together with members of the various TACs visited SDPs and mega static clinics.

MEMBERS OF THE NATIONAL COUNCIL 2016-2018

S/No	Title	Name
1.	Honorary President	Mr. Chandima Gunawardana
2.	Honorary Vice-President	Dr. Pramilla Senanayake
3.	Honorary General Secretary	Dr. Esther Amarasekara
4.	Honorary Treasurer	Mr. Errol Smith
5.	Honorary Assistant General Secretary	Prof. Athula Kaluarachchi
6.	Honorary Assistant Treasurer	Ms. Sachini Uduwela
7.	Chairperson – Medical	Dr. Lasantha Malavige
8.	Chairperson – IEC	Dr. Sriani Basnayake
9.	Chairperson – FAC	Mr. Kamil Mohammed
10.	Chairperson – SMP	Mr. Chathura Jayasinghe
11.	Chairperson – Youth	Ms. Priskila Arulpragasam
12.	Ex-officio – Executive Director	Ms. Thushara Agus
13.	Co-opted Member	Mr. Nihal Wadugodapitiya
14.	Co-opted Member – Audit Committee-Chairperson	Ms. Melanie Kanaka

LEADERSHIP AND GOVERNANCE

MEMBERS OF THE TECHNICAL ADVISORY COMMITTEES FOR THE YEAR 2016

Technical Advisory Committee – IEC	Technical Advisory Committee – FAC	Technical Advisory Committee – SMP	Technical Advisory Committee – Youth	Technical Advisory Committee – Medical
Dr. Sriani Basanayake (Chairperson)	Mr. Kamil Mohammed (Chairperson)	Mr. Chathura Jayasinghe (Chairperson)	Ms. Priskila Arulpragasam (Chairperson)	Dr. Lasantha Malavige (Chairperson)
Mr. Chandima Gunawardena	Mr. Chandima Gunawardena	Mr. Chandima Gunawardena	Ms. Jayomi Marasinghe	Dr. Pramilla Senanayake
Dr. Esther Amarasekara	Dr. Pramilla Senanayake	Dr. Pramilla Senanayake	Ms. Sachini Uduwela	Prof. Athula Kaluarachchi
Mr. Errol Smith	Dr. Esther Amarasekara	Dr. Esther Amarasekara	Mr. Lakshan Seneviratna	Dr. Sriani Basnayake
Major Shirley Silva	Mr. Errol Smith	Mr. Errol Smith	Mr. Chinthaka Chathuranath	Prof. A.H. Sherifdeen
Mr. Lal Hewapathirana	Mr. Nihal Wadugodapitiya	Mr. Nihal Wadugodapitiya	Mr. Jayalal Rajapaksha	Prof. H.R. Seneviratne
Ms. G.C. Dharmadasa	Mr. Chathura Jayasinghe	Mr. Kamil Mohammed	Ms. Desaree Soysa	Prof. L.R. Amarasekara
Dr. Lasantha Malavige	Ms. Padma Cumaranatunge	Ms. Shea Wickramasinghe	Ms. Chiranthi Senanayake	Dr. S.A.P. Gnanissara
Mr. Sahiru Sameera	Ms. Shirantini De Silva	Ms. Dawn Austin	Ms. Sophia Deady	Dr. Lakshman Senanayake
Mr. Kamil Mohammed	Major Shirley Silva	Ms. G.C. Dharmadasa	Mr. Hashan Fontain	Prof. Hemantha Senanayake
Ms. Sarah Soysa	Dr. Ajith Colonne	Dr. Lasantha Malavige	Ms. Chathurika Jayalath	Dr. Lilangani de Silva
Mr. U.L. Kaluarachchi	Mr. Anver Dole	Mr. Nihal Waniarachchi	Ms. Nayanathara Wijesiri	Prof. Sumedha Wijeratne
Dr. Indira Hettiarachchi	Mr. Dinesh Fernando	Mr. Duminda P. de Alwis	Ms. Vicky Shahjahan	Dr. Sisira Liyanage
	Mr. Ben Christhumani	Mr. Jeewantha Perera		Dr. Sanjeewa Godakandage
	Mr. G. Lester Aponso	Ms. Kanchana Karunaratne		Dr. Mangala Dissanayake
	Mr. Nihal Wadugodapitiya			Dr. Sugandika Perera
	Mr. Chathura Jayasinghe			Prof. Mandika Wijeratne
				Dr. Ajith Malalasekera
				Dr. Ajith Rajapaksha
				Prof. Lalani Rajapaksha

MEETING SCHEDULE FOR THE YEAR 2016

S/No.	Name of the Technical Advisory Committee	No. of Meetings Held
1.	National Council	06
2.	Medical	04
3.	Information, Education and Communication (IEC)	04
4.	Finance and Administration Committee (FAC)	04
5.	Social Marketing Programme (SMP)	04
6.	Youth	05
7.	AGM/EGM	01

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INDEPENDENT AUDITORS' REPORT



KPMG
(Chartered Accountants)
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P. O. Box 186,
Colombo 00300,
Sri Lanka.

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TO THE MEMBERS OF 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 2016 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.

NATIONAL COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The National Council is responsible for the preparation of these Financial Statements that give a true and fair view in accordance with Sri Lanka Accounting Standards for small and medium sized entities and for such internal control as the National Council determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditors' judgment, including the assessment of risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal control relevant to the entity's preparation of the Financial Statements that give a true and fair view in order to

design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the National Council, as well as evaluating the overall presentation of the Financial Statements.

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

OPINION

In our opinion, the Financial Statements give a true and fair view of the Financial Position of the Association as at 31 December 2016 and of its Financial Performance and Cash Flows for the year then ended in accordance with Sri Lanka Accounting Standards for small and medium sized entities.

Report on Other Legal and Regulatory Requirements

As required by section 163 (2) of the Companies Act No. 07 of 2007, we state the following:

- The basis of opinion and scope and limitations of the audit are as stated above.
- In our opinion, 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 and the Financial Statements of the Association, comply with the requirements of section 151 of the Companies Act.

CHARTERED ACCOUNTANTS

12 April 2017
Colombo

KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA	P.Y.S. Perera FCA	C.P. Jayatilake FCA
T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyrathne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan ACA		

Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA

STATEMENT OF INCOME AND EXPENDITURE

Year ended 31 December	Note	2016 Rs.	2015 Rs.
Revenue	15	722,174,449	698,186,814
Donor Grants			
Restricted Grants			
Restricted Donor Grants	15	213,833,249	202,951,194
Restricted Project Costs on Goals	16	(213,833,249)	(202,951,194)
Surplus/(Deficit) over Project Expenditure		-	-
Unrestricted Grants			
Unrestricted Donor Grants	15.1	18,029,626	21,332,508
Other Project Costs on Goals	17	(56,371,142)	(51,229,291)
Deficit over Project Expenditure		(38,341,516)	(29,896,783)
Contraceptive Sales	15	490,311,574	473,903,112
Cost of Contraceptive Sales		(313,107,325)	(289,631,352)
Gross Profit		177,204,249	184,271,760
Other Income	18	20,959,419	15,359,278
Administrative Expenses	19	(75,604,833)	(71,643,539)
Selling & Distribution Expenses	20	(68,971,682)	(66,133,075)
Net Finance Income	21	12,579,338	13,526,387
Surplus before Taxation	22	27,824,975	45,484,028
Income Tax Expense	23	(701,180)	(3,487,136)
Surplus for the Year		27,123,795	41,996,892

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

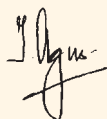
Figures in the brackets indicate deductions.

STATEMENT OF FINANCIAL POSITION

As at 31 December	Note	2016 Rs.	2015 Rs.
Assets			
Property, Plant and Equipment	4	79,977,969	87,813,197
Intangible Assets	5	3,066,158	3,446,778
Capital Work in Progress	6	48,177,064	2,632,306
Deferred Tax Assets	7	1,040,232	-
Total Non-current Assets		132,261,423	93,892,281
Inventories	8	116,489,484	94,690,671
Trade and Other Receivables	9	131,629,561	121,522,846
Investments	10	225,173,082	231,573,096
Cash and Cash Equivalents		37,824,163	32,266,978
Total Current Assets		511,116,290	480,053,591
Total Assets		643,377,713	573,945,872
Fund and Liabilities			
Accumulated Fund		173,324,464	174,020,845
Revenue Reserves	11	276,257,127	248,436,951
Total Fund		449,581,591	422,457,796
Liabilities			
Retirement Benefit Obligations	12	24,673,113	25,976,554
Total Non-Current Liabilities		24,673,113	25,976,554
Trade and Other Payables	13	117,911,995	83,154,704
Commodity Grant		195,740	195,740
Deferred Income	14	50,247,839	41,666,674
Income Tax Payable		248,817	494,404
Bank Overdraft		518,618	-
Total Current Liabilities		169,123,009	125,511,522
Total Liabilities		193,796,122	151,488,076
Total Fund and Liabilities		643,377,713	573,945,872

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

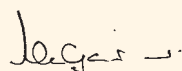
It is certified that these Financial Statements have been prepared and presented in compliance with the requirements of the Companies Act No. 07 of 2007.



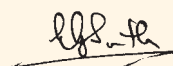
Executive Director

The National Council is responsible for the preparation and presentation of these Financial Statements.

