Plan
Worldwide Annual Review and
Combined Financial Statements 2011

Plan

Photo: Plan/Jenny Matthews

Juliana, 27, lives in an isolated village high in the Ecuadorian Andes, the poorest part of Ecuador. When she was 19, Juliana was instrumental in encouraging her community to work with Plan.

"In the past, no one knew of children's rights – their right to respect, to participation, to education and to protection. Children had to do a lot of chores from a very young age. If they didn't, they were beaten. Many children missed out on an education because their parents didn't send them to school.

"Today, a lot has changed. All children now go to school and many continue their education. Everyone must have the opportunity to study – not just boys. Girls should have exactly the same opportunities. How else can society get better?

"Children are now involved in discussions and their opinions valued. We use our monthly community meetings to discuss issues and talk about children's rights, and the community has put together a list of issues that we need to address to get a better future for all of us.

"When Plan asked children what they wanted, they said they wanted a space to play and spend time with their friends. I helped set up a youth group and encouraged the parents to let their children attend.

"I'm proud of what my community has achieved since Plan came to work with us just eight years ago. So many things have changed for the better – not just the physical buildings, but more importantly how we treat our children and how we are structured as a community to keep building on the great work we have done so far."

CONTENTS

Front cover photo: Plan/Ric Francis

HIGHLIGHTS OF 2011

PROGRAMME COUNTRIES

Bangladesh	Malawi
Benin	Mali
Bolivia	Mozambique
Brazil	Myanmar
Burkina Faso	Nepal
Cambodia	Nicaragua
Cameroon	Niger
China	Pakistan
Colombia	Paraguay
Dominican Republic	Peru
Ecuador	Philippines
Egypt	Rwanda
El Salvador	Senegal
Ethiopia	Sierra Leone
Ghana	South Sudan
Guatemala	Sri Lanka
Guinea	Sudan
Guinea-Bissau	Tanzania
Haiti	Thailand
Honduras	Timor-Leste
India	Togo
Indonesia	Uganda
Kenya	Vietnam
Laos	Zambia
Liberia	Zimbabwe

DONOR COUNTRIES

Australia	**Ireland**
Belgium	**Japan**
Canada	**Korea**
Colombia	**Netherlands**
Denmark	**Norway**
Finland	**Spain**
France	**Sweden**
Germany	**Switzerland**
Hong Kong	**United Kingdom**
India	**United States**

€591 MILLION

OUR TOTAL INCOME FOR THE YEAR

58,053

COMMUNITIES

reached by Plan in 2011, a total population of 56.5 million children in 50 developing countries.


Photo: Michael Fahrig

Ulrich Wickert (far right), member of our German advisory board, accepting the prize for Plan.

GERMANY

DEVELOPMENT AWARD WINNERS

Plan Germany received the Walter Scheel Prize for Commitment to Development, from the German Federal Minister for Economic Cooperation and Development, in recognition of the contribution of our child-centred approach, which it says has helped to sustainably improve the living conditions of children and young people.


Photo: Benno Neeleman

EGYPT

YOUTH PROJECT WINS MEDIA AWARDS

In 2011, a Plan-supported TV youth programme *Esma3oona* (Hear us out) received two top awards at the Cairo International Children's Festival: a silver medal for Best Youth Programme and the Ministry of Culture Award for TV Programmes.

528,425

PEOPLE

trained in skills including education, child protection, disaster risk reduction and improving water and sanitation systems.

485
MILLION SCHOOL CHILDREN

Since our *Learn Without Fear* campaign was launched, there are new laws and policies to protect over 485 million school children from violence.

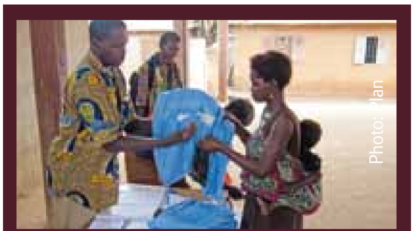


Photo: Plan

THE GLOBAL FUND
PLAN JOINS THE GLOBAL FUND TO TARGET TROPICAL DISEASES

Plan is working alongside the Togo Ministry of Health and The Global Fund to reduce the number of deaths and infections from easily preventable diseases, through an €18 million programme. We are working with local partners and Plan-supported child and youth groups to raise awareness of how to prevent and treat these common illnesses and to distribute long-lasting insecticide nets.

This programme joins two other partnerships between Plan and The Global Fund running between now and 2013 – in Burkina Faso and Cameroon – with a combined value of more than €37 million.

Photo: Plan

€39M CANADIAN SUPPORT

The Canadian International Development Agency (CIDA) has funded Plan Canada to improve access to and quality of maternal and child health services in seven countries, spanning Asia, the Americas and Africa.

The support, worth more than €39 million in total including match funding, builds on Plan's expertise in working with local government and communities to improve service delivery and quality.

The funding will allow Plan to scale up our work significantly in this area. In Africa alone, the project will benefit more than 2 million women and children.

Photo: Plan

PHILIPPINES

Plan has been working with the people of Camotes Islands, Philippines, for 23 years. In 2011, celebrations were held as Plan said goodbye to the Islands which now have reduced levels of malnutrition and infant mortality because of quality sanitation, hygiene and birthing services and have high levels of understanding and commitment to child rights and child protection. During 2011, Plan phased out of 529 communities.

1,518,561
SPONSORED CHILDREN

Child sponsorship is key to building relationships between our individual donors and the communities where we work.

This review sets out Plan's progress towards our vision and mission between July 2010 and June 2011. We refer to this period as '2011'. All activities and statistics in this review have been taken from the Country Programme Progress Reports for 2011. For more information about these unpublished documents, please contact info@plan-international.org

For the latest information on Plan's work, please go to **plan-international.org**

Chair's statement

Photo: Plan/Steven Wright

The International Board and the Members' Assembly have focused in the past year on reviewing and revising Plan's strategy in the light of continuing global economic uncertainty and the need for a clearer set of programme priorities.

The revised strategy – *Rights and Opportunities for Every Child* – links the need to grow resources with a more focused approach on our programme work. This includes a greater emphasis on reaching marginalised children, especially girls, and the need for better education and protection programmes. We want to excel in these areas. More details of the strategy can be found on page 8 of this review.

Plan's priorities need to be seen in the context of a world where children's lives are improving in many developing countries. But millions are still lagging behind the benchmarks set in 2005 in the Millennium Development Goals, and in many countries the gap between overall progress for children and the rights and opportunities of those who live on its margins remains very wide.

The Members' Assembly is now looking to see considerable improvements in the scale and quality of Plan's programmes and comprehensive investment proposals to grow resources in both existing and new fundraising countries in the period until 2015. It also expects greater collaboration both internally and with external partners to increase Plan's impact upon the world's poorest children.

This emphasis on partnership and collaboration recognises that to be effective, Plan has to influence governments at national and local level as well as international donors and institutions to enable lasting change. We and other non-governmental organisations (NGO) cannot achieve this on our own.

As Plan builds up its capacity in advocacy and policy development, we can draw upon our 75-year record of working with children. This gives our role as an advocate rare legitimacy as our views are shaped by our experience at community level. Next year, we will put our *Because I am a Girl* campaign, designed to achieve equal rights for girls, at the heart of advocacy and programme work.

We are able to tackle these ambitious goals as a result of the continuing generosity of our 1.2 million individual supporters, who sponsor a child or a project or a community, our institutional donors and the private sector companies which support us.

In the financial year 2011, Plan's worldwide income grew from €535 million to €591 million. This improvement was driven by significant increases in our income from institutional donors and from appeals and thematic donations by our individual supporters.

In June 2011, Plan Hong Kong and Plan Switzerland became Members of Plan, following India and Colombia who joined as new Members last year. The Member organisations in India and Colombia have enabled Plan to have a more prominent national voice on child rights, including advocating for Plan's global campaign issues.

It is my hope and expectation that more of Plan's programme countries will become Member organisations; it broadens the perspectives of the global organisation, widens the participation in governance and increases our sources of income.

The first half of the new financial year also marks the final phase of my tenure as Plan's International Chair. In the past six years, Plan has moved with promising results into new areas, including investing in expertise for disasters and emergencies and advocacy skills, with small teams based in Brussels, Geneva and most recently, New York. We are running highly successful campaigns on a global basis to drive up levels of birth registration, tackle violence in schools and rectify the discrimination and lack of opportunity which is still the fate of many girls in poor countries.

Serving as the Chair of a major international NGO is a privilege and a pleasure. I have had the opportunity to see Plan's work in many countries and witness its considerable impact, and the huge commitment and determination of the staff and volunteers.

As Plan celebrates its 75th birthday in 2012, I will leave with very positive memories. I am deeply thankful for the support of the Members' Assembly, for the cooperation within the International Board and for the commitment of our staff. I am confident that Plan has a strong future ahead, working hard to ensure all children have the rights and opportunities they deserve.

Paul Arlman
Chair, International Board of Directors and Members' Assembly

Chief Executive Officer's statement

Photo: Plan/Steven Wright

It has been a year of significant progress, and the headline numerical indicators reflect this. In all we worked with 58,000 communities with a population of 119 million people, including 27.8 million girls and 28.7 million boys.

As a result of our programme and advocacy work operating more often at regional and national level, this is a significant increase in the reach of our work over a year ago. And participation in our training programmes at community level broke through the half a million barrier for the first time. These individuals will now be better equipped to help their own communities become self-reliant and fully supportive of their children's rights.

We increased the number of child protection and participation activities, provided more disaster relief and risk reduction programmes in 37 countries, renewed our emphasis on education in many areas, and rolled out innovative projects in the areas of child health and early development. Our response to the floods in Pakistan was excellent and set a benchmark of quality for our many post-disaster interventions. Plan South Sudan became the 50th programme country following its independence, and we have begun to put in place long-term grant-funded arrangements in Myanmar to build on the work we have completed in the three years since Cyclone Nargis.

This review highlights the growing sophistication of our partnerships with multinational corporates, such as Accenture, Astra Zeneca, Barclays and Beiersdorf/NIVEA. As CEO, I have had the pleasure of meeting these partners and seeing some of the work they fund first hand. My trip to Kenya with Barclays CEO, Bob Diamond, to see the Village Savings and Loans schemes we run jointly with Care International was a highlight of my year, and I suspect from his reaction, a pleasure for him too.

This is good news to report, but we cannot be complacent. In this review, we report on the nine internally led studies of the child-centred community development approach (CCCD) we strive to employ across all our programmes. They reveal that we have some way to go to improve both the understanding and application of this highly participatory approach. We have decided to set up a Plan Academy to ensure every staff member can deploy both the thinking and techniques behind CCCD more widely and effectively.

We also cite the findings of our first post-intervention study in Kenya, which returns to a community Plan left seven years ago to identify our long-term impact. Whilst it is broadly positive about many of the core services in health and education we helped establish, it is less laudatory about the strength of the civil society partners we left behind. This issue of the long-term viability of partnerships, and how we strengthen local civil society is an issue facing Plan in common with other international non-governmental organisations (INGOs) and one we will be focusing on more fully next year.

Following the strategy review, we are thinking hard about the complex relationship between sponsorship and grant income. A growing grants portfolio, for instance, puts pressure on our infrastructure, which has developed over the years focused largely on supporting relationships between the sponsor and his or her sponsored child. We are committed to investing in systems and processes to ensure we attract more grant funding to support our work, and capture the full cost of these projects and programmes in our applications to donors.

We are also aware that our sponsorship model, on which we have relied very successfully since our inception in 1937, requires some re-thinking in an age of electronic communication. That is why we have placed this issue at the heart of our new global strategy to 2015, along with improving the way we acquire and manage large grants.

In the past year, we have also intensified our commitment to openness, transparency and accountability. We now subscribe to widely agreed INGO standards in relation to our disaster risk and humanitarian relief programmes. We remain an active and committed signatory to the INGO Accountability Charter, administered through the Berlin Civil Society Centre. Our next submission will be published later in 2011.

Finally, 2012 marks our 75th anniversary since our establishment in 1937 in the aftermath of the Spanish Civil War. One of the highlights will be the official launch of our global *Because I am a Girl* campaign which comprises substantial ambitions in the three areas of programme, advocacy and fundraising. It is a first for Plan, and a sign of our desire to strengthen our position as a leading player in child rights-based development.

I hope you enjoy reading the highlights of the last year. You can send us your comments and observations at info@plan-international.org.

Nigel Chapman

Nigel Chapman
Chief Executive Officer

About Plan

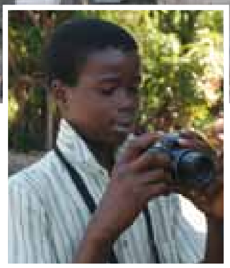
Who we are

Plan is one of the world's oldest, and largest, children's development organisations, with more than 70 years of experience in the field. In 2011, we reached more than 56.5 million children in 50 developing countries across Asia, Africa and Latin America. We are independent, with no religious, political or government affiliation.

Plan trains young people to use media to tell their own stories about the important issues in their communities.

Children from a Northern hill tribe community in Thailand.

Wikands, Thailand



Magda's home was damaged in the Haiti earthquake.

Lubin, Haiti

Our vision and mission

A world in which all children realise their full potential in societies that respect people's rights and dignity.

Plan strives to achieve lasting improvements in the quality of life of deprived children in developing countries, through a process that unites people across cultures and adds meaning and value to their lives, by:

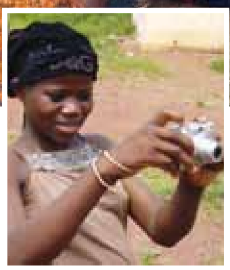
- enabling deprived children, their families and their communities to meet their basic needs and to increase their ability to participate in, and benefit from, their societies
- building relationships to increase understanding and unity among people of different cultures and countries
- promoting the rights and interests of the world's children.

Structure and governance

We operate in 68 countries, which include 50 developing countries (including Myanmar and South Sudan, added this year). Twenty independent national organisations raise awareness and provide funding and expertise for our programmes. In India and Colombia we now have both programming and fundraising work.