Approved and signed for and on behalf of the National Council by:



Director/National Council Member



Director/National Council Member

12 April 2017
Colombo

STATEMENT OF CHANGES IN FUND BALANCES

	Accumulated Fund Rs.	Special Reserve Fund Rs.	Endowment Fund Rs.	President's Discretionary Fund Rs.	Total Rs.
Balance as at 1 January 2015	163,880,184	205,921,185	8,628,276	2,031,259	380,460,904
Surplus for the Year	41,996,892	-	-	-	41,996,892
Transfer to Special Reserve Fund	(31,137,467)	31,137,467	-	-	-
Transfer to Endowment Fund	(569,466)	-	569,466	-	-
Transfer to President's Fund	(149,298)	-	-	149,298	-
Balance as at 1 January 2016	174,020,845	237,058,652	9,197,742	2,180,557	422,457,796
Surplus for the Year	27,123,795	-	-	-	27,123,795
Transfer to Special Reserve Fund	(26,870,089)	26,870,089	-	-	-
Transfer to Endowment Fund	(768,011)	-	768,011	-	-
Transfer to President's Fund	(182,076)	-	-	182,076	-
Balance as at 31 December 2016	173,324,464	263,928,741	9,965,753	2,362,633	449,581,591

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	2016 Rs.	2015 Rs.
Cash Flows from Project Activities		
Surplus before Taxation	27,824,975	45,484,028
Adjustments for;		
Depreciation	13,000,011	12,310,534
Income from Investments	(17,637,566)	(13,526,387)
Profit on sale of Property, Plant and Equipment	(7,519,707)	(1,500,000)
Amortisation of Commodity Grant	–	(27,638)
Amortisation of Intangible Assets – ERP System	1,544,381	1,077,185
Provision for Retirement Gratuity	4,317,536	5,109,837
Operating Surplus before Working Capital Changes	21,529,630	48,927,559
Changes in;		
Inventories	(21,798,813)	(20,476,803)
Trade and Other Receivables	(10,026,154)	(3,078,584)
Trade and Other Payables	34,757,290	33,345,694
Cash generated from Operations	24,461,953	58,717,866
Gratuity Paid	(5,620,977)	(984,565)
Income Tax Paid	(1,986,999)	(4,235,000)
Net Cash generated from Project Activities	16,853,977	53,498,301
Cash Flows from Investing Activities		
Acquisition of Property, Plant and Equipment	(5,164,783)	(17,175,428)
Proceeds from Sale of Property, Plant and Equipment	7,519,707	1,500,000
Interest Received	15,571,872	6,452,871
Acquisition of Intangible Assets – ERP System	(1,163,761)	(2,220,642)
Investment in Capital Expenditure	(45,544,758)	(2,632,306)
Investments made in Fixed Deposits and Treasury Bills	(167,290,156)	(59,107,733)
Withdrawal of Fixed Deposits and Treasury Bills	175,755,864	110,213,915
Net Cash generated from/(used in) Investing Activities	(20,316,015)	37,030,677
Cash Flows from Financing Activities		
Funds received during the Year	222,333,854	141,279,170
Grants transferred to Income	(213,833,249)	(224,283,702)
Net Cash generated from/(used in) Financing Activities	8,500,605	(83,004,532)
Net increase in Cash and Cash Equivalents	5,038,567	7,524,446
Cash and Cash Equivalents at the beginning of the Year	32,266,978	24,742,532
Cash and Cash Equivalents at the end of the Year	37,305,545	32,266,978
Analysis of Cash & Cash Equivalents at the end of the Year;		
Cash at Bank	37,824,163	32,266,978
Bank Overdraft	(518,618)	–
	37,305,545	32,266,978

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 ('Association') is an Association 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 conduct and effect of programs undertaken.

1.3 NUMBER OF EMPLOYEES

The number of the employees of the Association at the end of the year was 135 (2015 – 126).

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The Statement of Financial Position, Statement of Income and Expenditure, Statement of Changes in Fund Balances and Statement of Cash Flows, together with Notes to the Financial Statements ('Financial Statements') of the Association as at 31 December 2016 and for the year then ended, comply with the Sri Lanka Accounting Standards 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 2016 were authorised for issue in accordance with a resolution of the National Council on 12 April 2017.

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 recognised 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 TRANSACTIONS

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

NOTES TO THE FINANCIAL STATEMENTS

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 recognised in Statement of Income and Expenditure.

3.2 FINANCIAL INSTRUMENTS**3.2.1 NON-DERIVATIVE FINANCIAL ASSETS**

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

The Association derecognises 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 recognised 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 realise 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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. The losses arising from impairment are recognised 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 recognised initially on the trade date, which is the date that the Association becomes a party to the contractual provisions of the instrument. The Association derecognises 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 recognised initially at fair value less any directly attributable transaction costs.

Subsequent to initial recognition, these financial liabilities are measured at amortised 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 recognised in Statement of Income and Expenditure.

3.3.2 SUBSEQUENT EXPENDITURE

Subsequent expenditure is capitalised 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 recognised in Statement of Income and Expenditure.

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

	Years
Buildings	20
Other Equipment	04
Audio and Video Equipment	04
Furniture and Fittings	10
Motor Vehicles	04
Computer Equipment	04

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 amortisation and any accumulated impairment losses.

3.4.2 SUBSEQUENT EXPENDITURE

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

3.4.3 AMORTISATION

Amortisation 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 recognised in the Statement of Income and Expenditure. The estimated useful life of intangible asset is as follows:

	Years
ERP System – SAGE Evolution	04

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

3.5 INVENTORIES

Inventories are measured at the lower of cost and net realisable 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.

3.6 IMPAIRMENT

3.6.1 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.

3.6.1.1 FINANCIAL ASSETS MEASURED AT AMORTISED COST

The Association considers evidence of impairment for financial assets measured at amortised 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.

NOTES TO THE FINANCIAL STATEMENTS**3.6.1.2 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 recognised 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 recognised in the Statement of Income and Expenditure.

3.7 EMPLOYEE BENEFITS**3.7.1 SHORT-TERM EMPLOYEE BENEFITS**

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

3.7.2 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 recognised as an expense in profit or loss when incurred.

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.

3.7.3 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 unrecognised 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.

3.8 PROVISIONS

A provision is recognised 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.

3.9 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.

3.10 GRANTS AND SUBSIDIES

Grants are recognised 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 recognised 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 installments.

3.11 REVENUE RECOGNITION

Revenue is recognised 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 recognised 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.

3.12 OTHER INCOME

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

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

3.13 FINANCE COSTS

Finance costs comprise interest expense on borrowings.

3.14 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 recognised in the Income Statement.

3.14.1 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.10 of 2006 and subsequent amendments thereto.

The Association is Liable for income tax at the rate of 10% on the taxable profit.

3.14.2 DEFERRED TAXATION

Deferred tax is recognised 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 recognised 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 utilised. 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 realised.

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.

3.15 NATION BUILDING TAX (NBT)

As per the provisions of the Nation Building Tax Act, No. 09 of 2009 and the subsequent amendments thereto, Nation Building Tax should be payable at the rate of 2% with effect from 1 January 2011 on the liable turnover as per the relevant provisions of the Act.

3.16 VALUE ADDED TAX (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the VAT is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of VAT included. The amount of VAT recoverable or payable in respect of taxation authorities is included as a part of receivable and payable in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Furniture and Fittings	Other Equipment	Audio and Video Equipment	Motor Vehicles	Computer Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost								
Balance as at 01.01.2016	40,404,780	33,699,521	5,508,551	25,468,201	2,796,682	61,023,262	24,816,143	193,717,140
Additions	-	-	-	1,318,391	-	-	3,846,392	5,164,783
Disposals	-	-	-	-	-	(10,339,286)	-	(10,339,286)
Balance as at 31.12.2016	40,404,780	33,699,521	5,508,551	26,786,592	2,796,682	50,683,976	28,662,535	188,542,637
Accumulated Depreciation								
Balance as at 01.01.2016	-	15,427,594	3,291,121	22,902,522	2,796,682	39,200,272	22,285,752	105,903,943
Charge for the Year	-	2,675,075	348,252	1,316,432	-	6,957,599	1,702,653	13,000,011
Disposals	-	-	-	-	-	(10,339,286)	-	(10,339,286)
Balance as at 31.12.2016	-	18,102,669	3,639,373	24,218,954	2,796,682	35,818,585	23,988,405	108,564,668
Carrying Amount								
As at 31.12.2016	40,404,780	15,596,852	1,869,178	2,567,638	-	14,865,391	4,674,130	79,977,969
As at 31.12.2015	40,404,780	18,271,927	2,217,430	2,565,679	-	21,822,990	2,530,391	87,813,197

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 had expired on 11 August 2000 and by a letter dated 2 August 2006, the 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, by a letter dated 31 January 2007, the 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/- annually as rent to the Divisional Secretariat Thimbirigasyaya for the above mention land.