Plan International, Inc. designs and delivers programmes, coordinated at the regional and country level by teams that provide strategic and operational support. Our programme offices are located near communities to be responsive to local children and their families. Central services to support our programmes are provided by Plan Limited, a wholly owned subsidiary of Plan International, Inc.

We maintain our transparency and accountability through our International Board, whose members are elected by our guiding body, the Members' Assembly, to ensure that our senior executives run the organisation efficiently and effectively.



A community well in Mali.

Aminata, Mali

Lanterns for victims of the Japanese tsumani, Miyagi, Japan.

Kaujon, Japan

How we work

Plan sees a clear link between access to rights and poverty. The poorest and most vulnerable children tend to be the furthest from achieving their rights, while children who receive a healthy start to life, education and training are most able to become economically secure adults, benefiting future generations and promoting their countries' economic growth.

Plan believes that boys and girls should have the chance to play an active role in setting priorities, developing strategies, assessing local progress, preparing for disasters, and taking part in decisions that affect their communities – all of which builds confidence and skills and helps them become active citizens.

Despite the commitments made by governments, there is still a gap between their promises and the reality of many children's lives.

Our approach is based on child-centred community development – a model that emphasises inclusion, gender equality and non-discrimination. We work with children, communities and other key partners, such as local organisations, national networks and government agencies.

Key features of our work include:

- forming close ties with the communities where we work
- advocating with, and on behalf of, children
- making sure that those responsible for children's rights are held accountable and have the support they need
- engaging with corporations in socially responsible programmes
- working within coalitions and alliances to tackle the underlying causes of poverty.

Plan makes the greatest impact on children's lives by supporting their rights to:

- protection from all forms of abuse, neglect, exploitation and violence (see page 12)
- participate as citizens (see page 14)
- grow up safely in communities that are resilient to disasters, and to have their rights protected during emergencies (see page 16)
- quality education (see page 18)
- a healthy start in life (see page 20)
- sexual and reproductive health, including HIV prevention, care and treatment (see page 22)
- economic security (see page 24)
- a safe, consistent supply of drinking water and improved sanitation (see page 26).

Our new strategy: rights and opportunities for every child

Photo: Plan/Connelly LaMar

Play activities provide a foundation for learning at this Plan-supported children's centre in Shaanxi Province, China.

Combating exclusion through measurable results, broader reach and partnerships

Plan's new strategy to 2015, *Rights and Opportunities for Every Child*, mandates that we reach more children with even better programmes, becoming more effective, efficient and collaborative. It emphasises **inclusion**, **education** and **protection** as areas where we will become increasingly influential.

Our stronger focus on the inclusion of marginalised children sets us apart from other international non-governmental organisations. The largest marginalised group are girls in the world's poorest countries. Developing their skills and access to their rights is the key focus of our *Because I am a Girl* campaign (see page 29). We will also prioritise reaching children with disabilities, minority and ethnic groups, street children, children working in hazardous conditions, and child-headed households, and strive to include them in our work.

We will continually improve our programmes – and our measurements of success – while increasing the number of children we work with by 2015. The strategy responds to global trends such as urbanisation, disasters, climate change, fast-growing youth populations and new insights into poverty. And it takes in to account the findings of the 2010 mid-term review of the UN Millennium Development Goals (MDGs): unless we address marginalised groups, the MDGs will not be achieved.

Plan's strategy also responds to the demands of donors for a sharper **focus on results** that prove the effectiveness of aid.

The power of strategic partnerships

For over 70 years, Plan has been improving children's lives, but we can't do it alone. Civil society and those with a duty of care must also take responsibility for upholding children's rights.

We will use our experience and expertise – particularly in education and protection – as an authoritative voice to influence others to act. We encourage parents and communities to change behaviour, we will work to change the policies and practices of local and national governments, we encourage donors to invest more, and we work to increase income and other resources.

We will build on existing partnerships and alliances and seek more strategic ways of working with other organisations, civil society, governments and corporations, combining our expertise and learning from each other.

With our knowledge of child-centred programming, we will play a more visible role in development forums and informal networks in the continuing fight for the rights of every child.

The *Banking on Change* programme, a partnership between Barclays, Plan and CARE, aims to develop access to basic financial services for 400,000 communities in 11 countries, in order to increase their economic security and decrease their vulnerability to emergencies such as loss of livelihood, illness and natural disasters.

Quality, accountability, expansion and greater influence

Programmes must be of the highest quality, based on solid evidence and subject to thorough measurement. Our new strategy creates a Plan academy to improve our staff's knowledge, skills, behaviour and practices in child rights-based community development and emergencies. It calls for recruiting communications and advocacy specialists and investing in technical and leadership skills to implement the most successful programmes in the world.

Plan will scale up effective programmes, share good practices and encourage other agencies to learn from them. Successful projects will be replicated wherever they can benefit children.

In Bolivia, Plan works to improve the care and attention children receive for healthy growth. To demonstrate the need to work with families and communities, we compared the results of two programmes in terms of focusing on child mortality and families' key practices for health and nutrition. The Bolivian government has adopted Plan's strategy for its national Maternal and Child Health programme.

Plan's community-led total sanitation (CLTS) programme is an innovative, low-cost approach to improved sanitation, that encourages community leadership in changing behaviours and improving hygiene. Our close connection with communities meant that we were the first organisation to successfully scale up the approach in Africa. With rapid results and a wide reach into traditionally marginalised communities, Plan is now supporting governments worldwide to weave CLTS into their policies, as they strive to meet MDG targets.

> **"The focus on protection and education in the new strategy is a smart choice: they are the two issues children and youth feel most passionate about when we talk with them"**
>
> Stefanie Conrad, Plan's West Africa Deputy Regional Director of Programmes

Making it happen

Over the next five years, Plan will:

- address the challenges of exclusion and marginalisation
- focus on girls to promote gender equality
- determine priorities for scaling up
- speak with one confident, consistent voice to influence policies and practices
- be increasingly recognised for our expertise in child-centred development and humanitarian response
- be a preferred partner, reaching out to new supporters and partners, including individuals, institutional donors and global companies.

Accountability

Accountability is central to Plan's work. As we hold states accountable for ensuring children's rights, so we hold ourselves accountable to the children and communities we work with, and to the donors who support us.

Assessing our child-centred community development approach

This year, Plan has conducted two reviews of our progress with our development approach – child-centred community development (CCCD).

Our International Board initiated an internal review of Plan's CCCD approach, and in 2011 nine country assessments were conducted, across all regions, to gauge how well the approach is implemented. The results show that Plan still has a way to go to fully establish a good understanding and application of CCCD approach across the whole organisation.

An external evaluation by the Moynihan Institute of Global Affairs at Syracuse University, USA focused on the effectiveness of CCCD for producing programme outcomes. The evaluation found that CCCD was effective with regards to changing attitudes and promoting positive action with regards to child rights and service provision within communities. It concluded that Plan's comparative advantage in pursuing CCCD lies in our ability to work not only at the community level but across a variety of levels to address development issues more effectively. This multi-level approach allows Plan to tie our community level engagement to policy-making processes at the national and international level.

However, there are still challenges. The evaluation found that sharing a common understanding of CCCD across all programmes would enhance the effectiveness and sustainability of Plan's work. It also found that the approach works best when the core elements of CCCD are implemented together.

Responding to both reviews, Plan management has prioritised internal learning, knowledge management, information sharing and policy implementation in our new strategy to 2015, *Rights and Opportunities for Every Child*. Four specialists have been appointed to coordinate CCCD learning and practice in each region, and to work together with the global leads in the newly created Plan Academy to develop CCCD learning modules. Completing the first phase of these modules will be mandatory for all Plan staff.

Assessments will continue on a regular basis to determine the speed and improvements on the application of CCCD.

Measuring our long-term impact

Post-intervention studies

Plan regularly assesses the effectiveness of our programmes as part of our commitment to accountability and learning. We use various methods of assessment. One recent innovation is the post-intervention study.

As part of Plan's strategic planning, we systematically review the areas in which we operate, to ensure that we continue to focus on areas where our work adds the most value. This means that, at times, we phase out of existing areas.

Post-intervention studies revisit communities around five years after Plan has left, to assess the sustainability of our work and our contribution to long-term changes. As this type of study is new to Plan, and not currently widespread within the sector, in 2010 two pilot studies were conducted, in Bolivia and India.

In 2011, integrating the lessons learned from the pilots, we conducted a first full study in Kenya, on communities that Plan left in 2004.

The results of the study found that Plan was responsible for positive changes to the physical infrastructure of the communities – for example, water points – and that these had been sustained, and had benefited the wider population. However, community groups introduced and supported by Plan shortly before phase out were no longer in operation because not enough time had been allowed for strengthening community capacity and ownership.

The study also found that the increased commitment of recent Kenyan governments to human rights and strengthening accountability and consultation in public services resulted in significant progress in the communities' involvement in local services and increased awareness of children's rights. However, there were still issues of equity and access with regards to marginalised groups.

The study has successfully identified the strengths and weaknesses of Plan's legacy. We are now committed to carrying out further post-intervention studies, building on what we've learnt.

Helping children hold governments accountable

A main focus of our work is to make sure the voices of children and young people are heard at the highest levels of government and society. In 2011, with our support, many children have had an opportunity to represent their peers and ask their country leaders questions about issues affecting them.

Peru

Standing up for children's rights

In Peru there had never been a formal charter for children's rights – but earlier this year all that changed. Plan, representing a coalition of more than 40 local and international organisations, and working alongside a key donor, drafted *The Agenda for the Rights of the Child* with the active participation of children and young people.

The charter commits leaders to improving the lives of Peruvian children and adolescents, and makes children's rights – including health, education and protection against violence – a national priority. "The Agenda sets precise goals for the next government, such as implementing a total ban on corporal punishment," explains Oscar Calero, Plan's Child Protection Coordinator in Peru. In March 2011, all the prominent presidential candidates in the recent election signed up to the charter.

Haiti

Putting politicians in the spotlight

In 2011, four young people involved in Plan's youth media and rights clubs appeared on a national television news programme in Haiti to interview a representative of presidential candidate Michel Martelly, who later won the election. They asked focused questions on how to improve education and involve young people in the decision-making process.

The President and First Lady launched the National Week of the Child, supported by Plan and UNICEF, alongside Haiti's Institute of Social Well Being and Research and Ministry of Social Affairs. Haiti's new social welfare commissioners, responsible for children's rights in the country, promised to include young people's recommendations in the new Prime Minister's work plan.

Ghana

Involving young people in the national budget

In Ghana, young people contributed to the government's process of developing its national budget in 2011. The project, run by Plan and the Integrated Social Development Centre, aims to encourage young people to become involved in budget preparation and tracking.

More than 70 youths across three districts, with support and training from Plan, collected data on issues such as child labour, child trafficking, education, water and sanitation. Once they had gathered the evidence, they used this to advocate for the creation of safe and appropriate environments for children and youth. Through meetings, discussions, lobbying, special events and work with the media, the young people successfully raised awareness of children's rights issues. Their findings and budget analysis were published and used for budget allocations.

Following the success of this first project, the model will be rolled out in other West African countries.

Young people involved in Plan's budget accountability project.

Regarding the relationship between CCCD and programme effectiveness and sustainability...this study finds that the most positive assessments were found within programmes that implemented CCCD consistently across the different strategic categories (i.e. participation, capacity, advocacy, and governance and accountability).

Extract from external evaluation report, Moynihan Institute of Global Affairs at Syracuse University, USA
(see page 10 for more information)

Photo: Plan/Ollivier Girard

Child protection

Members of a Plan-supported youth group discuss child protection, Benin.

Zambia, Mozambique, Malawi and Zimbabwe

Training local authorities to fight child trafficking

Each year, 73,000 children are trafficked into South Africa from neighbouring countries – some as young as seven. Boys are sold for farm work, mining and the drug trade, while girls are trafficked for domestic work, prostitution or child pornography. "Traffickers exploit vulnerabilities and lack of opportunity with promises of a better life," explains Hellen Tombo, Plan's Regional Policy and Advocacy Advisor.

In 2010, Plan country offices in Zambia, Mozambique, Malawi and Zimbabwe launched a three-year campaign called *Protecting Children on the Move*. Its aim is to train border guards and police, and to educate the public, in order to protect and rescue children from trafficking.

Since then, Plan has run workshops with journalists and police officers, embassy staff, border officials and community members, and has established a policy hotline in each country for reporting cases. The countries work together to share progress reports, and Plan provides financial support and technical expertise to monitor progress. Today communities are now on their guard against child trafficking.

Ecuador

Empowering children to stand up to abuse

In Ecuador's Santa Elena province, 70 per cent of children say their parents hit them at least once a week, causing bruises and even bleeding. Children are often locked up, taunted or insulted. The problem is not just in homes: 40 per cent of children claim to have been physically or verbally abused by their teachers too.

Plan has been working to help the government develop policies to prevent violence and sexual abuse. In three provinces, we helped establish 107 locally-run, community defence bodies for children's rights – 15 in the past year – to encourage a cultural shift, raising awareness, advocating for change and promoting children's rights.

Shirley, 14, describes how things have changed. "My mother used to hit us hard. Sometimes I didn't want to go home because I knew what was awaiting me. Nobody dared speak about it, let alone go to the police. But since she joined the Community Defence Body she has stopped hitting us and doesn't abuse us."

110,972 In 2011, Plan provided child protection training for 110,972 community members and staff of partner organisations.

Plan's goal: All children and young people realise their right to protection from abuse, neglect, exploitation and violence.

Plan works to ensure that all children feel safe and are protected from all forms of abuse, neglect, exploitation and violence through:

- quality and effective state-provided prevention, recovery and community support services
- an adequate legal protection framework at all levels
- strong family and community support
- public awareness of, and respect for, the right of all children to protection
- access to skills and knowledge that contribute to their own protection.

All children have the right to safety and protection from violence, but many children experience violence every day. We need to compel states to take responsibility for providing effective prevention, recovery and reintegration and an adequate legal framework to support it.