5. INTANGIBLE ASSETS

	Balance as at 01.01.2016	Additions	Balance as at 31.12.2016
	Rs.	Rs.	Rs.
Cost			
ERP System – SAGE Evolution	5,547,422	1,163,761	6,711,183
	5,547,422	1,163,761	6,711,183
Amortisation			
ERP System – SAGE Evolution	2,100,644	1,544,381	3,645,025
	2,100,644	1,544,381	3,645,025

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December	2016 Rs.	2015 Rs.
Carrying Amount		
ERP System – SAGE Evolution	3,066,158	3,446,778

6. CAPITAL WORK IN PROGRESS

As at 31 December	2016 Rs.	2015 Rs.
Construction of Building – Narahenpita	46,611,401	2,632,306
Construction of Building – Head Office	1,565,663	–
	48,177,064	2,632,306

7. DEFERRED TAX ASSETS

As at 31 December	2016 Rs.	2015 Rs.
Balance as at the beginning of the year	–	–
Amounts Recognised during the year	1,040,232	–
Balance as at the end of the year	1,040,232	–

7.1 DEFERRED TAX ASSETS/(LIABILITIES) ARE ATTRIBUTABLE TO THE FOLLOWING TEMPORARY DIFFERENCES:

As at 31 December 2016	Temporary Differences Rs.	Tax Effect at 10% Rs.
Property, Plant and Equipment	(14,270,801)	(1,427,080)
Employee Benefits	24,673,113	2,467,312
	10,402,312	1,040,232

8. INVENTORIES

As at 31 December	2016 Rs.	2015 Rs.
Contraceptives	112,191,610	89,019,261
Packing Materials	2,275,387	2,476,435
Pharmaceutical Items	509,972	242,583
Stationery and Other Items	1,512,515	2,952,392
	116,489,484	94,690,671

NOTES TO THE FINANCIAL STATEMENTS

9. TRADE AND OTHER RECEIVABLES

As at 31 December	2016 Rs.	2015 Rs.
Trade Debtors	113,740,027	86,794,551
Less: Provision for bad and doubtful Debts	(4,410,543)	(4,615,753)
	109,329,484	82,178,798
Staff Loans	514,000	600,000
Prepaid Expenses	2,185,060	2,385,338
Other Receivables	19,601,017	36,358,710
	131,629,561	121,522,846

10. INVESTMENTS

As at 31 December	2016 Rs.	2015 Rs.
Fixed Deposits (Note 10.1)	172,752,499	174,056,124
Treasury Bills/Repurchase Agreements (Note 10.2)	50,234,126	57,313,222
Call Deposits	2,186,457	203,750
	225,173,082	231,573,096

10.1 FIXED DEPOSITS

As at 31 December	2016 Rs.	2015 Rs.
Capital	165,708,153	168,363,682
Interest Receivable	7,044,346	5,692,442
	172,752,499	174,056,124

10.2 TREASURY BILLS/REPURCHASE AGREEMENTS

As at 31 December	2016 Rs.	2015 Rs.
Capital	49,090,914	56,883,801
Interest Receivable	1,143,212	429,421
	50,234,126	57,313,222

11. REVENUE RESERVES

As at 31 December	2016 Rs.	2015 Rs.
Special Reserve Fund (Note 11.1)	263,928,741	237,058,652
Endowment Fund (Note 11.2)	9,965,753	9,197,742
President Discretionary Fund (Note 11.3)	2,362,633	2,180,557
	276,257,127	248,436,951

11.1 SPECIAL RESERVE FUND

As at 31 December	2016 Rs.	2015 Rs.
Fund Balance at the beginning of the year	237,058,652	205,921,185
Transferred from Undesignated Fund	26,870,089	31,137,467
Fund Balance at the end of the year	263,928,741	237,058,652

11.2 ENDOWMENT FUND

As at 31 December	2016 Rs.	2015 Rs.
Fund Balance at the beginning of the year	9,197,742	8,628,276
Transferred from Undesignated Fund	768,011	569,466
Fund Balance at the end of the year	9,965,753	9,197,742

11.3 PRESIDENT'S DISCRETIONARY FUND

As at 31 December	2016 Rs.	2015 Rs.
Fund Balance at the beginning of the year	2,180,557	2,031,259
Transferred from Undesignated Fund	182,076	149,298
Fund Balance at the end of the year	2,362,633	2,180,557

12. RETIREMENT BENEFIT OBLIGATIONS

As at 31 December	2016 Rs.	2015 Rs.
Balance as at the beginning of the year	25,976,554	21,851,282
Provision for the year	4,317,536	5,109,837
(-) Benefit paid during the year	(5,620,977)	(984,565)
Balance as at the end of the year	24,673,113	25,976,554

As required by Sri Lanka Accounting Standard (LKAS 19) 'Employee Benefits', 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	2016
Expected Annual Average Salary Increment Rate (%)	9
Discount Rate (%)	10
Staff Turnover Factor (%)	1.01
Maximum Retirement Age of the Employees (Years)	60

NOTES TO THE FINANCIAL STATEMENTS

13. TRADE AND OTHER PAYABLES

As at 31 December	2016 Rs.	2015 Rs.
Accounts Payable	21,621,263	5,118,172
Short-Term Loans	72,293,997	-
Sundry Creditors	23,996,735	78,036,532
	117,911,995	83,154,704

14. DEFERRED INCOME

	Balance as at 01.01.2016 Rs.	Funds Received during the year Rs.	Receivable Rs.	Grants Transferred to Income Rs.	Balance as at 31.12.2016 Rs.
IPPF	5,679,764	29,827,011	80,560	23,805,099	11,782,236
UNAIDS	28,140	-	-	-	28,140
United Nations Population Fund	31,717	16,337,300	-	16,268,799	100,218
Global Fund	35,619,848	175,991,892	-	173,674,351	37,937,389
Others	307,205	177,651	-	85,000	399,856
	41,666,674	222,333,854	80,560	213,833,249	50,247,839

15. REVENUE

For the year ended 31 December	2016 Rs.	2015 Rs.
Restricted Donor Grants	213,833,249	202,951,194
Unrestricted Donor Grants (Note 15.1)	18,029,626	21,332,508
Contraceptive Sales	490,311,574	473,903,112
	722,174,449	698,186,814

15.1 UNRESTRICTED GRANTS

For the year ended 31 December	2016 Rs.	2015 Rs.
Core Grant	17,954,626	21,257,508
Government Grant	75,000	75,000
	18,029,626	21,332,508

16. RESTRICTED PROJECT COSTS ON GOALS

For the year ended 31 December	2016 Rs.	2015 Rs.
Personnel and Employee Benefits	91,908,904	60,796,297
Travel and Per Diem Expenses	55,110,805	83,320,325
Vehicle Running Costs	4,293,155	4,969,867
Printing and Stationery	5,909,115	4,143,768
Occupancy Cost	9,407,132	6,506,444
Communications	172,194	750,939
Consultancy and Professional Fees	16,314,150	19,346,943
Medical Supplies/Equipment	21,643,831	12,592,516
Development Activities	8,617,380	9,431,443
Sundries	108,512	125,521
Maintenance of Building and Equipment	190,979	854,649
Insurance and Bank Charges	157,092	112,482
	213,833,249	202,951,194

17. OTHER PROJECT COSTS ON GOALS

For the year ended 31 December	2016 Rs.	2015 Rs.
Personnel and Employee Benefits	35,240,101	32,891,715
Travel and Per Diem Expenses	4,664,375	6,319,860
Vehicle Running Costs	723,839	845,172
Printing and Stationery	3,884,380	2,493,360
Occupancy Cost	3,183,117	1,709,418
Communications	338,287	264,133
Consultancy and Professional Fees	2,956,187	2,707,178
Medical Supplies/Equipment	1,266,903	2,877,661
Development Activities	3,637,727	821,167
Maintenance of Building and Equipment	474,726	299,627
Insurance and Bank Charges	1,500	-
	56,371,142	51,229,291

18. OTHER INCOME

For the year ended 31 December	2016 Rs.	2015 Rs.
Fundraising Income	9,183,206	8,741,542
Reversal of Bad debts Provision	205,210	-
Miscellaneous Income	9,375	1,925,193
Donations	10,000	10,000
Clinic Income	3,899,536	2,585,468
Training Services Income	132,385	597,075
Profit on Sale of Vehicles	7,519,707	1,500,000
	20,959,419	15,359,278

NOTES TO THE FINANCIAL STATEMENTS

19. ADMINISTRATIVE EXPENSES

For the year ended 31 December	2016 Rs.	2015 Rs.
Personnel & Employee Benefits	34,820,258	37,302,941
Travel & Per Diem Expenses	4,856,297	2,805,063
Vehicle Running Costs	404,155	524,398
Printing & Stationery	7,148,441	4,316,567
Occupancy Cost	4,331,033	4,301,667
Communications	2,458,357	2,391,369
Depreciation and Amortisation	14,544,392	13,387,720
Audit Fees and Expenses	1,126,890	878,232
Consultancy and Professional Fees	1,052,701	1,024,494
Sundry Expenses	66,325	64,165
Maintenance of Building and Equipment	3,115,273	2,535,292
Insurance Expense	–	1,140,808
Development Activities	974,492	351,579
Bank Charges	706,219	619,244
	75,604,833	71,643,539

20. SELLING & DISTRIBUTION EXPENSES

For the year ended 31 December	2016 Rs.	2015 Rs.
Personnel & Employee Benefits	27,317,950	25,156,440
Travel & Per Diem Expenses	7,605,030	7,359,345
Vehicle Running Costs	4,245,886	5,516,200
Printing & Stationery	961,187	1,061,951
Promotional expenses	24,358,003	23,941,743
Medical Supplies/Equipment	484,299	265,908
Consultancy & Professional Fees	35,700	255,750
Bad Debtors	143,700	302,928
Nation Building Tax	3,401,172	1,844,434
Sundry Expenses	418,755	428,376
	68,971,682	66,133,075