Timor-Leste

Supporting countries to develop child protection systems

Forty per cent of children* in Timor-Leste suffer from violence, and most crimes against children are neither addressed nor reported. But Plan is helping the country develop a national child protection system, working with donors, government, civil society and communities to help them put in place the policies, structures and skills they need.

As one of seven permanent members of the national working group overseeing the new system, Plan is playing a pivotal role in its development. Our work has included delivering child protection workshops for government, local organisations, civil society and young people, and supporting local government to roll out its own training to others. We played a key role in helping draft a Children's Code, which will be the basis for a national framework for child protection.

Children take part in play activities at a Plan centre, Timor-Leste.

With our reputation as the foremost child protection policy trainer in the country, our involvement in this process is ongoing, as we have been approached by many other organisations and donors to provide further training.

* Source: Child rights situation analysis, Plan 2011

Child participation

Photo: Plan

Young people from Plan-supported youth clubs being interviewed by national media after participating in the National Forum on Decentralisation, Haiti.

West Africa

Campaigning for equality through media clubs

Plan is tackling gender inequality in Ghana, Liberia, Sierra Leone and Togo through a three-year initiative called *Girls Making Media*, launched in 2010. The programme aims to fight gender discrimination by running media clubs that help girls and boys develop the skills they need to speak out and influence public opinion.

Club members are empowered to advocate on issues affecting their well-being, such as gender discrimination, gender-based inequalities and violence. Plan's long experience in media and communication technologies enables us to implement the project in hard-to-reach areas. Yet it also reaches a wide array of audiences via national and community radio, television and print. Inspired by the work of the clubs, one radio station in Ghana with two million listeners added a child rights show to their regular programming.

The programme is already having noticeable impact on girls' leadership, self-confidence and status, and has raised their expectations. One member, Harriet Ndanu, says: "I dream of becoming a prominent journalist who works alongside influential figures to make a difference to people's lives."

Nicaragua

Building citizenship to prevent HIV

Young people in Nicaragua have unequal access to information and sexual and reproductive health services, making them vulnerable to HIV. Plan's project *Youth Participation and Advocacy for the Prevention of HIV* is tackling this by supporting young people in 60 communities to demand better services.

The project began in 2009 by training 120 young people in advocacy and governance, sexual and reproductive health, and HIV prevention. They went on to share their learning with 1,320 further young people. The same strategy was also used to train 148 school counsellors from the Ministry of Education, who in turn trained more than 1,000 parents.

Plan also built the capacity of health service providers to deliver youth-friendly services and supported the strengthening of information systems.

Two years into the project, the young members have developed the self-confidence and skills to produce radio, television and print messages for campaigns, and have become positive role models for others.

Plan's goal: Children and youth realise their right to participate as citizens.

With the support of their families, communities, peers, teachers and other duty bearers, we are helping children to continuously increase their capacity and ability to exercise their citizenship rights and responsibilities as they grow and learn.

Plan promotes youth citizenship and empowerment by helping children and youth become aware of their rights and strengthening their confidence and leadership skills – including in media and journalism – to mobilise for positive change.

We support the monitoring of children's rights by enabling children's and youth organisations to lead advocacy initiatives and to monitor government implementation of the Convention on the Rights of the Child and of national and local policies. We promote social accountability by enabling youth to participate in planning processes, monitor service quality, and hold governments and service providers to account.

The Convention on the Rights of the Child enshrines children's right to participate as citizens, but in many parts of the world their voices go unheard. We need to campaign for children's participation in development and decision-making processes, focusing on excluded children including those outside of school, younger children, and children with disabilities.

Bangladesh

Street children present to the UN Human Rights Council in Geneva

Tania is a confident 14-year-old girl from Dhaka. She is one of more than 10 million children worldwide who are living on the streets.

Plan is calling for the greater recognition and protection of street children like Tania as a requirement to meet the Millennium Development Goals. Nadya Kassam, Plan's Head of Global Advocacy says, "Street children are some of the most excluded people in society. They can be more vulnerable to exploitation and abuse, such as rape or hazardous work."

To raise awareness of the issue, Plan's project *Through Our Own Eyes* trains children in Dhaka to document their own lives through photography and video, to reflect the reality of life on the streets. After taking part, Tania and her friend Riaz were invited to Geneva to share their experience at the United Nations Human Rights Council's ongoing session.

Photo: Plan

Both children are hopeful about their futures, and eloquent about child rights. "Not everybody is like us," says Tania, "but we have potential just like any other children, and we must get the opportunity to develop it."

Disaster risk management


Photo: Plan

Plan provides a safe space to play for children affected by floods, Pakistan.

Pakistan

Supporting and mobilising young people

One year on from Pakistan's worst floods in modern history, Plan is working with local organisations to help those affected – especially children – to recover and rebuild their communities.

When the floods first hit, in July 2010, leaving one fifth of the country under water, Plan quickly responded with emergency relief for over 250,000 people and rehabilitation for a further million. A priority focus was children's well-being, as the key to communities' long-term recovery. To help children come to terms with the situation, we helped set up child-friendly spaces where they could play, share and talk freely.

Even before the floods, Plan Pakistan had emphasised the role and rights of children in its disaster risk reduction work. We helped set up 90 youth groups that conducted hazard assessments, prepared contingency plans for flooding such as building platforms, and helped monitor water levels to provide communities with flood warnings.

Cameroon

Supporting children to raise awareness of cholera

Teaching children how to prevent cholera is a major part of Plan's work in Cameroon, where more than 9,000 cholera cases had been reported by June 2011. Plan worked with the Ministry of Health to deploy 512 volunteer 'cholera soldiers', who visited 15,000 homes, reached 51,368 people. In one region, the number of new cases fell to almost nil.

In all, the project reached more than 62,000 people, including 15,492 children. Plan helped spread the message through 20,000 children's magazines and 576 live radio broadcasts, through our youth media initiative Kids' Waves. After watching a play about preventing cholera, one 11-year-old boy said "Just by washing my hands with soap and water, I can stop myself from getting sick."

39

In 2011, Plan provided life-saving humanitarian assistance, child protection, education and psychosocial support in 39 disasters and implemented disaster risk strategies in 37 countries.

Plan's goal: Children and youth grow up safely in resilient communities and realise their right to protection and assistance in emergency situations.

Children are most vulnerable to disasters. Plan is now recognised as a global leader in child-centred disaster risk reduction. We work, in partnership with government agencies and civil society, to help communities protect themselves from natural disasters. In 2011, we focused on developing our skills in disaster preparedness, child protection and providing emotional support to children in disaster situations. Our approach places children at the heart of disaster risk management, empowering them to deal with disasters and think through sustainable solutions.

In recent years we have seen a growing number of humanitarian crises and emergencies, compromising children's safety, security and well-being. We are responding by strengthening our performance in emergencies, through training, recruiting more operational and technical experts, and revising systems to improve performance. In 2011, we also became a full member of the Humanitarian Accountability Partnership. Our membership demonstrates our commitment to the highest standards of accountability and quality management.

Japan

Supporting children affected by disaster

Plan Japan is normally a donor rather than a recipient of support. But that changed when the first news of the tsunami hit Japan in March 2011, as the psychological impact of the disaster on thousands of children became apparent. "Some were withdrawn, while others behaved irritably or aggressively," said Margriet Blaauw, Plan Japan's Psychosocial Programming Advisor.

Plan held psychosocial care workshops for 2,500 teachers and parents, symposia and lectures for 900 people, a Children's Day event was attended by 350 children and parents, and media training for 60 children to help them express their feelings through photography and video, to support their recovery.

Our experience of providing emotional care and support in disaster situations helped us to focus our efforts on where we could help most, deploying specialists from International Headquarters, the regional office and a psychosocial specialist from Plan Indonesia.

Photo: Plan/Toru Ito

Children affected by the tsunami take part in media training.

March 2011 tsunami response

When the first news of the March 2011 tsunami broke, and warnings were issued in many countries, children and communities in Indonesia, Philippines, Ecuador, Honduras, Guatemala, Colombia, Peru, El Salvador, Nicaragua and Panama were at the forefront of precautionary measures, evacuating people to safe places and taking other early actions, thanks to our disaster risk reduction and preparedness work in communities.

Photo: Martha Adams

Education

Students in Haiti benefit from child-friendly learning techniques, supported by Plan.

Indonesia

Educating girls living in juvenile detention

There are 400 girls in Indonesia's juvenile detention institutions. Most receive no formal schooling, or essential life skills and reproductive health training; classes only cover sewing, cooking and gardening in order to prepare them for a life of domestic work.

In 2001, Plan with a local NGO began delivering informal education and life skills to 14–18 year-old girls in one of the largest institutions. More recently, the students have asked for English and computer science classes, in order to increase their chances in the job market. "Before Plan conducted these classes," says Yaya, 16, "we only had sewing and cooking, but now we have exciting things to do and nice facilitators. I used to be a 'public enemy' and my friends said I was rude, but Plan changed my attitude. I'm more positive now and sensitive to other people's feelings."

With a local NGO, Plan also provides intensive counselling to prepare girls for release from prison, and social workers visit their parents to encourage them to accept the girls back. By 2011, 80 per cent of girls had successfully returned home. For girls not ready or able to return, Plan supports a halfway house that offers vocational skills and job referrals.

Rwanda

Increasing access to education, especially for girls

Schools in Rwanda have a high drop-out rate amongst girls, despite an increase in enrolments, and only 17 per cent of students enter secondary school. Plan has been working to address the issue by influencing policy development and implementation and targeting the excluded and most vulnerable children, especially girls and orphaned children.

At the national level, we established and lead the Rwanda Education NGO Coordination Platform of 25 organisations, to advocate for quality education and to increase coordination amongst education partners.

A partnership with UN agencies and the government has led a school feeding programme, which has significantly contributed to an increase in school attendance and retention.

And a deceptively simple solution – installing separate latrines for girls and boys – is helping to keep girls in school during menstruation, one of the biggest reasons for school drop-out. "The latrines are so important," says Joselyne, 15. "Before boys and girls shared latrines, and some girls refused to attend school. Now we have our own latrines, enclosed by a wall so the boys can't see us."

76,419

In 2011, Plan trained 76,419 professional and volunteer education workers and school management staff on child-friendly learning skills, benefiting 14,988 communities. We supported the construction and rehabilitation of 1,723 schools.

Plan's goal: Children and young people claim and enjoy their right to education.

To ensure free and equal access to quality education at all times, including in emergencies, as well as equitable access to appropriate learning and life-skills programmes for young people, Plan's education strategy addresses three key objectives:

We promote inclusive, safe, healthy, child-friendly learning environments, including building teacher skills, creating culturally relevant, gender-sensitive curricula and offering essential life-skills training.

We work to enable all children, parents and communities to be actively involved in decision making around educational needs and priorities and support them to hold authority bodies to account.

We also support efforts to reach children who do not attend school, and campaign for the active participation of children, youth and communities to improve the governance of education at all levels.

Every child has the right to education, but many children are excluded from schooling because of high costs, language and cultural barriers, geographical remoteness, or special needs. We need to work with governments and educators to ensure that child-friendly education is accessible to all.

El Salvador

Helping children learn through play

Early childhood is a crucial stage of development. In El Salvador, 98 per cent of children under four receive no early childhood education services, and almost half of four to six year olds are not in pre-school. Plan has worked to change this for a decade and, with the Ministry of Education and other child protection agencies, has developed a new National Policy for Early Childhood Education, launched in 2010. The new policy provides a framework to ensure children's rights and access to education and integrated development.

Throughout 2011, Plan carried out awareness-raising campaigns and ran pilot projects to support child development. One pilot project was *Ludotecas Escolares*, which created innovative play centres in eight of El Salvador's poorest schools. The project is part of the *Learning by Playing* programme funded by global financial services company, HSBC. Serving 5,800 children aged 6 to 16, the centres promote a culture of peaceful coexistence and age-appropriate learning through recreational, creative fun with toys and games, donated by Plan Spain.


Photo: Plan

Children at a *ludoteca*, El Salvador.

As a result of the project's success, nine more *ludotecas* are planned. Ninety-seven trained teachers will run the centres when the project ends.

"Games and children should be inseparable," says Plan El Salvador's country director Rodrigo Bustos. "Through games, children learn to interact with their world, to solve problems, to work in teams, to share and develop abilities so they can reach their full potential. In safe spaces where they can play and enjoy their childhood, children become happier and more well-balanced."

Photo: Plan/Jenny Matthews

Child health and early development

A Plan-supported scheme to monitor young children for the signs of malnutrition, Bolivia.

Senegal

Improving maternal and child health through text messaging

“My last pregnancy was the easiest,” says mother-of-four Fatou Tine, 25, “because I never missed a doctor’s appointment. I received text messages to remind me to go!”

Fatou attends one of 331 ‘health hut’ clinics across the region. These supply basic health services to remote rural populations, including maternal and antenatal services, malaria treatment, nutritional support and immunisation, for a nominal fee. Working within a USAID-funded consortium of NGOs, Plan has helped train the 100 community health educators who run the scheme, and pioneered the text-message reminders.

The project covers 200,000 children under five and 40,000 pregnant women. In five years, rates of diarrhoea in young children have fallen from 33 per cent to 1 per cent. Over 90 per cent of children whose mothers receive text messages are immunised, compared with 59 per cent in a community with no messaging system.

Mozambique

Promoting early years development in rural areas

“I can speak Portuguese because I went to pre-school,” says Elio, aged six. In Mozambique, schooling is in Portuguese, and children who do not speak it fall behind. He is one of 640 three-to-six year olds attending Plan’s early childhood care and development centres in communities with low school enrolment. Today, 16 centres offer child-friendly teaching and a healthy environment that stimulates growth and prepares them for school. Plan also works at the national level as a member of the national focus group for early childhood development. As a result of the group’s advocacy, the government is drafting a strategy to establish pre-schools in all 128 districts of the country. With our partners, we will continue to lobby the government to fund early childhood development services, especially for the most vulnerable, and to share best practices to inform the government's delivery of these services.

“This project gives impetus for Plan’s advocacy work,” says Plan Mozambique’s Eunice Temba. “Now the communities – especially the children – will demand that the government be more proactive in service delivery.”

175,886 **In 2011, Plan trained 175,886 professional and volunteer health workers on early education and health care skills, benefiting 18,416 communities.**

Plan's goal: Children realise their right to a healthy start in life.

Plan supports a range of programmes to reduce newborn and maternal mortality; increase child survival and support the holistic, healthy development of children into adulthood. These include initiatives to prevent and combat specific, avoidable childhood illnesses.

We promote early child development and good nutrition, and provide support for parents and caregivers. We work with our partners to improve access to high-quality primary healthcare and social services for mothers, children and young people.

Only through illustrating the effects of good programming based on sound evidence and advocating at the global level, will the importance of Early Childhood Care and Development (ECCD) be understood and endorsed. We will continue our work on the Global Consultative Group on ECCD and in regional networks, to promote ECCD as the best social and human investment countries and donors can make.

Bolivia

Developing an integrated approach to health

Bolivia has high levels of maternal and infant mortality and malnutrition in many rural communities. Plan has been tackling the issue at a practical level through its programme *Nutritional Integrated Management of Childhood Illnesses*, which serves 24 rural indigenous communities. We have also been working closely with the Ministry of Health to integrate healthcare services for under-fives into Bolivia's national child health policy.

The project has improved access to highly nutritious foods by constructing 100 family and school vegetable plots and strengthening five municipal Integrated Nutrition Units that teach mothers to prepare nutritious meals.

The change in parents' attitudes about the importance of protecting and nurturing their children's health is significant. "We used to just watch our children grow up," says the Director of the Municipal Network in Ancoraimes. "Now we're concerned about their development."

Plan is now working with the Ministry of Health, local NGOs and grassroots organisations to expand integrated community health projects to more communities.

India

Enhancing childcare for migrant workers

Around 320 million itinerant workers work on construction sites in urban areas of India. Often their children work too, or care for their younger siblings, missing out on their education.

Plan and our partners negotiate with builders to improve conditions for children. They provide space and funds for workers to build childcare centres on site for children under six, equipped with latrines, kitchens and set up playgroups for children to encourage learning and development.

In addition, Plan works with builders to raise awareness of the needs of the children on site – for example, women workers who breast-feed are now allowed to have breaks to nurse. Plan educates parents about young children's developmental needs, sometimes by putting on plays. "I didn't know what to feed my baby or how to prepare it," says one mother. "I understood what I needed to do after I saw your play. My child is weak but now I'll be able to take better care of her."

Photo: Plan/Rene Gonzalez

Sexual and reproductive health

Plan's programme *Paso a Paso* promotes peer education on sexual health, Paraguay.

Uganda

Protecting women by defending land rights

In Africa, if a woman's husband dies, she will often lose title to the land she and her children depend on, as the land rights usually revert to male relatives. This is especially true for women whose husbands died of AIDS-related illnesses, as in-laws often wrongly blame the widow for the disease. Losing her land can make a woman vulnerable to exploitation and violence as she struggles to provide for her family.

Plan is working to prevent these abuses by training community volunteers in human rights, national and local laws and court procedures. The volunteers support people in their communities to understand their legal rights, and help people who cannot afford lawyers to represent themselves in court.

Mother of five Babirye, from Eastern Uganda, was challenged by her late husband's relatives over the title to the family land. "The legal environment is so intimidating, but Plan's legal officer guided me on the court processes and on how to file a case," she explains. "I'm confident I'll get justice."

Burkina Faso

Developing student awareness of HIV

In 2009, a youth centre in Burkina Faso asked Plan to support voluntary, anonymous HIV/AIDS testing in the 12 secondary schools in the province. First, Plan established a youth club in each school, where health workers educate students about preventing diseases and unwanted pregnancies. Then, with funding of €916,000 from Plan Korea, we started education through drama, poetry, film, debate, advocacy, media campaigns and peer education, and have trained more than 100 teachers and supported a helpline. In all, 2,878 young people, including 872 girls, have taken part.

In 2011, we embarked on the next step, providing thorough counselling and then testing 900 secondary school students for HIV. Three girls and one boy tested positive. We ensured that they received counselling, medication and home visits, and invited them to join a support group for people with HIV. Some who tested negative have become peer educators working to prevent HIV. "If your test is negative, taking the test makes you feel even more responsible so that you take better care of yourself," says student Soudré. "And if it is positive, you need to start using treatment."

62,424 In 2011, Plan trained 62,424 community health workers and traditional birth attendants, benefiting 9,212 communities.

Plan's goal: Children and youth realise their right to sexual and reproductive health, including HIV prevention, care and treatment.

We support high-quality, appropriate reproductive and sexual health education and services for children and young people. We challenge the beliefs and attitudes that maintain inequality between the sexes. We advocate for more effective policies and actions that respect and protect the rights of children living in a world with HIV, including the right to be protected from HIV and for those who are affected to receive care and support. We also advocate for children orphaned by AIDS to live with family members.

Education on sexual health is very important for the community, we have to reach the weakest point – the adolescents and their parents. The challenge is great, and the work needs to be encouraged and continued.

Marleny Sandover Chavez, a community health promoter working with Plan Peru.

Peru

Helping adolescents understand sexual health

In northwest Peru, the poorest area of the country, only 10 per cent of teenagers have an understanding of sexual and reproductive health and HIV. Ten per cent of teenage girls become pregnant and six out of ten pregnancies are unwanted.

Our programme *A Better Lifestyle for Adolescents* enables 13–17 year-olds to develop social skills and competencies in sexual and reproductive health, to help them make informed decisions about sexuality and protect themselves against HIV and other sexually transmitted diseases. Launched in 2006, it works in 22 communities in the region.

In 2010 and 2011, we extended this work by training 52 health workers, 3,626 adolescents and 668 parents in reproductive health issues, including HIV, the safe use of condoms and sexual and reproductive rights. We also trained 1,637 adolescents in life skills such as anger management, self-esteem and listening skills, and helped establish six adolescent organisations and eight networks of secondary school pupils to write and perform plays that explore sensitive sexual topics.

Students attending Plan's workshops on sexual health.

When Edison, a secondary school student, joined the project he was a shy, confused teenager, but now he exudes confidence. "In the past we saw [sex] as something strange," he says, "but now we can talk about any contraceptive method. We know what steps to take."

Photo: Plan/Rob Few

Economic security

Plan works with industry partners to provide training and support to young people who are out of work in Timor-Leste, so they can learn how to run small businesses to provide for themselves and their families.

Vietnam

Developing skills to boost employment

In Vietnam, 45 per cent of unemployed people are young, often socially marginalised youth, with few skills that appeal to employers. Plan is working to change this.

Across seven cities, Plan's REACH programme has trained 6,021 18–25 year-olds for employment through a partnership with Plan Netherlands and international consultancy firm Accenture, which in 2011 invested €1.4 million in the programme, and provided commercial expertise.

The project helps develop entrepreneurial skills, and its links with more than 1,000 employers help place the young people in fields such as IT, customer relations and business outsourcing.

"REACH has succeeded in creating a highly effective, mainstreamed approach to employment for young people because of its commitment to its students, smart training methodologies and superb relations with the business community," says Gabriel Levitt of US-based NGO Pact. "With an excellent understanding of the skills markets need, REACH serves as a sturdy bridge between challenged youth and potential employers."

In the past year REACH has linked up with other organisations and standardised its curricula, and there are discussions about expanding into provincial towns and neighbouring countries.

Zimbabwe

Improving security through better farming

Avina Chidhiyani, 48, is a widow with eight children. After repeated crop failure, she was struggling to feed her family until she joined Plan's food security project, run with government agency AGRITEX.

The project targeted 5,000 poor households, 63 per cent headed by women. Avina was trained in agricultural techniques such as water harvesting, and was given vouchers to buy seeds and livestock. Practising her new skills, she produced 77 bags of sorghum (a cereal crop) – a 300 per cent increase on previous years – and raised 70 chickens, to provide a regular supply of meat, eggs and income.

"I got a lot of visits from Plan's livelihoods officer and government extension workers who helped me do things the right way," says Avina. "But what I loved most was how they taught us by using practical demonstrations in the fields. This was very easy for me to follow because I cannot read or write."

Since then Avina has joined a group with five other farmers to discuss issues and strategies, which provides an additional sense of belonging and security to Avina and her family.

165,148

In 2011, Plan trained 165,148 people in agricultural, vocational and business skills. We supported 2,119 microfinance organisations and 77,792 local savings and loans groups.

Plan's goal: Children and youth realise their right to economic security.

We work with community partners to ensure that families in extreme poverty have the skills to increase their income in a sustainable way and can access financial services. We also support states, communities and families to stimulate growth and opportunities, combining sustainable, inclusive, client-responsive microfinance initiatives with programmes such as child health and education. This ensures that families' gains are sustainable even during times of crisis.

Over the next decade, 1.3 billion young people will be entering the workforce, but only 300 million new jobs are expected to be created. To reduce poverty, a key priority is to make sure young people have opportunities for productive and decent employment.

Sierra Leone

Creating opportunities through savings and loans

After her father died, 19-year-old Salamatu dropped out of business school to help her aunt sell rice in the market. In Sierra Leone, this is common – many girls fail to complete their primary education because of financial pressures.

To help young people like Salamatu, Plan supported 4,800 out-of-school 15–25 year-olds – 70 per cent of them female – to join youth savings and loan groups. Every week, group members contribute €0.18 to a fund, from which they can take low-interest loans. Salamatu used one loan to start her own rice business, and another to pay her school fees. "I'm very happy that I had the opportunity to start something on my own," she says.

Salamatu is now helping establish more groups in her community, and Plan is training volunteers like her to manage the groups without Plan's support going forward.

The project is funded through Plan Canada with €3 million from MasterCard, which also supports similar initiatives in Senegal and Niger until 2014.


Photo: Lars Scholtyssyk

Salamatu, a young entrepreneur in Sierra Leone.

Water and sanitation

Photo: Plan

As part of a *Health in School* Promotion programme in Nicaragua, older children teach younger children how to wash their hands properly.

Cambodia

Improving health through sanitation

Lack of sanitation is a major cause of child mortality. In Cambodia, only 18 per cent of the rural population have access to adequate sanitary facilities.

But a new project is providing around one million people with basic sanitation for the first time, along with hygiene education. Plan Cambodia is making the grants to 18 community groups, targeting villages where less than half the households have sanitation, and where many children die from dehydration caused by diarrhoea. It is also helping the government, local authorities, NGOs and the private sector to improve their capacity to improve sanitation.

The programme was developed in partnership with the Ministry of Rural Development on the strength of Plan's previous work on sanitation in the country and funded by a grant of €3.6 million from the Global Sanitation Fund of the Water Supply and Sanitation Collaborative Council. It aims to increase access to rural sanitation from 18 per cent to 30 per cent by 2015.

Tanzania

Purifying water through the sun's energy

Diarrhoea due to unsafe water is a major cause of death in children under five. But in seven villages in Tanzania, more than 15,000 people have learned how to transform contaminated water into healthy, pure drinking water through a simple, low-cost method using only ultraviolet light.

Plan Tanzania trained 24 local community promoters in the method, which involves filling recyclable plastic bottles with contaminated water, closing them tightly and leaving them in the sun for at least six hours, or all day on cloudy days. The ultraviolet light kills the bugs that cause water-borne diseases. Only 12 per cent of under fives who drank treated water had diarrhoea, compared to 58 per cent of those drinking untreated water. "I take the water to school every day, and I've told my friends about it," says Juma, 12.

122,927

In 2011, Plan supported 122,927 households to improve their sanitation facilities, and helped communities to build or refurbish 5,804 water points.

Plan's goal: Children and youth realise their right to improved health and well-being through effective hand washing, basic sanitation, and safe, reliable and affordable drinking water.

Plan uses rights-based approaches in its Water, Sanitation and Hygiene (WASH) programming. This means encouraging communities to take the lead in improving their sanitation, promoting the rights of women, girls and marginalised groups and raising awareness about hygiene. We work alongside government, communities and local groups to ensure that initiatives are sustainable in the long term.

There is a global crisis in sanitation and water, with diarrhoea killing at least 1.2 million under-fives each year. We must push for a greater focus on this critical issue, engaging and lobbying governments and spreading education, particularly about open defecation and hand washing, through rights-based community approaches.

Guatemala

Improving water quality to change lives

In San Pedro Carchá municipality, groundwater supplies are very limited, and 98 per cent of the drinking water analysed by Plan in 2005 was contaminated. "We had to walk for at least a half hour many times a day to bring water from a dirty spring," says community member Doña Natividad.

In 2008, Plan began training 3,179 families to install rainwater collection schemes and latrines at homes and schools, and supplied materials. About 14,840 people now use the new home systems and latrines. The project, funded by the Spanish government through Plan Spain, was so successful that the municipality has now developed a new public policy on water and sanitation, with Plan's technical support. It will invest €5.8 million (seven per cent from Plan) over five years to replicate Plan's project in 369 more communities, reaching nearly 260,000 people.

Guinea-Bissau

Helping communities develop better sanitation

In a country where only five per cent of the rural population has adequate sanitation, Plan is helping reduce diarrhoea-related child deaths in the district of Bafata. As well as installing boreholes and latrines, we help communities understand the dangers of open defecation. We then help them to make changes, using locally available resources.

Djenabu Seidi, 35, was shocked when he learned the risk of contamination from open defecation. "We never imagined we were contaminating our water sources," he says. The villagers are now committed to constructing latrines and practising healthy hygiene.

The project district, Bafata, now has the highest rate of access to drinking water in the country, apart from the capital. The government has recognised Plan as a role model and has recommended that all other organisations follow Plan's lead.

Campaigns

Learn Without Fear, Ethiopia.

Registering births in Pakistan.

Because I am a Girl, Thailand.

Learn Without Fear

Children are far more likely to complete their education if they have a positive experience at school. But in many countries, children are still subjected to violence, inappropriate punishment and humiliation. Plan's *Learn Without Fear* campaign targets three of the most common and damaging forms of violence in schools: sexual violence, bullying and corporal punishment.