21. NET FINANCE INCOME/(FINANCE COSTS)

For the year ended 31 December	2016 Rs.	2015 Rs.
21.1 FINANCE INCOME		
Interest on Repurchase Agreements/Treasury Bills	5,439,030	3,305,818
Interest on Fixed and Call Deposits	12,198,536	10,220,569
	17,637,566	13,526,387
21.2 FINANCE COSTS		
Interest on Short-Term Loans	(5,058,228)	-
	(5,058,228)	-
Net Finance Income recognised in Statement of Income and Expenditure	12,579,338	13,526,387

22. SURPLUS BEFORE TAXATION

Surplus before Taxation is stated after charging all expenses including the following;

For the year ended 31 December	2016 Rs.	2015 Rs.
Included in Administrative Expenses		
Defined Contribution Plan Costs – Gratuity	1,675,747	2,782,725
Defined Contribution Plan Costs – EPF and ETF	4,584,433	4,165,742
Depreciation	14,544,392	12,310,534
Auditors' Remuneration	770,000	532,000
Included in Selling and Distribution Expenses		
Defined Contribution Plan Costs – Gratuity	927,703	1,496,440
Defined Contribution Plan Costs – EPF and ETF	2,138,674	1,920,677
Included in Project Costs on Goals		
Defined Contribution Plan Costs – Gratuity	1,637,603	2,616,852
Defined Contribution Plan Costs – EPF and ETF	4,394,989	4,259,322

23. INCOME TAX EXPENSE

For the year ended 31 December	2016 Rs.	2015 Rs.
Income Tax on current year Surplus (Note 23.1)	1,741,412	3,487,136
Deferred Tax Originated during the year	(1,040,232)	-
	701,180	3,487,136

NOTES TO THE FINANCIAL STATEMENTS

23.1 RECONCILIATION BETWEEN ACCOUNTING PROFIT TO INCOME TAX

For the year ended 31 December	2016 Rs.	2015 Rs.
Surplus before Taxation	27,824,975	45,484,028
Adjustment on Disallowable Expenses	193,328,366	170,037,325
Adjustment on Allowable Expenses	(16,525,884)	(12,113,752)
Tax exempt Income	(192,755,959)	(171,709,371)
Profit on Trade or Business	11,871,498	31,698,230
Interest Income on Treasury Bills/Repurchase Agreements	6,042,618	3,673,131
	17,914,116	35,371,361
Tax Free Allowances	(500,000)	(500,000)
Taxable Income	17,414,116	34,871,361
Tax @ 10%	1,741,412	3,487,136

24. ASSETS PLEDGED AS COLLATERALS

Name of the Financial Institution	Nature of Facility	Security	Value of the Security	
			As at 31.12.2016 Rs.	As at 31.12.2015 Rs.
Standard Chartered Bank	Letter of Credit	Fixed Deposits	49,090,914	40,000,000
Hatton National Bank	Letter of Credit	Fixed Deposits	52,365,449	40,000,000

25. RELATED PARTY DISCLOSURES**25.1 TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL**

According to Sri Lanka Accounting Standard LKAS 24 'Related Party Disclosures', 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 Officer 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;

- The individual's domestic partner and children;
- Children of the individual's domestic partner; and
- Dependants of the Individual or the individual's domestic partner

Close Family Members are related parties to the Entity.

For the year ended 31 December	2016 Rs.	2015 Rs.
Key Management Personnel Compensation		
Salaries, EPF, ETF and Gratuity	4,977,699	4,769,219

26. SUBSEQUENT EVENTS

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

27. CONTINGENT LIABILITIES

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

28. COMPARATIVE FIGURES

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

29. CAPITAL COMMITMENTS

The Association does not have significant Commitments as at the reporting date other than mentioned below.

The Association is constructing a building in the freehold land located in Narahenpita, which is to be completed in year 2017.

For the year ended 31 December	2016 Rs.
Approximate amount approved but not contracted for	-
Approximate amount contracted for but not incurred	96,635,570
	96,635,570

30. THE NATIONAL COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The 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.

INDEPENDENT AUDITORS' REPORT



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TO THE MEMBERS OF THE FAMILY PLANNING ASSOCIATION OF SRI LANKA

We have audited the accompanying Financial Statements of The Family Planning Association of Sri Lanka, ('the Association'), which comprise the Balance Sheet as at 31 December 2016, and the Statement of Income, Expenses and Changes in Fund Balances and Statement of Functional Expenses for the year then ended and a summary of significant accounting policies and other explanatory information set out on pages 77 to 95 of the Financial Statements. The Financial Statements have been prepared by the National Council of the Association based on the Accounting Policies of the External Audit Manual (Issued June 1992, Revised October 2010) issued by International Planned Parenthood Federation (IPPF).

NATIONAL COUNCIL'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The National Council is responsible for the preparation of these Financial Statements in accordance with the Accounting Policies of External Audit Manual (Issued June 1992, Revised October 2010) issued by IPPF and for such internal control as National Council determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Sri Lanka Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditors' judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments,

the Auditor considers internal control relevant to the entity's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by National Council, as well as evaluating the overall presentation of the Financial Statements.

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

OPINION

In our opinion, the Financial Statements of the Association for the year ended 31 December 2016 are prepared, in all material respects, in accordance with the accounting policies of External Audit Manual (Issued June 1992, Revised October 2010) issued by IPPF.

BASIS OF ACCOUNTING AND RESTRICTION ON USE AND DISTRIBUTION

Without modifying our opinion, we draw attention to Note 2.1 to the Financial Statements, which describes the basis of accounting. The Financial Statements are prepared to assist the Association to comply with the accounting policies of External Audit Manual (Issued June 1992, Revised October 2010) issued by IPPF. As a result, the Financial Statements may not be suitable for another purpose. Our report is intended solely for The Family Planning Association of Sri Lanka and International Planned Parenthood Federation and should not be distributed to or used by any other parties.

CHARTERED ACCOUNTANTS

27 April 2017
Colombo

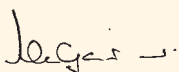
KPMG, a Sri Lankan partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

M.R. Mihular FCA	P.Y.S. Perera FCA	C.P. Jayatilake FCA
T.J.S. Rajakarier FCA	W.W.J.C. Perera FCA	Ms. S. Joseph FCA
Ms. S.M.B. Jayasekara ACA	W.K.D.C. Abeyrathne FCA	S.T.D.L. Perera FCA
G.A.U. Karunaratne FCA	R.M.D.B. Rajapakse FCA	Ms. B.K.D.T.N. Rodrigo FCA
R.H. Rajan ACA		

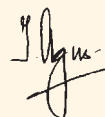
Principals - S.R.I. Perera FCMA(UK), LLB, Attorney-at-Law, H.S. Goonewardene ACA

BALANCE SHEET

As at 31 December 2016		Current Year 2016						Prior Year 2015	
		Local Currency			US Dollars			Local Currency	US Dollars
Note	Unrestricted	Donor Restricted	Total	Unrestricted	Donor Restricted	Total	Total	Total	
	Rs.	Rs.	Rs.	Rs.	Rs.		Rs.		
Assets									
Current Assets									
	Cash in Hand and Bank	6,324,989	31,499,174	37,824,163	42,783	213,063	255,846	32,266,978	220,735
	Interest Bearing Deposits	206,110,845	10,874,679	216,985,524	1,394,148	73,557	1,467,705	225,451,233	1,542,285
4	Inventories	116,489,484	–	116,489,484	787,943	–	787,943	94,690,671	647,768
	Staff Loans	514,000	–	514,000	3,477	–	3,477	600,000	4,104
5	Other Debtors	118,169,827	7,873,986	126,043,813	799,309	53,260	852,569	116,194,735	794,874
	Interest Receivable	8,187,558	–	8,187,558	55,381	–	55,381	6,121,863	41,878
	Prepaid Expenses	2,185,060	–	2,185,060	14,780	–	14,780	2,385,338	16,319
	Total Current Assets	457,981,763	50,247,839	508,229,602	3,097,821	339,880	3,437,701	477,710,818	3,267,963
Non-Current Assets									
6	Fixed Assets	131,221,191	–	131,221,191	887,589	–	887,589	93,892,281	642,306
7	Deferred Tax Assets	1,040,232	–	1,040,232	7,036	–	7,036	–	–
	Security/Refundable Deposits	2,886,688	–	2,886,688	19,526	–	19,526	2,342,773	16,026
	Total Non-Current Assets	135,148,111	–	135,148,111	914,151	–	914,151	96,235,054	658,332
	Total Assets	593,129,874	50,247,839	643,377,713	4,011,972	339,880	4,351,852	573,945,872	3,926,295
Liabilities and Fund Balances									
Current Liabilities									
	Accounts Payable	96,290,733	–	96,290,733	651,317	–	651,317	5,118,172	35,012
	Accrued Expenses	21,621,262	–	21,621,262	146,248	–	146,248	78,036,532	533,839
	Bank Overdraft	518,618	–	518,618	3,508	–	3,508	–	–
	Income Tax Payable	248,817	–	248,817	1,683	–	1,683	494,404	3,382
13	Deferred Income	–	50,247,839	50,247,839	–	339,880	339,880	41,666,674	285,037
	Total Current Liabilities	118,679,430	50,247,839	168,927,269	802,756	339,880	1,142,636	125,315,782	857,270
Fund Balances									
14	Designated Funds	272,911,892	–	272,911,892	1,845,995	–	1,845,995	284,420,448	1,945,686
	Undesignated Funds	70,121,621	–	70,121,621	474,308	–	474,308	70,121,621	479,694
	Inventory Fund	195,740	–	195,740	1,324	–	1,324	195,740	1,339
15	Fixed Assets Fund	131,221,191	–	131,221,191	887,589	–	887,589	93,892,281	642,306
	Total Fund Balances	474,450,444	–	474,450,444	3,209,216	–	3,209,216	448,630,090	3,069,025
	Total Liabilities and Fund Balances	593,129,874	50,247,839	643,377,713	4,011,972	339,880	4,351,852	573,945,872	3,926,295



President/Treasurer



Chief Executive

27 April 2017
Colombo

STATEMENT OF INCOME, EXPENSES AND CHANGES IN FUND BALANCES

	Current Year 2016						Prior Year 2015		
	Note	Local Currency			US Dollars			Local Currency	US Dollars
		Unrestricted Rs.	Donor Restricted Rs.	Total Rs.	Unrestricted	Donor Restricted	Total	Total Rs.	Total
Grant Income									
Government Grant		75,000	–	75,000	510	–	510	75,000	537
IPPF Cash Grant		17,954,626	–	17,954,626	125,693	–	125,693	21,257,509	155,680
Release of Fixed Assets Fund Depreciation		14,544,392	–	14,544,392	98,935	–	98,935	13,387,719	95,781
Release of Commodity Grant		–	–	–	–	–	–	27,638	198
Other Donors									
International Planned Parenthood Federation									
AUS-AID Project		–	8,977,202	8,977,202	–	61,065	61,065	34,070,058	243,749
EU Project		–	–	–	–	–	–	3,333,413	23,848
Cathelitic Fund		–	–	–	–	–	–	4,801,045	34,348
Champions		–	3,967,051	3,967,051	–	26,985	26,985	3,674,327	26,287
GBV		–	–	–	–	–	–	265,595	1,900
IT Strength		–	287,113	287,113	–	1,953	1,953	1,540,337	11,020
Strategic Plan		–	501,571	501,571	–	3,412	3,412	169,991	1,216
Cervical Cancer		–	–	–	–	–	–	653,750	4,677
Sprint Project		–	3,351,327	3,351,327	–	22,797	22,797	1,016,375	7,272
UPR Project		–	593,850	593,850	–	4,040	4,040	–	–
Outreach Special Project		–	1,008,200	1,008,200	–	6,858	6,858	–	–
MISP Project		–	5,118,785	5,118,785	–	34,819	34,819	–	–
United Nations Population Fund									
Life Saving and RH Services (LISA)		–	16,268,799	16,268,799	–	110,665	110,665	–	–
Global Fund									
GFATM Phase II		–	159,937,964	159,937,964	–	1,087,940	1,087,940	134,120,072	959,543
GFATM MSA		–	13,736,387	13,736,387	–	93,438	93,438	14,210,449	101,667
Others									
Care Project		–	85,000	85,000	–	578	578	–	–
WHO Project		–	–	–	–	–	–	2,488,628	17,805
SPICE Project		–	–	–	–	–	–	2,607,154	18,653
		32,574,018	213,833,249	246,407,267	225,138	1,454,550	1,679,688	237,699,060	1,704,181
Other Income:									
Sales (Contraceptives)		490,311,574	–	490,311,574	3,335,226	–	3,335,226	473,903,112	3,390,471
Interest Income		17,637,566	–	17,637,566	119,975	–	119,975	13,526,387	96,773
Fundraising Income		9,183,206	–	9,183,206	62,467	–	62,467	8,741,542	62,540
Miscellaneous Income	16	20,908,435	–	20,908,435	142,225	–	142,225	19,704,071	140,970

STATEMENT OF INCOME, EXPENSES AND CHANGES IN FUND BALANCES

	Current Year 2016						Prior Year 2015		
	Note	Local Currency			US Dollars			Local Currency	US Dollars
		Unrestricted Rs.	Donor Restricted Rs.	Total Rs.	Unrestricted	Donor Restricted	Total	Total Rs.	Total
Clinic Income		3,899,536	–	3,899,536	26,526	–	26,526	2,585,468	18,497
Training Services Income		132,385	–	132,385	901	–	901	597,075	4,272
Total Income		574,646,720	213,833,249	788,479,969	3,912,458	1,454,550	5,367,008	756,756,715	5,417,704
Expenses By Strategic Framework									
Goals									
Goal – 1		26,034,043	39,565,048	65,599,091	177,090	269,132	446,222	70,875,143	507,066
Goal – 2		18,225	–	18,225	124	–	124	2,886,412	20,650
Goal – 3		402,779,437	–	402,779,437	2,739,810	–	2,739,810	377,584,465	2,701,372
Goal – 4		8,097,478	593,850	8,691,328	55,081	4,040	59,121	9,112,517	65,194
Goal – 5		1,803,229	173,674,351	175,477,580	12,266	1,181,378	1,193,644	149,771,620	1,071,519
Goal – 6		18,442,321	–	18,442,321	125,449	–	125,449	17,238,123	123,328
Total Goals		457,174,733	213,833,249	671,007,982	3,109,820	1,454,550	4,564,370	627,468,280	4,489,129
Supporting Strategies									
Finance & Project Support		33,915,640	–	33,915,640	230,703	–	230,703	38,490,539	275,375
Administration & General Costs		33,672,072	–	33,672,072	229,046	–	229,046	44,053,946	315,178
Depreciation		14,544,392	–	14,544,392	98,935	–	98,935	13,387,719	95,781
Total Expenses		539,306,836	213,833,249	753,140,086	3,668,504	1,454,550	5,123,054	723,400,484	5,175,463
Excess of Income over Expenses		35,339,883	–	35,339,883	243,954	–	243,954	33,356,231	242,241
Transfer to Special Reserve Fund	13	(26,870,089)	–	(26,870,089)	(182,777)	–	(182,777)	(31,137,467)	(222,768)
Transfer to Fixed Assets Replacement Fund	13	(7,519,707)	–	(7,519,707)	(51,151)	–	(51,151)	(1,500,000)	(10,732)
Transfer to Endowment Fund	13	(768,011)	–	(768,011)	(5,224)	–	(5,224)	(569,466)	(4,074)
Transfer to President's Discretionary Fund	13	(182,076)	–	(182,076)	(1,239)	–	(1,239)	(149,298)	(1,068)
Fund Balance beginning of the year		70,121,621	–	70,121,621	476,985	–	476,985	70,121,621	479,694
Cumulative Translation Adjustment		–	–	–	(6,240)	–	(6,240)	–	(3,599)
Fund Balances at End of The Year		70,121,621	–	70,121,621	474,308	–	474,308	70,121,621	479,694

STATEMENT OF FUNCTIONAL EXPENSES

	Goals							Sub total
	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
1. Personnel & Employee Benefits	15,928,248	-	37,029,125	8,077,994	91,800,856	8,885,372	161,721,595	
2. Travel & Per Diem Expenses	10,429,524	-	8,204,658	-	48,834,410	895,278	68,363,870	
3. Vehicle Running Costs	2,485,756	-	4,360,237	-	2,868,085	79,803	9,793,881	
4. Printing & Stationery	5,958,063	18,225	2,543,922	13,197	1,939,165	3,138,713	13,611,285	
5. Occupancy Cost	2,136,675	-	-	-	8,915,449	1,538,125	12,590,249	
6. Communications	292,215	-	20,302	1,287	119,064	157,704	590,572	
7. Fixed Assets – Depreciation/ Written-Off	-	-	-	-	-	-	-	
8. Audit Fees & Expenses	-	-	-	-	-	-	-	
9. Consultancy & Professional Fees	6,283,566	-	1,389,167	5,000	10,891,504	397,446	18,966,683	
10. Medical Supplies/Equipment	19,993,310	-	724,393	593,850	2,964,444	-	24,275,997	
11. Contraceptive Cost of Sales	-	-	316,459,603	-	-	-	316,459,603	
12. Nation Building Tax	-	-	48,894	-	-	-	48,894	
13. Development Activities	1,843,123	-	24,606,102	-	6,890,844	3,273,041	36,613,110	
14. Sundries	-	-	402,741	-	108,509	22,102	533,352	
15. Maintenance of Building & Equipment	236,769	-	1,573,192	-	-	53,237	1,863,198	
16. Bad Debts	-	-	143,700	-	-	-	143,700	
17. Income Tax (Note 10)	-	-	-	-	-	-	-	
18. Insurance & Bank Charges	11,842	-	5,273,401	-	145,250	1,500	5,431,993	
Total as at 31.12.2016 in Local Currency	65,599,091	18,225	402,779,437	8,691,328	175,477,580	18,442,321	671,007,982	
Total at 31.12.2016 in USD	446,222	124	2,739,810	59,121	1,193,644	125,449	4,564,370	
Total at 31.12.2015 In local Currency	70,875,143	2,886,412	377,584,465	9,112,517	149,771,620	17,238,123	627,468,280	
Total at 31.12.2015 in USD	507,066	20,650	2,701,372	65,194	1,071,519	123,328	4,489,128	