Building on the campaign's achievements since 2008, this year Plan took a leadership position on the issue of violence in schools, at the local, regional and global levels. For example, in West Africa, Plan is now recognised by partners as the lead agency on violence in schools. And globally, we have cemented relationships with the international teachers' union, Education International, to collaborate on a unique piece of global research.

Since the campaign was launched in 2008:

- more than 485 million children have benefited from legislation protecting them from various forms of violence in schools
- we have positively influenced the policies and curriculums of more than 30,000 schools worldwide, raising awareness of violence in schools and working actively towards more peaceful school environments.

We also published a report, *Prevention Pays*, which explains why investing in prevention costs less than dealing with the consequences of violence in schools. It generated widespread global media coverage and has been used by Plan staff and partners to make policy recommendations.

As a result of our increasingly high credibility in this field, we have received invitations to present at a number of global events, including the Fifth World Conference on School Violence, in Argentina.

Our pilot research to test a method of information gathering via child helplines has been picked up by the International Observatory on School Violence, and will be replicated across the whole of Europe. This means that, thanks to Plan, crucial information on school violence can be collated in order to inform legal systems and policy makers.

After we demonstrated our programme results and shared our reports and evidence, the UN Special Representative on Violence Against Children, Marta Santos Pais, agreed with Plan that violence in schools must be an area of focus at the global level. She held a meeting of international experts in Oslo in June, where she and the Norwegian government recognised Plan as "the main player" on the issue of violence in schools.

Count Every Child

Millions of people around the world are unable to access basic services because they do not have registration documents, such as birth certificates, to prove their eligibility.

Since its launch in 2005, Plan's campaign for universal birth registration, *Count Every Child*, has helped more than 40 million people, mainly children, to become registered, and our advocacy work has helped to change laws on registration, to make the process less expensive and easier for hundreds of millions more people. Plan is now widely recognised as the global expert on birth registration.

This year, we have consolidated relationships with UNHCR, UNICEF, INTERPOL and regional development banks in order to further our work in policy and practice. For example, we have a new memorandum of understanding with UNHCR to carry out work on stateless children, and are currently drafting a joint statement with UNICEF to work together to promote registration all over the world.

We have spoken about registration at numerous events, including the first civil registration conference in Africa in August 2010, where more than 40 nations debated how to improve registration systems. Plan was there to advocate for free registration for all children – a priority that was reflected in the final outcome documents of the meeting. We also presented at the Human Rights Council in June 2011, making the case for birth registration as a child protection tool to a wide range of organisations.

As a result of the campaign, Plan has been approached by multinational companies that are interested in supporting the campaign and building relationships with Plan.

As we look to the future and set ambitious new targets to increase the number of children registered, we are delighted to announce a formal name for the campaign – *Count Every Child* – and a new logo.

Momentum builds for Plan's global campaign to promote girls' rights

Plan's *Because I am a Girl* campaign – to be launched globally in 2012 – reflects Plan's recognition that gender equality and girls' rights are key to ending child poverty.

At each point of their lives, and on every level, girls and young women around the world face discrimination, violence and exclusion simply because of their age and gender. Yet investing in girls – particularly in their education – not only helps to give girls the chance they deserve to live meaningful and dignified lives, but is also one of the most powerful ways to lift entire communities out of poverty.

Because I am a Girl aims to create a lasting impact on the lives of approximately half a billion girls. During 2011, the build up to the campaign launch continued, uniting the whole organisation.

Internationally, a delegation of 13 girls from Plan youth programmes participated in the UN Commission on the Status of Women where they succeeded in influencing the global policy on gender equality and persuading a coalition of member states, led by Canada, to draft a resolution officially establishing an International Day of the Girl Child.

Leymah Gbowee, joint winner of the 2011 Nobel Peace Prize, said, "An International Day of the Girl is a great idea to bring the issues of the world's girls to light for the media, for government and for educational institutions... Girls are the future of the world."

The resolution will be decided by a UN General Assembly vote in December 2011.

The *Because I am a Girl* initiative has produced national advocacy campaigns, including Plan UK's *Take The Vow* campaign to end early and forced marriage and Plan India's *Let Girls Be Born*, which addresses the practice of female foeticide and infanticide.

Plan Guinea-Bissau has been advocating for the government to adopt two laws protecting women and children from trafficking and female genital mutilation, and Plan Uganda has signed an agreement with the Ugandan Ministry of Gender, Labour and Social Development to promote gender policy reforms.

Plan has also been building gender specific programming with our partners to deliver sustainable improvements in girls' lives. One programme that has already achieved considerable success is the Kamalari Project in Nepal, which aims to abolish the practice of forcing girls into bonded labour, where 1,700 girls in one province alone have been rescued and given support to rebuild their lives.

In the words of 15-year-old Manal from Egypt: "Nobody can take my rights from me now. [Plan's] programmes are also changing the behaviour of the families. We used to be silent at home and not say what we thought. We will not be silent any more."

Plan in partnership

Only through working in partnership at the local, national and global levels can we solve the problems of child poverty and realise children's rights. That's why working in partnership with others is crucial to achieving Plan's mission. In 2011, we worked in 22,979 partnerships worldwide.

Working with our sponsors

Plan's roots in child sponsorship have helped us develop close links with communities in developing countries. As well as providing us with an independent source of income (60 per cent of our income came from child sponsorship this year), sponsorship also contributes to our participation and advocacy activities, with sponsors publicising our work through social media channels such as Facebook and Twitter.

Student competition helps to streamline systems

Sponsorship is an important activity for Plan, but we wanted to see improved efficiency in the way information about sponsored children is collected. Plan Netherlands decided to tackle this issue alongside lead partner Accenture, the international consultancy firm, through an initiative called Battle of the Best Beta.

The scheme challenged Dutch students to find a way to increase the efficiency of the child sponsorship process by as much as 75 per cent.

The winning team's solution is currently being validated by external technical experts from Cisco, Nokia and Vodafone, and will eventually offer Plan Zambia a plug-and-play solution. So far the winning team's project has reduced the time it takes to update sponsored child data from 45 minutes to just ten.

World Vision, which is implementing a similar technology pilot in Indonesia, is also providing advice and support.

Working with other organisations

Forming partnerships with organisations at the local level is key to Plan's work. In 2011 we worked with over 16,000 community-based organisations and nearly 2,000 local NGOs.

Helping small NGOs tackle big issues

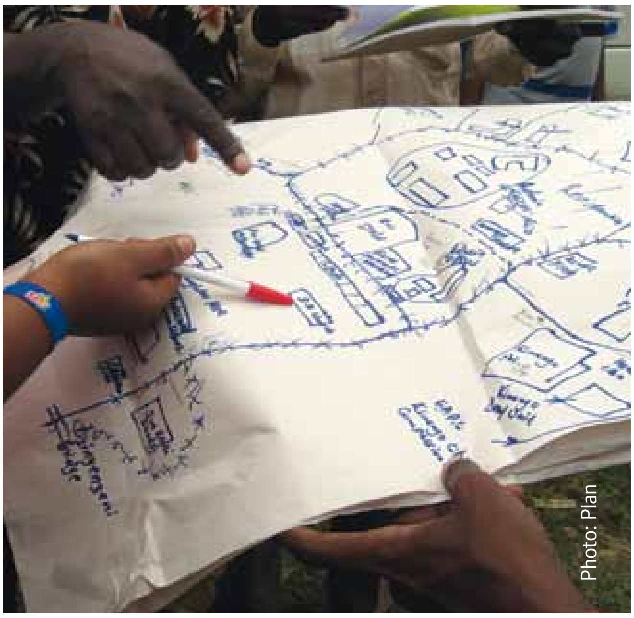
Thanks to the new Kenyan Bill of Rights, all citizens – including children – now have their basic rights guaranteed. This means that the Kenyan people can start to hold their local government offices to account, and advocate for better services.

But marginalised communities are still excluded from this new development. One of the urban areas where Plan works, Mathare, is one of the biggest informal settlements in Nairobi, but it didn't exist on most government maps. For local communities, this made it challenging to have the evidence to engage with local service providers.

In 2011, Plan worked with Map Kibera Trust and young people to create a base map of Mathare, and to build a picture of the water and sanitation situation in selected areas, highlighted as a major issue by local people.

Map Kibera Trust has a lot of expertise in community mapping and ICT for development, but the success of their first project, in Kibera settlement, was hampered by a lack of knowledge of local power structures and a struggle to engage young people. Plan brought our specialist expertise in community and youth engagement to the partnership, helping ensure that the Mathere project has been a success.

Jamie Lundine, one of the directors with Map Kibera Trust, says that working with Plan has been key to local ownership and sustainability of the Mathare project. "Plan's extensive experience in community development and knowledge of local power structures has helped to ensure that community engagement and advocacy efforts are maximised. The support from Plan Kenya has proved invaluable for the youth-led mapping and media work throughout Kenya."



Young people mapping out their community, Kenya.

Children take part in activities as part of Plan's partnership with Beiersdorf/NIVEA, Guatemala.

Engaging the corporate sector

Plan's reputation and more than 70 years' experience of working directly with communities form a solid basis for collaborating with the corporate sector.

Plan engages with corporations through their social responsibility programmes, often around a particular area of work such as early childhood health or education. Plan also advocates on behalf of children to increase corporations' accountability to the communities where they work.

Building local relationships through global partnerships

Plan signed a long-term global agreement with Beiersdorf/NIVEA (a German skin and beauty care company) under the motto *We care & connect* in December 2010. There are now more than 25 countries with NIVEA and Plan offices involved on a local level, supporting the global partnership goal to provide children living in poverty with equal access to quality education. The NIVEA support includes project funds, marketing campaigns, communication and employee volunteering. The first projects have already been set up in India and Rwanda.

In June 2011, Plan's office in Guatemala and NIVEA announced the collaboration on a project to benefit 40 schools, 4,800 children in primary school and 160 teachers in poor indigenous communities. "It is admirable how NIVEA is promoting social responsibility among its staff – not only through a donation, but also by promoting the importance of building relationships and the protection of children's rights," said Débora Cóbar, Plan Guatemala's country director.

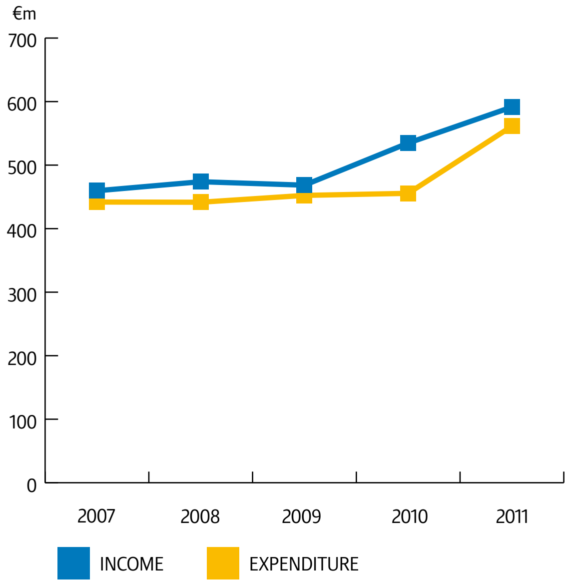
Improving youth behaviours for lifelong health

The Young Health Programme – a partnership between AstraZeneca, Plan and Johns Hopkins Bloomberg School of Public Health – is working to help young people improve their lifelong health by changing their behaviour.

The programme aims to combat diseases in young people by focusing on lifestyle behaviours that begin or are reinforced during youth, such as tobacco use, physical activity, dietary habits and sexual activity. The programme integrates global research, advocacy, education and health skills training, and is anticipated to directly reach 500,000 young people aged 10 to 24 by 2015, with a further 500,000 people benefiting.

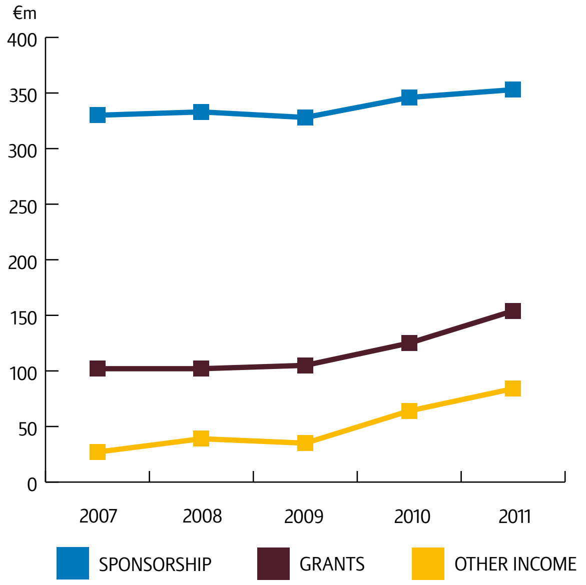
Financial overview

Income and expenditure



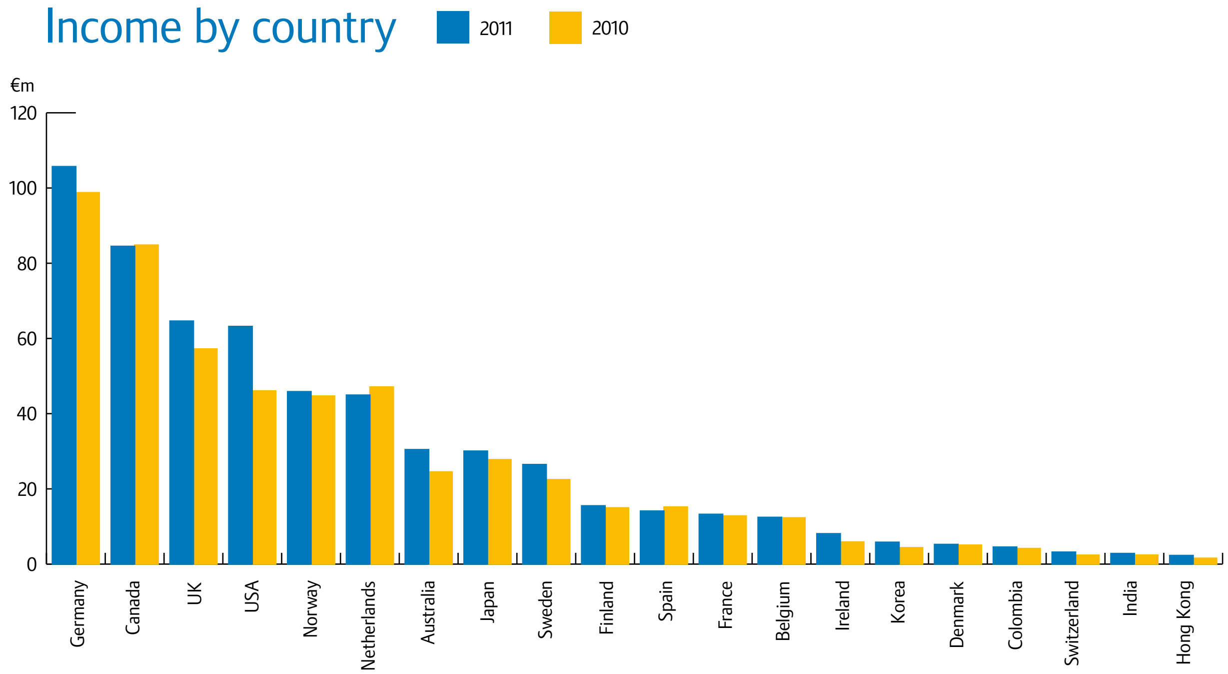
In the year to 30 June 2011 Plan raised income of €591 million – an increase of €57 million over the previous year. The Plan Worldwide surplus in the year of €30 million consists mainly of grant donations received in advance of the programme being delivered.

Income by source

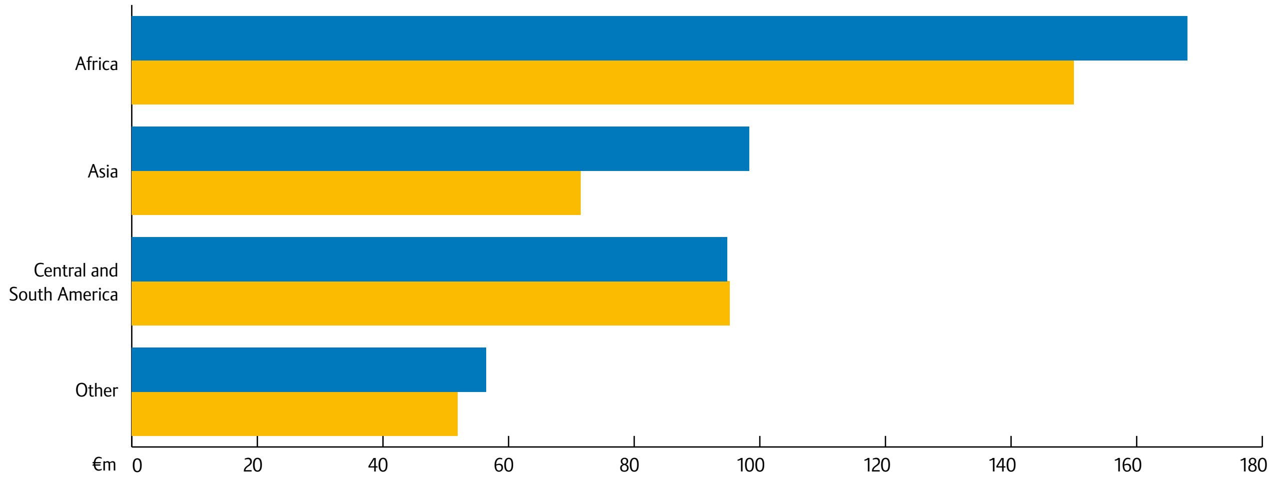


Half the income growth came from grants, which included €23 million from the Global Fund for malaria prevention programmes in Togo, Burkina Faso and Cameroon and €3 million from the Global Fund for HIV prevention and support in Benin.

Income by country



Programme expenditure by location



Total expenditure was €561 million, which was €106 million or 23 per cent more than the previous year. Excluding the impact of exchange rate movements, underlying expenditure grew by €73 million, or 15 per cent. Most of the growth was in programme expenditure, spread across most programme areas. The biggest increases in expenditure were due to the malaria prevention programmes in Africa, provision of schooling facilities, and the response to the Pakistan earthquake.

Expenditure by activity

	2011 €000	2010 €000
Healthy start in life	70,868	61,592
Sexual and reproductive health	11,904	14,432
Education	80,819	67,203
Water and sanitation	44,274	37,627
Economic security	39,554	32,947
Protection	16,221	13,814
Participate as citizens	56,541	46,537
Disaster risk management	45,788	44,763
Sponsorship communications	51,696	47,885
Programme expenditure	417,665	366,800
Fundraising costs	73,707	61,787
Other operating costs	49,583	43,102
	540,955	471,689
Trading expenditure	3,491	3,071
Net losses / gains on foreign exchange	16,773	(19,209)
Total expenditure	**561,219**	**455,551**

Photo: Plan/René González

One of the youth participants in the National Youth Forum, a partnership between Plan and the Government of Paraguay. The Forum was set up to ensure that children have a say in the future of Paraguay's development.

Combined Financial Statements

for the year ended 30 June 2011

Contents

Key abbreviations

Throughout this report, the organisations comprising Plan are referred to as follows:

Plan	- Plan International Worldwide, including Plan International, Inc., Plan Limited and Plan National Organisations combined
PI Inc	- Plan International, Inc.
Plan Ltd	- Plan Limited
NO	- National Organisation
Member NO	- Full voting member of PI Inc

The year ended 30 June 2011 is referred to as 2011 throughout this report and similarly for prior years.

Directors' report

The directors of PI Inc present their directors' report and the audited combined financial statements in respect of Plan for the year ended 30 June 2011.

1. Activities

Plan is an international humanitarian, child-centred development organisation with no religious, political or governmental affiliations. Plan implements programmes to create a better future for children who live in developing countries and whose quality of life and ability to fulfil their potential is affected by extreme poverty, the failure of care by adults, discrimination and exclusion by society, or catastrophic events such as conflict or disasters. Plan's work assists more than 58,000 communities covering a population of more than 56 million children. 1.5 million children are enrolled in Plan's sponsorship programme.

Plan's aim is to achieve sustainable development: a better world for children now and in the long-term. This means working with children, their families, communities, governments and civil society organisations across Asia, Africa and Latin America and campaigning at national and international levels, to bring about sustainable change. Plan's work is founded on support from individuals through child sponsorship which connects children and families in developing countries with supporters of social justice for children around the world.

Through direct grassroots work, Plan supports the efforts of children, communities and local organisations to enable children to access their rights to education, health, a safe environment, clean water and sanitation, secure family income and participation in decision-making. Plan works to protect children at special risk; for example, child labourers, children vulnerable to trafficking, those who have lost parents to HIV/AIDS, and those impacted by natural or economic disasters. Plan strives to ensure that children's rights are recognised, through influencing policy decisions at local, national and international levels, and through our global campaigns for universal birth registration, *Count Every Child*, violence-free school environments *(Learn Without Fear),* and equality for girls *(Because I am a Girl)*.

Plan's work is the result of partnerships with local people and organisations, based on mutual understanding and a shared commitment to programmes which will benefit children for years to come. At a local level, Plan works directly with groups in a community to identify the priority issues affecting children. Plan actively encourages children to analyse their own situations, and raises their awareness of the fundamental rights to which they are entitled. Plan then supports the community to build the skills and access the resources it needs to implement projects that will lead to positive changes in children's lives.

To help them realise their potential, Plan campaigns for children to become aware of their rights and creates and encourages opportunities for children to speak out on their own behalf and to participate in decision-making that affects their own development.

Programmes mainly take place in countries where Plan-sponsored children and their communities live. The amount spent in each country depends on the number of children and communities that will benefit from the programme, the extent of poverty, educational and health challenges as well as the cost of operating in the country. Environmental factors and unforeseen events in the countries in which Plan operates may disrupt spending plans or result in programmes to address the impact of a natural disaster.

2. Membership and structure

PI Inc supervises the allocation, distribution and use of funds raised by Plan National Organisations for work in developing countries. Plan's twenty NOs carry out fundraising, development education and advocacy and those in India and Colombia also carry out development programmes in their respective countries. All NOs are now full Member NOs, following the admission of Switzerland and Hong Kong NOs as Members on 17 June 2011.

Each NO is a separate legal entity in its own country, with objectives, purposes and constitutions which are substantially similar to those of PI Inc. The Member NOs collectively control PI Inc. Each Member NO has agreed to comply with the standards of operation set out in the By-laws of PI Inc. The By-laws were amended by the Members' Assembly in November 2009 to include Membership by organisations which carry out programmes and fundraising in developing countries, thereby enabling Fundación Plan (Colombia) and Plan International India Chapter to be admitted as Member NOs during 2010.

PI Inc is registered in New York State as a not-for-profit corporation with its principal office in Rhode Island, USA. PI Inc operates in 50 programme countries, including Myanmar and South Sudan, coordinated through 4 regional offices. Plan has been working in South Sudan since 2006. Operations in Myanmar commenced in 2008 to provide emergency relief to communities affected by Cyclone Nargis. Together with local partners, Plan's operations in Myanmar have evolved to longer-term programmes and Plan intends to maintain an ongoing presence in the country.

Plan's International Headquarters is based in the United Kingdom, but also operates in Rhode Island and through a new office opened in 2011 in New York, to liaise with the United Nations delegations. Plan also has representation in Brussels to liaise with the European Union and in Geneva to liaise with the United Nations.

3. Members' Assembly

The Members' Assembly is the highest decision-making body of PI Inc and is responsible for setting high-level strategy and approving the budget and financial statements for the organisation. In June 2011, the Members' Assembly approved the Global Strategy to 2015. The Members' Assembly elects the Board of PI Inc and ratifies the appointment of the Chief Executive Officer of PI Inc. Each Member NO is entitled to a minimum of one delegate and one vote. Entitlement to further delegates and votes is determined by the level of funds transferred to PI Inc or to PI Inc approved programmes. If an NO is in the process of qualifying as a Member NO, it may nominate an observer to attend the Members' Assembly.

4. Directors

The Board of PI Inc ("International Board") directs the activities of PI Inc and is responsible for ensuring that the management of the organisation is consistent with the By-laws and with the strategic goals of the organisation as determined by the Members' Assembly to whom it is accountable. The International Board is comprised entirely of non-executives. None of its members are paid by PI Inc.

The By-laws prescribe a maximum number of 11 directors, who are elected by the Members' Assembly. As at 30 June 2011 there were 11 directors on the International Board including 7 directors who also sit on the Board of an NO, 2 directors who come from developing countries and 2 further directors who are independent of the NOs. All directors have fiduciary duties to act in the interests of PI Inc. Members of the International Board are nominated on the basis that they provide a range of skills and experience of most importance to PI Inc according to criteria defined by the Members' Assembly. International Board directors hold office for a term of three years, upon which they are eligible for re-election for up to two further consecutive terms. The Chair of the Members' Assembly is also Chair of the International Board and may serve up to two consecutive terms of three years as Chair.

The responsibilities and powers of the International Board are prescribed by the By-laws and include the following: the management of PI Inc's affairs in a manner consistent with the By-laws; the preparation of recommendations to the Members' Assembly; implementing the vision, mission and overall strategic goals and policies set by the Members' Assembly; overseeing the development and implementation of budgets and long-term financial plans approved by the Members' Assembly; the selection and evaluation of the performance of the Chief Executive Officer; measurement and evaluation of PI Inc's programme, financial and other performance; and assuring the financial integrity of PI Inc including reporting the results of assurance activities to the Members' Assembly.

The International Board of Directors as at 30 June 2011 comprised:

Paul Arlman – Chair of the Members' Assembly and International Board. Paul has been Chair of Plan International since December 2005 and is a Member of the Board of Plan Netherlands. Formerly Board Member of the EIB and elected Executive Director of the World Bank Group, also Secretary General of the Amsterdam Stock Exchange and of the European Exchange Federation. He will step down after his second and last term as International Chair in November 2011.

Ezra Mbogori – Vice Chair of the International Board. Ezra has had a career working with street-children NGOs in Nairobi and former head of MWENGO, an NGO in Zimbabwe providing pan-African leadership and a voice for peer organisations in the sector. He has sat on the Boards of several NGOs including CIVICUS, the global alliance of civil society, ADEN, the African Development Education Network and Imami, a community-based small business support charity based in a slum settlement. Ezra has also served as an African representative on the Commonwealth Foundations Civil Society Advisory Council. Ezra will step down after his third term as a Board member in November 2011.

Peter Gross – Treasurer of the International Board. A corporate and media/entertainment lawyer, he was on the executive team of Home Box Office, founder of a television production company in China and a concert producer. Peter has experience in children's work, in non-violence and in art and culture. He is a former Chair of Plan USA.

Pierre Bardon – Pierre is the Chairman of BAI, a venture capital company in the telecommunications and internet business. He is also a member of various Boards in telecommunication and web business. In addition to this, Pierre is involved in non profit activities, as chairman of ACE (coaching for unemployed people seeking work) and a Board member of Plan France.

Stan Bartholomeeussen – Stan has worked as an Independent Consultant and Director of ACE Europe and has key credentials in strategic planning and capacity building of NGOs, processes of change within NGOs, public administration and European legislation. Stan is a member of the Board of Plan Belgium.

Werner Bauch – Werner's most recent position was as Managing Partner of MasterMedia Gmbh and former Assistant Professor at the University of FU Berlin. He has also acted as Board member of Manning, Solvago and Lee Inc as well as Chairman of Plan Germany.

Lydie Boka-Mene – Lydie is the manager of StrategiCo., which specialises in risk analysis in Africa. She has over 20 years' professional experience in financial analysis, project finance and development aid programme design, implementation and management in Africa, the Middle East and Europe. Previous employers include the United States Agency for International Development (USAID), the International Finance Corporation and the African Development Bank. Her background is in international economics and finance. She was born in Côte d'Ivoire, West Africa and graduated in Austria.