Total for the Year ended 31 December							
			2016		2015		
Finance and Project Support Rs.	Administration and General Cost Rs.	Depreciation and Rs.	Local Currency Rs.	US Dollars	Local Currency Rs.	US Dollars	
15,546,891	20,712,580	-	197,981,066	1,346,718	165,700,567	1,185,481	
2,589,365	1,745,394	-	72,698,629	494,515	100,304,594	717,615	
190,543	133,809	-	10,118,233	68,827	11,855,638	84,819	
1,297,113	2,994,725	-	17,903,123	121,782	11,504,100	82,304	
7,708,002	-	-	20,298,251	138,074	17,593,581	125,871	
2,379,434	194,847	-	3,164,853	21,528	3,519,298	25,178	
-	-	14,544,392	14,544,392	98,935	13,387,719	95,781	
1,126,890	-	-	1,126,890	7,665	878,232	6,283	
220,868	577,337	-	19,764,888	134,446	24,751,157	177,079	
937,144	3,908,700	-	29,121,841	198,094	34,119,106	244,100	
-	-	-	316,459,603	2,152,640	289,658,989	2,072,323	
-	-	-	48,894	333	1,844,434	13,196	
162,237	812,255	-	37,587,602	255,681	34,545,933	247,154	
39,918	4,300	-	577,570	3,929	3,495,723	25,009	
525,008	2,588,125	-	4,976,331	33,850	4,578,814	32,758	
-	-	-	143,700	977	302,928	2,167	
701,180	-	-	701,180	4,770	3,487,136	24,948	
491,046	-	-	5,923,039	40,290	1,872,535	13,397	
33,915,639	33,672,072	14,544,392	753,140,086	5,123,054	723,400,484	5,175,463	
230,703	229,046	98,935	5,123,054				
38,490,539	44,053,946	13,387,719	723,400,484				
275,375	315,178	95,781	5,175,463				

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

1.1 GENERAL

The Family Planning Association of Sri Lanka ('Association') is an Association 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 programmes 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 fundraising campaigns.
- (iv) The assessment of the conduct and effect of the programmes undertaken.

1.3 NUMBER OF EMPLOYEES

The number of employees of the Association at the end of the year was 135 (2015 – 126).

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The Balance Sheet, Statements of Income, Expenses and Changes in Fund Balances, Statement of Functional Expenses and Notes to the Financial Statements ('Financial Statements') of the Association as at 31 December 2016 and for the year then ended, comply with the accounting policies of the external audit manual (Issued June 1992, Revised October 2010) issued by International Planned Parenthood Federation (IPPF).

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 Balance Sheet.

2.3 USE OF ESTIMATES AND JUDGMENTS

The preparation of Financial Statements in conformity with the accounting policies of the external audit manual (Issued June 1992, Revised October 2010) issued by IPPF 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 recognised in the period in which estimates are revised and in any future periods affected.

2.4 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

The Financial Statements of the Association are maintained in Sri Lankan Rupees (LKR) and are translated into US Dollars (USD) for the purpose of reporting to IPPF, as described below:

- All Income and Expenditure in LKR are translated into USD using the average exchange rate obtained from the exchange of USD during the period.
- All Assets and Liabilities are translated into USD at the exchange rate prevailing as at the Balance Sheet date.
- Exchange rate differences arising from translation are taken directly to reserve fund balance.

3.2 FINANCIAL INSTRUMENTS

3.2.1 NON-DERIVATIVE FINANCIAL ASSETS

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

The Association derecognises 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 recognised 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 realise 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 recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses. The losses arising from impairment are recognised 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 recognised initially on the trade date, which is the date that the Association becomes a party to the contractual provisions of the instrument. The Association derecognises 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 recognised initially at fair value less any directly attributable transaction costs.

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

3.3 FIXED ASSETS AND DEPRECIATION

Fixed assets worth of Rs. 20,000/- (USD 500) and above donated and purchased from 1 January 1988 onwards up to, 31 December 2002 and fixed assets worth of Rs. 50,000 (USD 500) and above donated and purchased from 1 January 2003 onwards are capitalised through the Fixed Assets Fund, and depreciated over their estimated useful economic lives. An amount released to income using the same method was adopted for depreciation from the Fixed Assets Fund.

All assets valued at less than Rs. 50,000/- are written-off during the year of purchase to the expenditure account.

The estimated useful lives of Property, Plant and Equipment for current and comparative periods are as follows:

	Years
Buildings	20
Other Equipment	04
Audio and Video Equipment	04
Furniture and Fittings	10
Motor Vehicles	04
Computer Equipment	04

The value of fixed assets grants received as donation is brought fully into the income in the year of receipt.

Fixed Assets Fund has been created as at 1 January 1991 for the assets donated and capitalised from 1 January 1988 onwards. The value of fixed assets capitalised have been credited to this Fund and released into income using the same method; same as adopted for depreciation. All fixed assets purchased are charged to expense/replacement fund in the year of purchase and capitalised through the fixed assets fund.

NOTES TO THE FINANCIAL STATEMENTS

The asset's residual values, useful lives and methods of depreciation are reviewed and adjusted if appropriate, at each financial year end.

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 amortisation and any accumulated impairment losses.

3.4.2 SUBSEQUENT EXPENDITURE

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

3.4.3 AMORTISATION

Amortisation 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 recognised in Statement of Income and Expenditure. The estimated useful life of intangible asset is as follows:

	Years
ERP System – SAGE Evolution	04

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

3.5 INVENTORIES

Inventories are measured at the lower of cost and net realisable 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.

The values of inventories donated are taken fully into income in the year of receipt and value of consumption is taken into cost of sales using first-in first-out basis.

3.6 IMPAIRMENT**3.6.1 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.

3.6.1.1 FINANCIAL ASSETS MEASURED AT AMORTISED COST

The Association considers evidence of impairment for financial assets measured at amortised 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.

3.6.1.2 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 recognised 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 recognised in the Statement of Income and Expenditure.

3.7 EMPLOYEE BENEFITS

3.7.1 SHORT-TERM EMPLOYEE BENEFITS

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

3.7.2 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 recognised as an expense in Statement of Income and Expenditure when incurred.

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.

3.7.3 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 unrecognised 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.

3.8 PROVISIONS

A provision is recognised 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.

3.9 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.

3.10 GRANTS AND SUBSIDIES

Grants are recognised 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 recognised 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.

3.11 REVENUE RECOGNITION

Revenue is recognised 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.

NOTES TO THE FINANCIAL STATEMENTS

(i) Sale of Goods

Revenue from the sale of goods is recognised 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.

Unrestricted Grants are recognised on cash basis.

(iii) Interest income is recognised in Statement of Income and Expenditure as it accrues, using the effective interest method.

(iv) Sales proceeds of disposals of fixed assets have been accounted for in the fixed assets replacement fund.

3.12 FINANCE COSTS

Finance costs comprise interest expense on borrowings.

3.13 TAXATION

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 recognised in the Income Statement.

3.13.1 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. 10 of 2006 and subsequent amendments thereto.

The Association is liable for income tax at the rate of 10% on the taxable profit.

3.13.2 DEFERRED TAXATION

Deferred tax is recognised 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 recognised 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 utilised. 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 realised.

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.

3.14 NATION BUILDING TAX (NBT)

As per the provisions of the Nation Building Tax Act No. 09 of 2009 and the subsequent amendments thereto, Nation Building Tax should be payable at the rate of 2% with effect from 1 January 2011 on the liable turnover as per the relevant provisions of the Act.

3.15 VALUE ADDED TAX (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of assets or service is not recoverable from the taxation authorities in which case the VAT is recognised as a part of the cost of the asset or part of the expense items as applicable and receivable and payable that are stated with the amount of VAT included. The amount of VAT recoverable or payable in respect of taxation authorities is included as a part of receivable and payable in the Statement of Financial Position.

4. INVENTORIES

As at 31 December	2016 Rs.	2015 Rs.
Contraceptives	112,191,610	89,019,261
Packing Materials	2,275,387	2,476,435
Pharmaceutical Items	509,972	242,583
Stationery and Other Items	1,512,515	2,952,392
	116,489,484	94,690,671

5. OTHER DEBTORS

As at 31 December	2016 Rs.	2015 Rs.
Trade Debtors	113,740,027	86,794,551
Other Debtors	16,714,329	34,015,937
Less – Allowance for Doubtful Debtors	(4,410,543)	(4,615,753)
	126,043,813	116,194,735

6. FIXED ASSETS

	Balance as at 01.01.2016 Rs.	Charge for the Year Rs.	Disposal Rs.	Balance as at 31.12.2016 Rs.
Cost				
Freehold Land	40,404,780	–	–	40,404,780
Buildings	33,699,521	–	–	33,699,521
Furniture and Fittings	5,508,551	–	–	5,508,551
Other Equipment	25,468,201	1,318,391	–	26,786,592
Audio and Video Equipment	2,796,682	–	–	2,796,682
Motor Vehicles	61,023,262	–	10,339,286	50,683,976
Computer Equipment	30,363,565	5,010,153	–	35,373,718
Total Value of Depreciable Assets	199,264,562	6,328,544	10,339,286	195,253,820

NOTES TO THE FINANCIAL STATEMENTS

	Balance as at 01.01.2016	Charge for the Year	Disposal	Balance as at 31.12.2016
	Rs.	Rs.	Rs.	Rs.
Depreciation				
Buildings	15,427,594	2,675,075	–	18,102,669
Furniture and Fittings	3,291,121	348,252	–	3,639,373
Other Equipment	22,902,522	1,316,432	–	24,218,954
Audio and Video Equipment	2,796,682	–	–	2,796,682
Motor Vehicles	39,200,272	6,957,599	10,339,286	35,818,585
Computer Equipment	24,386,396	3,247,034	–	27,633,430
	108,004,587	14,544,392	10,339,286	112,209,693

As at 31 December	2016 Rs.	2015 Rs.
Net Book Value		
Freehold Land	40,404,780	40,404,780
Buildings	15,596,852	18,271,927
Furniture and Fittings	1,869,178	2,217,430
Other Equipments	2,567,638	2,565,679
Motor Vehicles	14,865,391	21,822,990
Audio and Video Equipments	–	–
Computer Equipment	7,740,288	5,977,169
Total Carrying Amount of Property, Plant and Equipment (Without Capital WIP)	83,044,127	91,259,975
Capital Work in Progress	48,177,064	2,632,306
Total Carrying Amount of Property, Plant and Equipment	131,221,191	93,892,281

6.1 BUILDING ON LEASEHOLD 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 2 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, Thimbirigasyaya for above mention land.

7. DEFERRED TAX ASSETS

As at 31 December	2016 Rs.	2015 Rs.
Balance as at the beginning of the year	–	–
Amounts Recognised during the year	1,040,232	–
Balance as at the end of the year	1,040,232	–

7.1 DEFERRED TAX ASSETS/ (LIABILITIES) ARE ATTRIBUTABLE TO THE FOLLOWING TEMPORARY DIFFERENCES:

As at 31 December	2016	
	Temporary Differences Rs.	Tax Effect at 10% Rs.
Property, Plant and Equipment	(14,270,801)	(1,427,080)
Employee Benefits	24,673,113	2,467,312
	10,402,312	1,040,232

8. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

8.1 CAPITAL COMMITMENTS

The Association does not have significant Commitments as at the reporting date other than mentioned below. The Association is constructing a building in the freehold land located in Narahenpita, which is to be completed in year 2017.

As at 31 December	2016 Rs.
Approximate amount approved but not contracted for	–
Approximate amount contracted for but not incurred	96,635,570
	96,635,570

8.2 CONTINGENT LIABILITIES

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

NOTES TO THE S FINANCIAL STATEMENTS

9. CURRENCY TRANSLATION

Dollar funds received from IPPF have been converted into local currency in a manner which is in compliance with local foreign exchange regulations.

The rates used for translation are:	2016	2015
Balance Sheet – Year end Rate	USD = Rs. 147.84	USD = Rs. 146.18
Income & Expenditure – Average Rate	USD = Rs. 147.01	USD = Rs. 139.78

10. INCOME TAXES

The Family Planning Association of Sri Lanka is a non-profit making charity and is accordingly exempt from income tax under Section 8 of the Inland Revenue Act No. 10 of 2006, except for income on investments in excess of the tax free allowance.

The major components of income tax expense for the years ended 31 December are as follows:

As at 31 December	2016 Rs.	2015 Rs.
Income Tax on current year Surplus (Note 10.1)	1,741,412	3,487,136
Deferred Tax Originated during the year	1,040,232	–
	2,781,643	3,487,136

10.1 A RECONCILIATION BETWEEN ACCOUNTING PROFIT TO INCOME TAX

As at 31 December	2016 Rs.	2015 Rs.
Surplus before Taxation	27,824,975	45,484,028
Adjustment on Disallowable Expenses	193,328,366	170,037,325
Adjustment on Allowable Expenses	(16,525,884)	(12,113,752)
Profit on Trade or Business	11,871,498	31,698,230
Interest Income on Treasury Bills/Repurchase Agreements	6,042,618	3,673,131
	17,914,116	35,371,361
Tax Free Allowances	(500,000)	(500,000)
Taxable Income	17,414,116	34,871,361
Tax @ 10%	1,741,412	3,487,136

11. INSURANCE

In accordance with the accounting policy outlined in Note 03 to these Financial Statements, the cost of fixed assets with a replacement value below Rs. 50,000/- has been written off in the year of acquisition. However, the replacement cost of these have been estimated by the Association and reflected in the insurance policies held by the Association with covers effected as follows:

As at 31 December	2016 Rs.	2015 Rs.
Contraceptive and Other Consumables		
Stock Declaration Policy	200,000,000	70,000,000
Goods-in-Transit	20,000,000	20,000,000
Buildings and Office Equipment	147,235,322	188,088,990
Motor Vehicles	49,599,500	53,349,500

12. ASSETS PLEDGED

Name of the Financial Institution	Nature of Facility	Security	As at 31.12.2016 Rs.	As at 31.12.2015 Rs.
Standard Chartered Bank	Letter of Credit	Fixed Deposits	49,090,914	40,000,000
Hatton National Bank	Letter of Credit	Fixed Deposits	52,365,449	40,000,000

13. DEFERRED INCOME

As at 31 December	2016 Rs.	2015 Rs.
IPPF Projects	11,782,236	5,679,764
Other Projects	38,465,603	35,986,910
	50,247,839	41,666,674

NOTES TO THE FINANCIAL STATEMENTS

13. DEFERRED INCOME (CONTD.)

	Gather Project	RHR	Supply Chain	Political Mapping	Unsafe Abortion	Outreach Special Project	AUS-AID Project	Cathelitic Fund
Opening Balance	939,072	201,382	198,676	160,566	12,284	-	2,379,451	-
Grant Received	-	-	-	-	-	-	6,597,751	2,171,316
Grant Receivable	-	-	-	-	-	-	-	-
Grant Transfer	(939,072)	(201,382)	(198,676)	(160,566)	(12,284)	1,511,980	-	-
Total	-	-	-	-	-	1,511,980	8,977,202	2,171,316
Expenditure								
Goal - 1	-	-	-	-	-	1,008,200	8,977,202	-
Goal - 2	-	-	-	-	-	-	-	-
Goal - 3	-	-	-	-	-	-	-	-
Goal - 4	-	-	-	-	-	-	-	-
Goal - 5	-	-	-	-	-	-	-	-
Total Expenditure	-	-	-	-	-	1,008,200	8,977,202	-
Balance as at 31.12.2016	-	-	-	-	-	503,780	-	2,171,316
Represented by								
Cash at bank	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	503,780	-	2,171,316
Debtors	-	-	-	-	-	-	-	-
Payables	-	-	-	-	-	-	-	-
Accruals	-	-	-	-	-	-	-	-
Balance as at 31.12.2016	-	-	-	-	-	503,780	-	2,171,316

NOTES TO THE FINANCIAL STATEMENTS

IPPF									IPPF Total
GBV	EC Championship Project	Strategic Plan	Sprint Project	IT Strengthening	SEAG Project	UPR Project	MISP Project		
62,780	565,058	789,009	84,373	287,113	-	-	-	-	5,679,764
-	8,595,396	-	3,186,394	-	3,006,180	1,151,189	5,118,785	-	29,827,011
-	-	-	80,560	-	-	-	-	-	80,560
-	-	-	-	-	-	-	-	-	-
62,780	9,160,454	789,009	3,351,327	287,113	3,006,180	1,151,189	5,118,785	-	35,587,335
-	3,967,051	501,571	3,351,327	287,113	-	-	5,118,785	-	23,211,249
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	593,850	-	-	593,850
-	-	-	-	-	-	-	-	-	-
-	3,967,051	501,571	3,351,327	287,113	-	593,850	5,118,785	-	23,805,099
62,780	5,193,403	287,438	-	-	3,006,180	557,339	-	-	11,782,236
62,780	-	287,438	-	-	-	557,339	-	-	907,557
-	5,193,403	-	-	-	3,006,180	-	-	-	10,874,679
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
62,780	5,193,403	287,438	-	-	3,006,180	557,339	-	-	11,782,236

NOTES TO THE FINANCIAL STATEMENTS

13. DEFERRED INCOME (CONTD.)

	Global Fund		UNFPA	UNDP	Others	Care Project	Arrow Project	Local Projects	Total
	GFATM – NFM	GFATM MSA Grant	Humanitarian Assistance Project	UNDP	World Bank				
Opening Balance	33,412,893	2,206,955	31,717	28,140	307,205		–	35,986,910	41,666,674
Grant Received	164,140,289	11,851,603	16,337,300	–	–	85,000	92,651	192,506,843	222,333,854
Grant Receivable	–	–	–	–	–	–	–	–	80,560
Grant Transfer	–	–	–	–	–	–	–	–	–
Total	197,553,182	14,058,558	16,369,017	28,140	307,205	85,000	92,651	228,493,753	264,081,088
Expenditure									
Goal – 1	–	–	16,268,799	–	–	85,000	–	16,353,799	39,565,048
Goal – 2	–	–	–	–	–	–	–	–	–
Goal – 3	–	–	–	–	–	–	–	–	–
Goal – 4	–	–	–	–	–	–	–	–	593,850
Goal – 5	159,937,964	13,736,387	–	–	–	–	–	173,674,351	173,674,351
Total Expenditure	159,937,964	13,736,387	16,268,799	–	–	85,000	–	190,028,150	213,833,249
Balance as at 31.12.2016	37,615,218	322,171	100,218	28,140	307,205	–	92,651	38,465,603	50,247,839
Represented by									
Cash at bank	29,741,232	322,171	100,218	28,140	307,205	–	92,651	30,591,617	31,499,174
Investments	–	–	–	–	–	–	–	–	10,874,679
Debtors	7,873,986	–	–	–	–	–	–	7,873,986	7,873,986
Payables	–	–	–	–	–	–	–	–	–
Accruals	–	–	–	–	–	–	–	–	–
Balance as at 31.12.2016	37,615,218	322,171	100,218	28,140	307,205	–	92,651	38,465,603	50,247,839