Martin Hoyos – Martin began his career with KPMG in Munich. He worked as an audit partner of KPMG Austria and Germany; for 2 years he was the regional CEO of KMPG for the Europe, Middle East and Africa region. After retiring from KPMG in September 2007 he joined the boards of two family-owned businesses as a non-executive director and is a member of the supervisory boards of KPMG in Germany as well as two listed companies in Holland and Germany.

Dorota Keverian – Dorota has extensive international experience in talent management, organisational change, strategy and performance improvement. Former Global Director of Consultant Human Resources of the Boston Consulting Group. Former Arthur D Little Director and Vice President, responsible for the Global Oil Practice and people development. She is also a Board member of Plan USA.

Joshua Liswood – Joshua is currently a Partner at Miller Thomson LLP. His practice has been dedicated to the health field as legal counsel and in an advisory capacity. Notably, Joshua has a number of major publications and articles related to the above. Joshua is also the Vice Chair at Plan Canada.

Anne Skipper – Anne has more than 25 years' experience as a company director in the not-for-profit government and private sector. Anne is a corporate governance specialist and is currently a facilitator with the Australian Institute of Company Directors in Australia and internationally. She is currently Chair of Plan Australia and a director of Plan Hong Kong.

On 17 June 2011 Lydie Boka-Mene was appointed to act as director to fill an existing vacancy created by the resignation of Awa N'Deye Ouedraogo on 20 November 2010.

The average number of board directors during the year was 11.

5. Management team

In addition to the International Board, key management in Plan includes the Senior Management of the International Organisation (PI Inc) and the National Directors of the NOs. Members of these groups at 30 June 2011 are listed below:

International Senior Management

Director	Role
Nigel Chapman	Chief Executive Officer
Tjipke Bergsma	Deputy Chief Executive Officer
Mark Banbury	Acting Chief Information Officer
Tara Camm	General Counsel and Company Secretary
Harriet Dodd	Director of People and Culture
Ann Firth	Chief Operating Officer and Director of Finance
Avril MacDonald	Director of Marketing and Communications
Gary Mitchell	Director of Global Assurance
Roger Yates	Director of Disaster Risk Management
Roland Angerer	Americas Regional Director
Adama Coulibaly	West Africa Regional Director
Gezahegn Kebede	East and Southern Africa Regional Director
Mark Pierce	Asia Regional Director

National Directors

Director	National Organisation
Ian Wishart	Australia
Dirk van Maele	Belgium
Rosemary McCarney	Canada
Gabriela Bucher	Colombia
Gwen Wisti	Denmark
Riitta Weiste	Finland
Alain Caudrelier-Bénac	France
Maike Röttger	Germany
James Murray	Hong Kong
Bhagyashri Dengle	India
David Dalton	Ireland
Gabriel Kazuo Tsurumi	Japan
Sang-Joo Lee	Korea
Monique van't Hek	Netherlands
Helen Bjørnøy	Norway
Concha López	Spain
Anna Hägg-Sjöquist	Sweden
Andreas Herbst	Switzerland
Marie Staunton	United Kingdom
Tessie San Martin	United States

The average number of members of key management during the year was 34, in addition to the 11 members of the International Board.

6. Statement on internal control

The International Board of PI Inc and the Boards of the National Organisations are accountable for the internal controls within the entities which they govern. Management of the organisations are responsible for maintaining a sound system of internal control, including risk management that supports the achievement of Plan's mission and objectives, safeguards the donations received, and assets and resources, including staff.

The controls over financial reporting include policies and procedures relating to the maintenance of records, authorisation of transactions and reporting standards. Control processes provide for the prevention or timely detection of unauthorised transactions that could have a material effect on the financial statements. These include a Global Assurance function which reports directly to the Financial Audit Committee of the International Board and conducts audits of financial and other operating areas within PI Inc and where requested by National Organisations.

Global Assurance completed 64 audits during 2011 covering either financial or other operational functions within PI Inc, as well as 25 follow up visits to test the effectiveness of controls implemented following an initial audit. The audits completed during the year indicate that there is a reasonable level of control across the activities reviewed.

Plan's intent is to raise the standard of its internal controls and accordingly will apply operational procedures and standards more consistently and strengthen monitoring and reporting. The implementation of an integrated financial, grants and projects tracking system will also begin in the year to 30 June 2012.

7. Risk management

The International Board has overall responsibility for PI Inc's system of risk management. The system is designed to identify key risks and provide assurance that these risks are fully understood and managed and is in accordance with ISO 31000. It is supported by a risk management policy and strategy which are communicated throughout the organisation. The International Board has delegated the responsibility for reviewing the effectiveness of this system and monitoring the management of significant risks to its Financial Audit Committee. Each NO is responsible for ensuring that it has policies for identifying, monitoring and managing its own risks.

Plan is affected by a number of risks and uncertainties, not all of which are in its control, but which impact on the delivery of its objectives. A global risk register is maintained by management, which seeks to capture the most significant risks facing the organisation, the senior management owner responsible for monitoring and evaluating the risk and the mitigation strategies. A formal review of the global risk register is undertaken by the Financial Audit Committee on a quarterly basis.

The principal risks identified on the risk register and actively managed during 2011 included risks inherent in the nature and geography of Plan's operations: risks to the security of staff and operations and of a child protection incident or fraud occurring. The other key operational and strategic risks managed during the year related to the impacts of diversification of Plan's income sources and programme activities and managing change across the global organisation.

In 2011 the International Board approved a new three-year risk management strategy with the aims of strengthening the reporting and analysis of risk, implementing risk management processes with our key programme partners and improving collaboration in the management of risk across the organisation, including the Member NOs. A cross-functional risk management group has been established to support the implementation of the risk management strategy and to act as an advisory panel to senior management.

8. Environmental reporting

In the year to 30 June 2011, PI Inc.'s International Board approved a programme of work to commence in the year to 30 June 2012, to analyse Plan's global environmental footprint and to put in place a sustainable mechanism for measurement and reporting.

9. Financial overview

9a Summary

In 2011 Plan's Worldwide income increased by 11% compared to 2010. Total expenditure rose by 23% year on year, including currency impacts, and by 15% excluding foreign exchange gains and losses.

In the year to 30 June 2011 Plan raised income of €591 million, which was €57 million or 11% more than the previous year. Excluding the impact of currency appreciation versus the Euro, income grew by 8% or €41 million. Total expenditure was €561 million, which was €106 million or 23% more than the previous year. Total currency impacts on year on year expenditure amounted to an additional effective cost of €33 million. This included a €36 million year on year adverse variation in foreign exchange gains and losses and a €3 million favourable effect from the depreciation of some non-Euro currencies. Excluding these currency effects, underlying expenditure grew by €73 million or 15%.

The Plan Worldwide surplus in the year of €30 million consists mainly of grant donations received in advance of the programme being delivered. These included €10 million held as inventory of malaria nets in Togo at the year end, due to deferral of the distribution, pending availability of all nets for other Global Fund partners. The surplus is €49 million lower than the 2010 surplus of €79 million which benefitted by €42 million from exchange rate effects compared to 2009.

As the combined results represent the aggregation of PI Inc and the NOs, the resulting income and expenditure profile and ratios are not necessarily applicable to any of the individual entities.

9b Income

Plan mainly raises funds in Europe, the Americas and the Asia-Pacific region. Income in both 2010 and 2011 was impacted by favourable exchange rates movements compared to the Euro in most fundraising markets.

During 2011, the classification of Plan's diverse products across different markets was reviewed and revised criteria for product groups have been introduced which in management's view are more distinct. 2010 reported income has been restated to be consistent with the 2011 classification, with the result that grant income has been reduced by €17 million and other contributions increased by the same amount. The reclassification is explained in note 1d to the financial statements. The Directors' report explains 2011 income trends compared to the restated 2010 amounts.

60% of Plan's income is derived from regular giving through child sponsorship, which increased by 2% to €353 million in the year due to the effects of currency appreciation against the Euro which offset a small underlying decrease. Underlying child sponsorship income increased in some markets, with particularly strong growth in Germany, Australia, Korea and Hong Kong. However, these were more than offset by declines in many other markets reflecting the impact of the weak economic environment.

Grants income grew by €37 million to €140 million in the year, including a total of €23 million in 2011 from the Global Fund, for malaria prevention programmes in Togo, Burkina Faso and Cameroon and €3 million from the Global Fund for HIV prevention and support in Benin. The increased grant income also includes the impact of currency appreciation and grants raised in response to specific disasters including the Pakistan floods. Plan raised €1.4 million in 2011 for household emergency packs and child psychosocial support for Japanese communities affected by the tsunami. Grant income increased in most fundraising geographies compared to 2010, with particularly strong growth in the UK, Australia and Ireland.

Gifts in kind totalled €15 million in 2011 compared with €23 million in 2010. While a different mix of gifts in kind contributed to the year on year reduction, a major factor was changing the basis of the valuation from a donor market to a recipient market valuation. This change is explained further in note 1d to the financial statements. In 2011 gifts in kind were primarily food aid from the World Food Programme for Zimbabwe, Rwanda, Niger, Guinea Bissau, Sierra Leone and El Salvador and medicines for various countries, principally Pakistan. In 2010, gifts in kind related primarily to medicines for Haiti, food aid for Zimbabwe from the World Food Programme and UNICEF-donated mosquito nets for Guinea.

Other contributions, including disaster and other appeals, increased by €19 million to €77 million in the year. Countries with the highest growth compared to 2010 were Finland, Germany and the Netherlands. Investment income has increased from €2 million to nearly €3 million as interest rates have increased slightly from the lows of 2010. Trading income of €4 million was similar to 2010.

In 2010, Plan's Worldwide combined financial statements included for part of the year Plan International India Chapter, a new Member NO from December 2010 , and Interact Worldwide, an INGO which merged with Plan UK during that year. These organisations were combined for the full year in 2011 and contributed an additional €2 million to income compared with 2010.

9c Expenditure

Total Plan Worldwide expenditure before foreign exchange gains and losses increased by €70 million compared to 2010, to €544 million. Total programme expenditure was €418 million in the year to 30 June 2011, which was an increase of €51 million or 14% over 2010. This represents all costs directly related to delivering programmes including field staff and associated office and equipment spend, the cost of facilitating communications between sponsored children and sponsors and activities to raise awareness of development issues.

The regional profile of expenditure in 2011 is relatively unchanged compared to 2010. Africa continues to be the region accounting for most expenditure, representing 31% of total expenditure excluding net gains on foreign exchange, compared to 32% in 2010. Expenditure in Asia represented 24% of total expenditure in 2011 compared to 19% in 2010. Central and South America accounted for 19% of total expenditure excluding net gains on foreign exchange, compared to 20% the previous year. The balance was in Europe and North America.

Programme expenditure in Africa of €168 million represents 40% of total programme expenditure. Expenditure in Asia was €98 million or 24% of programme expenditure and a further 23% of expenditure or €95 million was applied to programmes in Central and South America. Field programme expenditure also includes Interact worldwide expenditure which accounted for €3 million spend in both 2011 and 2010. The remaining €54 million of programme expenditure is in Plan donor countries and the International Headquarters.

Expenditure is categorised into the distinct areas in which Plan works in accordance with Plan's programme framework as implemented in 2010.

Expenditure on a Healthy start in life, which covers support to primary health care programmes, pre school infrastructure and the Universal Birth Registration campaign, increased by 15% compared to the prior year. This is the programme area with the second highest expenditure at €71 million in 2011 or 17% of total programme expenditure. Significant increases compared to 2010 were due to the timing of malaria prevention activities that were funded by grants from The Global Fund in Burkina Faso, Cameroon and Togo, whilst expenditure decreased in Guinea and Zimbabwe as those programmes came towards their end. Additionally, there was more expenditure in 2011 on health centres in Cambodia and Vietnam and on food nutrition projects in El Salvador, Rwanda and Sierra Leone.

Expenditure on sexual and reproductive health covers costs related to family planning, HIV/AIDS and sex education. This expenditure represents 3%, or €12 million of total programme expenditure. It is lower than 2010 as reduced expenditure arising from a change of focus in Uganda towards capacity building was only partly offset by smaller increases in many other countries.

Education is Plan's largest area of programme expenditure accounting for 19% or €81 million in 2011, compared to €67 million in 2010. Education programme costs comprise costs related to teacher training, school infrastructure improvements and advocacy for education policy improvements including the *Learn Without Fear* campaign. Burkina Faso continued to benefit from Bright grants and expenditure also increased with school construction projects in Cameroon, Ghana, Guinea, Nepal, Vietnam and Zimbabwe. Additionally, in both Haiti and Pakistan there was a focus on re-establishing education facilities after their respective natural disasters.

Water and sanitation expenditure of €44 million, increased by 18% compared to 2010, primarily due to higher spending in Benin, Bolivia, Cameroon, Ethiopia, Indonesia and Pakistan as well as cholera prevention projects in Haiti. This programme area, representing 11% of total programme expenditure, covers community infrastructure such as water systems, latrines and housing including assisting communities with achieving provision from local authorities.

Economic security which covers costs relating to microfinance and natural resource management, increased by 20% over 2010 and represents €40 million or 9% of programme expenditure. There was increased expenditure on food security projects in Guatemala, Guinea, Niger, the Philippines and Zimbabwe offset by projects in Ghana finishing. Otherwise there were no significant country movements from the previous year.

Programmes to protect children from exploitation, neglect, abuse and violence represent €16 million or 4% of total programme costs, which are €2 million higher than 2010 with low cost programmes spread across many countries. Expenditure in this programme area relates to training of children and human rights and capacity building at local and national level.

Spending on participation programmes amounted to €57 million, an increase of 21%, reflected across most countries. Participation programmes include development education work through child media, life skills training and the *Because I am a Girl* campaign, which aims to fight gender inequality and promote girls' rights.

Expenditure relating to disaster risk management includes costs related to disaster risk reduction and relief activities ranging from food and medicine distribution to child psychosocial support and protection. These costs were at a similar level in 2011 compared to 2010 with costs arising from Plan's response to the floods in Benin, Pakistan and Sudan and to the food crisis in Niger offsetting lower expenditure in Haiti, as programmes there moved from immediate disaster response to longer term recovery.