14. DESIGNATED FUNDS

	Fixed Assets				President's		Total
	Special Reserve Fund	Replacement Fund	Severance Fund	Endowment Fund	Discretionary Fund	Rs.	
	Rs.	Rs.	Rs.	Rs.	Rs.		
Fund Balances as at 01.01.2016	237,058,652	10,006,941	25,976,554	9,197,744	2,180,557	284,420,448	
Add – Contributions during the year	–	–	4,317,536	–	–	4,317,536	
Add – Transferred from undesignated Fund	26,870,089	7,519,707	–	768,011	182,076	35,339,883	
Less – Amounts released during the year	(45,544,998)	–	(5,620,977)	–	–	(51,165,975)	
Fund Balances as at 31.12.2016	218,383,743	17,526,648	24,673,113	9,965,755	2,362,633	272,911,892	

15. FIXED ASSETS FUND

	2016 Rs.	2015 Rs.
Fund Balance as at 01.01.2016	93,892,281	85,251,624
Add: Additions during the year	51,873,302	22,028,376
Less: Amount Released to Income statement during the year – Depreciation	(14,544,392)	(13,387,719)
Fund Balance as at 31.12.2016	131,221,191	93,892,281

16. MISCELLANEOUS INCOME

	2016 Rs.	2015 Rs.
Donations	10,000	10,000
Other Miscellaneous Income	–	259,441
Membership Fee	9,375	1,200
Overhead Income	13,164,143	17,933,430
Profit on Sale of Vehicles	7,519,707	1,500,000
Bad Debtors Over Provision	205,210	–
	20,908,435	19,704,071

17. AUDIT FEES

	2016 Rs.	2015 Rs.
Audit Fees for the year	770,000	532,000
	770,000	532,000

18. The number of employees at the end of the year was 135 (2015 – 126) and total personnel cost and other benefits amounted to Rs. 105,988,568/- (2015 – Rs. 104,904,269/-).

ANNEXURE - 1

RECONCILIATION WITH IPPF ANNUAL REPORT

	As Per IPPF Annual Report Rs.	As Per IPPF Report Rs.	Difference Rs.	Reasons
Income				
Grants				
Release of Fixed Assets Fund	-	14,544,392	(14,544,392)	* Transfer of Depreciation Charge to IPPF Report
Government Grant of Sri Lanka	75,000	75,000	-	
International Planned Parenthood Federation	41,759,725	41,759,725	-	
Global Fund	173,674,351	173,674,351	-	
United Nations Population Fund	16,268,799	16,268,799	-	
Others	85,000	85,000	-	
	231,862,875	246,407,267	(14,544,392)	
Other Sources				
Clinical Services	3,899,536	3,899,536	-	
Contraceptive Retail Sales	490,311,574	490,311,574	-	
Interest on Deposit	17,637,566	17,637,566	-	
Training Services	132,385	132,385	-	
Training Centre	9,183,206	9,183,206	-	
Sundry Income	20,908,435	20,908,435	-	
	542,072,702	542,072,702	-	
Total Income	773,935,577	788,479,969	(14,544,392)	
Expenditure				
Goal - 1	65,599,091	65,599,091	-	
Goal - 2	18,225	18,225	-	
Goal - 3	402,779,437	402,779,437	-	
Goal - 4	8,691,328	8,691,328	-	
Goal - 5	175,477,580	175,477,580	-	
Goal - 6	18,442,321	18,442,321	-	
Finance and Project Support	33,915,640	33,915,640	-	
Administration and General Costs	33,672,072	33,672,072	-	
Depreciation	-	14,544,392	(14,544,392)	* Inclusion of Depreciation Charge in the Audit Report
	738,595,694	753,140,086	(14,544,392)	
Net Excess/(Deficit) of Income over Expenditure before Transfers	35,339,883	35,339,883	-	
Transfers to Designated Fund	(35,339,883)	(35,339,883)	-	
Net Excess/(Deficit) of Income over Expenditure	-	-	-	

FPA SRI LANKA STRATEGIC PARTNERS

INTERNATIONAL PLANNED PARENTHOOD FEDERATION - IPPF

IPPF is a global network of member associations operating in over 160 countries. It is a leader in RH (Reproductive Health) service provision and a formidable advocate on Sexual and Reproductive Health Rights. IPPF operates in all regions of the globe and has regional offices in Africa (Nairobi, Kenya); Arab World (Tunis, Tunisia); Europe (Brussels, Belgium); South Asia (New Delhi, India), South East Asia and Oceania (Kuala Lumpur, Malaysia); Western Hemisphere (New York, USA) and has its global headquarters in London, UK. IPPF was formed in 1952 at the Third International Conference on Planned Parenthood in Mumbai, India. IPPF today has evolved with time to play multiple roles covering the 5 A's identified in their agenda to serve humanity.

FAMILY HEALTH BUREAU - FHB

Established in 1968, Family Health Bureau is the arm of the Ministry of Health that implements the Maternal and Child Health (MCH) programme of the country. Maternal and Child Health programme forms an important component of the healthcare system, services of which are delivered through the well-developed infrastructure of the Ministry of Health and Provincial Health Services, which comprises a wide network of medical institutions and Medical Officers of Health (MOH). The Family Health Bureau plays the leading role in the implementation of the Reproductive Health programme, in close collaboration with other national programmes. With the introduction of the Reproductive Health concept, a Population and Reproductive Health policy was formulated and approved by the Cabinet of Ministers in August 1998. It aims at achieving higher quality of life for people by providing quality reproductive services and information and a host of related aspects.

NATIONAL STD/AIDS CONTROL PROGRAMME - NSACP/ MINISTRY OF HEALTH, GOVERNMENT OF SRI LANKA

In 1992 the Government of Sri Lanka initiated HIV prevention and control effort through the National STD and AIDS control Programme (NSACP) of the Ministry of Health under the Director General of Health Services. In addition, National Blood Transfusion Services (NBTS) and the National Programme for Tuberculosis and Chest Diseases (NPTCCD) strengthened their responses to reduce transmission and prevent further spread of HIV. These services are provided in collaboration with eight Provincial Directors of Health Services and the respective district staff. NSACP in collaboration with the provinces undertook HIV prevention activities (e.g. a mass media communication strategy to improve knowledge and awareness of HIV) and provides care and treatment to people living with HIV. FPA Sri Lanka is a member of numerous multi sectoral technical committees of NSACP and has conducted many HIV prevention programmes jointly with NSACP.

SRI LANKA COLLEGE OF OBSTETRICIANS AND GYNAECOLOGISTS

In the UK, the Royal College of Obstetricians and Gynaecologists was founded in 1929 and it took another 24 years before steps were taken to form a similar association in Sri Lanka. In 1953, an Association was formed as the Ceylon Obstetricians and Gynaecologists Association with the patronage of Dr. (Mrs.) May Ratnayake. The Association is not a trade union, nor does it exist for the main purpose of fighting for the rights and privileges of its members. The only fight that figures in their aims is that against maternal and infant mortality.

LIST OF ABBREVIATIONS

APA	Asia Pacific Alliance	MPRCs	Multi Purpose Resource Centres
BCC	Behavior Change Communication	M&E	Monitoring and Evaluation
CBO	Community Based Organisation	MSM	Men who have Sex with Men
CFH	Centre for Family Health	NC	National Council
CSR	Corporate Social Responsibility	NGO	Non-Governmental Organisation
CPP	Child Protection Policy	NSACP	National STD/AIDS Control Programme
DU	Drug User	PLHIV	People Living with HIV
ED	Executive Director	SARO	South Asia Regional Office
EU	European Union	SDP	Service Delivery Points
FP	Family Planning	SMP	Social Marketing Programme
FPA Sri Lanka	The Family Planning Association of Sri Lanka	SRH	Sexual and Reproductive Health
FSW	Female Sex Workers	SRHR	Sexual and Reproductive Health and Rights
GBV	Gender Based Violence	STIs	Sexually Transmitted Infections
GFMSA	Global Fund Multicounty South Asia	STD	Sexually Transmitted Disease
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome	UN	United Nations
HR	Human Resource	UNAIDS	United Nations Programme on HIV/AIDS
HPV	Human Papiloma Virus	UNCC	United Nations Convention Center
HQ	Head Quarters	UNDP	United Nations Development Programme
ICPD	International Conference on Population and Development	UNFPA	United Nations Population Fund
IDP's	Internally Displaced Persons	VCT	Voluntary Counselling and Testing
IEC	Information Education Communication	WHO	World Health Organisation
IPPF	International Planned Parenthood Federation	YTAC	Youth Technical Advisory Committee

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Family Health Bureau (FHB) – Ministry of Health, Government of Sri Lanka	Prof. L.R. Amarasekara
Health Education Bureau (HEB) – Ministry of Health, Government of Sri Lanka	Dr. Lakshman Senanayake
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CORPORATE INFORMATION

NAME OF ORGANISATION

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 right for all. It is a worldwide movement of national organisations working with and for communities and individuals.

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