Sponsorship communications comprises costs associated with communication between sponsors and sponsored children. These costs have increased by 8% globally to €52 million.

Fundraising costs increased by 20% compared to the previous year, to €74 million. These costs increased in most NOs, with significant growth in Canada, Germany and Sweden due to a range of investments in fundraising activities including raising general awareness of Plan, television shows, internet marketing and promoting new fundraising products. Other operating costs of €50 million represent an increase of €6 million over the previous year, which includes the impact of a full year of the new NOs in Colombia and India. Trading activities remain a minor activity, representing less than 1% of income and expenditure in both years.

Losses on foreign exchange of €17 million in 2011 and gains of €19 million in 2010 represent the revaluation of non-Euro balances and primarily reflect the movements of the Euro relative to the USD in each year.

9d Fund balances

Fund balances held at 30 June 2011 of €291 million, were €25 million higher than at 30 June 2010. This reflects a €30 million surplus for the year, a €6 million translation loss from the revaluation of non Euro net assets and €1 million of other unrealised gains. The increase in fund balances is represented by a €14 million increase in cash and investments plus an €11 million increase in other net assets. The latter mainly comprises higher inventory arising from anti-malaria bed nets in Togo that will be distributed to beneficiaries during 2012.

Of the €291 million reserves at 30 June 2011, €25 million is represented by property, plant, equipment and intangibles and €12 million is permanently restricted. The remaining €254 million cash reserves globally includes €115 million of donations designated for specific projects by donors and funds received from sponsors in advance that together equate to just over 2 months' global expenditure.

Fund balances held in the NOs account for €120 million of total reserves, whilst PI Inc holds the balance of €171 million. PI Inc reserves of €171 million are €41 million higher than required by the reserves policy set by the International Board (explained in note 1f to the combined financial statements), of which €15 million is committed to individual country programmes in 2012 and the remaining €26 million will be utilised over the course of the period of the Global Strategic Plan to 2015.

10. Statement of directors' responsibilities in relation to the combined financial statements

The directors of PI Inc are responsible for the preparation of this annual report and the combined financial statements in respect of Plan.

The directors have chosen to prepare combined financial statements for each financial year in accordance with the basis of preparation as set out in note 1 of the combined financial statements. They are responsible for ensuring that the combined financial statements present fairly, in all material respects, the combined financial position of Plan and also its combined results of operations, combined comprehensive income, combined cash flows and combined changes in fund balances.

In preparing the combined financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state that the combined financial statements comply with the basis of preparation set out in Note 1 of the combined financial statements; and prepare the combined financial statements on a going concern basis, unless it is inappropriate to presume that PI Inc and the NOs will continue in business. The directors of PI Inc confirm that they have complied with the above requirements in preparing the combined financial statements.

The directors of PI Inc, together with the directors of the NOs, are responsible for keeping proper accounting records that are sufficient to show and explain Plan's transactions and disclose with reasonable accuracy at any time the combined financial position of Plan, and enable the directors of PI Inc to prepare combined financial statements that comply with the basis of preparation set out in Note 1 of the combined financial statements. They are also responsible for safeguarding Plan's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors of Plan Ltd are responsible for the maintenance and integrity of Plan's website, www.plan-international.org on behalf of PI Inc. Information published on the internet is accessible in many countries with different legal requirements relating to the preparation and dissemination of financial statements.

The directors of PI Inc confirm that, in the case of each director in office at the date the directors' report is approved, so far as the director is aware there is no relevant audit information of which the company's auditors are unaware; and he/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the International Board and signed on its behalf by

Paul Arlman
Chair

19 October 2011

Independent auditors' report to the Board of Directors of Plan International, Inc.

We have audited the accompanying financial statements of Plan International Worldwide which comprise the combined statement of financial position of the entities set out in Note 1 of the combined financial statements as at 30 June 2011, and the related combined income statement, the combined statement of comprehensive income and expenditure, the combined statement of cash flows and the combined statement of changes in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors are responsible for the preparation and fair presentation of these combined financial statements in accordance with the basis of preparation set out in Note 1 of the combined financial statements. 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of 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 auditors consider internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, 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 reasonable basis for our audit opinion.

Opinion

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the entities set out in Note 1 of the combined financial statements, comprising Plan International Worldwide as at 30 June 2011, and the combined results of its operations and its combined cash flows for the year then ended in accordance with the basis of preparation set out in Note 1 of the combined financial statements.

Other matters

This report, including the opinion, has been prepared for and only for the Directors of Plan International, Inc. for reasons of good corporate governance and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
United Kingdom
27 October 2011

Combined income statement

for the year ended 30 June

	Notes	2011 €000	Restated 2010 €000
Income			
Child sponsorship income	2a	**353,368**	345,854
Grants	2a	**139,657**	102,468
Gifts in kind	2a	**14,615**	22,614
Other contributions	2a	**77,366**	58,125
Investment income	2a	**2,807**	2,060
Trading income	2a	**3,605**	3,597
Total income	2a,b	**591,418**	534,718
Expenditure			
Programme expenditure	3a	**417,665**	366,800
Fundraising costs	3a	**73,707**	61,787
Other operating costs	3a	**49,583**	43,102
Trading expenditure	3a	**3,491**	3,071
Total expenditure before foreign exchange		**544,446**	474,760
Net (gains)/losses on foreign exchange	3a	**16,773**	(19,209)
Total expenditure	3a,b,c	**561,219**	455,551
Excess of income over expenditure		**30,199**	79,167

Combined statement of comprehensive income and expenditure

for the year ended 30 June

	Notes	2011 €000	2010 €000
Excess of income over expenditure		**30,199**	79,167
Other comprehensive income and expenditure			
Unrealised gains on investments available for sale		**522**	481
Exchange rate movements		**(6,105)**	10,767
Total comprehensive income and expenditure	6	**24,616**	90,415

The classification of grant and other income contributions have been changed as described in note 1d. and the 2010 amounts have been restated accordingly.

The notes on pages 47 to 67 form part of these financial statements.

Combined statement of financial position

at 30 June

	Notes	2011 €000	2010 €000
Current assets			
Cash and cash equivalents	7b,e	**245,513**	242,424
Investments available for sale	7b,e	**29,774**	15,791
Investments held to maturity	7b,e	**314**	1,764
Other financial assets – interest in trusts	7f	**41**	49
Receivables and advances	7h	**22,632**	17,894
Prepaid expenses		**6,207**	7,677
Inventory	8	**11,066**	267
		315,547	285,866
Non-current assets			
Investments available for sale	7b,e	**3,055**	4,251
Investments held to maturity	7b,e	**1,704**	1,841
Other financial assets – interests in trusts	7f	**1,129**	1,113
Property, plant and equipment	9	**17,821**	17,018
Intangible assets	9	**7,609**	6,628
Other receivables	7h	**952**	818
		32,270	31,669
Total assets		**347,817**	317,535
Current liabilities			
Bank overdrafts	7c	**156**	62
Accounts payable	7g	**14,589**	12,561
Accrued expenses	7g	**24,575**	22,594
Accrued termination benefits		**349**	231
		39,669	35,448
Non-current liabilities			
Accrued termination benefits		**15,759**	14,636
Pension obligations	10	**348**	113
Provisions for other liabilities and charges	11	**1,185**	1,098
		17,292	15,847
Total liabilities		**56,961**	51,295
Fund balances			
Unrestricted fund balances	6	**164,021**	158,936
Temporarily restricted fund balances	6	**115,266**	95,032
Permanently restricted fund balances	6	**11,569**	12,272
	6	**290,856**	266,240
Total liabilities and fund balances		**347,817**	317,535

The notes on pages 47 to 67 form part of these financial statements.

The financial statements on pages on pages 44 to 67 have been approved by the Board of Directors of Plan International, Inc. and were signed on behalf of the Board on 19 October 2011.

Paul Arlman
Chair

Martin Hoyos
Director

Combined statement of cash flows

for the year ended 30 June

	Notes	2011 €000	2010 €000
Cash flows from operating activities			
Excess of income over expenditure		**30,199**	79,167
Depreciation and amortisation	9	**8,815**	9,284
Gain on sale of property, plant and equipment		**(75)**	(317)
Investment income	2a	**(2,807)**	(2,060)
(Increase)/Decrease in receivables		**(4,772)**	4,000
Increase in inventory		**(10,800)**	-
Increase in payables		**6,488**	9,370
Effects of exchange rate changes		**7,540**	(12,984)
Net cash inflow from operating activities		**34,588**	86,460
Cash flows from investing activities			
Investment income received		**1,997**	1,302
Sale of investments available for sale		**10,551**	12,079
Purchase of investments available for sale		**(24,385)**	(14,826)
Sale of investments held to maturity		**1,450**	963
Purchase of investments held to maturity		**-**	(841)
Sale of property, plant and equipment		**410**	491
Purchase of property, plant and equipment	9	**(7,544)**	(8,772)
Purchase of intangible assets	9	**(4,179)**	(1,624)
Net cash (outflow) from investing activities		**(21,700)**	(11,228)
Increase in cash and cash equivalents		**12,888**	75,232
India joining Plan as a Member NO of PI Inc		**-**	455
Effect of exchange rate changes		**(9,893)**	18,851
Net increase in cash and cash equivalents		**2,995**	94,538
Cash and cash equivalents at beginning of year		**242,362**	147,824
Cash and cash equivalents at end of year		**245,357**	242,362
Cash and cash equivalents at end of year comprise:			
Cash and cash equivalents		**245,513**	242,424
Bank overdrafts		**(156)**	(62)
		245,357	242,362

Combined statement of changes in fund balances

	Unrestricted €000	Temporarily restricted €000	Permanently restricted €000	Total €000
Fund balances at 1 July 2009	**98,169**	**66,885**	**10,202**	**175,256**
Excess of income over expenditure	54,402	24,429	336	**79,167**
Unrealised gains on investments available for sale	481	-	-	**481**
Exchange rate movements	5,315	3,718	1,734	**10,767**
Total excess of comprehensive income over expenditure	**60,198**	**28,147**	**2,070**	**90,415**
India joining Plan as a Member NO of PI Inc	569	-	-	**569**
Fund balances at 1 July 2010	**158,936**	**95,032**	**12,272**	**266,240**
Excess of income over expenditure	5,760	23,795	644	**30,199**
Unrealised gains on investments available for sale	522	-	-	**522**
Exchange rate movements	(1,197)	(3,561)	(1,347)	**(6,105)**
Total excess of comprehensive income over expenditure	**5,085**	**20,234**	**(703)**	**24,616**
Fund balances at 30 June 2011	**164,021**	**115,266**	**11,569**	**290,856**

The notes on pages 47 to 67 form part of these financial statements.

Notes to combined financial statements

1. Principal accounting policies

a. Presentation and functional currency

The directors of PI Inc have concluded that the functional currency of PI Inc is the Euro on the basis that this is the predominant currency affecting PI Inc's operations worldwide. In addition, they have decided to present these combined financial statements in Euros. The functional currency of the NOs and Plan Ltd is their local currency as this is the predominant currency that affects their operations.

b. Basis of accounting

The combined financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC Interpretations and under the historical cost convention as modified by the revaluation of certain financial instruments in accordance with IAS 39, Financial Instruments: Recognition and Measurement except for:
- These financial statements have been prepared on a combined basis; and
- The accounting treatment adopted for entities combined for the first time.

The basis of accounting and the accounting policies adopted by Plan in preparing these combined financial statements are consistent with those applied in the year ended 30 June 2010.

Plan International India Chapter was admitted as a Member of PI Inc on 6 December 2009. The carrying value of its consolidated assets and liabilities as at that date were €0.6 million and were recognised in fund balances in the year to 30 June 2010. Fundación Plan (Colombia) was also admitted as a Member of PI Inc during the year to 30 June 2010, but as it was previously a subsidiary of PI Inc there was no impact in 2010 because it was already included in the Plan consolidated financial statements. The Switzerland and Hong Kong National Organisations were admitted as Members on 17 June 2011, but were previously included in the combined financial statements as qualifying Members and therefore their membership status had no financial impact on the Plan Worldwide financial statements.

The following Amendments and Interpretations of existing standards have been adopted in Plan's combined financial statements for the year ended 30 June 2011, but have not had an impact:
- Annual improvements 2010
- Amendment to IFRS 1, First-time adoption of IFRS, on exemption for severe hyperinflation and removal of fixed dates
- Amendment to IFRS 7, Financial instruments, on disclosures on transfers of financial assets
- Amendment to IAS 12, Income taxes, on deferred tax accounting for investment properties

The following Standards and amendments to existing standards will be adopted in Plan's combined financial statements for the year ending 30 June 2012 or later years. The impact is being assessed.
- IFRS 9, Financial Instruments
- Additions to IFRS 9 for Financial Liability Accounting
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- IFRS 13, Fair Value Measurement
- IAS 19 Revised, Employee benefits
- Amendment to IAS 1, Presentation of Financial Statements

c. Basis of combined financial statements

The financial statements of Plan are a combination of the consolidated accounts of the 20 National Organisations (NOs) and the consolidated accounts of Plan International, Inc. (PI Inc). There is no legal requirement to prepare these combined financial statements as PI Inc and the NOs are separate legal entities. However, the combined financial statements are prepared voluntarily in order to present the combined financial position, results and cash flows of Plan.

New entities have their consolidated assets and liabilities combined into Plan from the date they become a Member NO or from the date that they start the process of qualifying as Members, unless they are already part of Plan. As entities are combined into these financial statements by becoming Members, there is typically no consideration paid by Plan. Hence, in bringing their consolidated assets and liabilities into the combined financial statements, this results in an amount also recognised in fund balances. This accounting policy is applied consistently to all such transactions.

PI Inc is controlled by its Members, but no one Member NO has the direct or indirect ability to exercise sole control through ownership, contract or otherwise. The NOs are independent entities which control their own subsidiaries. As set out in the Directors' report, each NO has objectives, purposes and constitutions compatible with those of PI Inc. PI Inc has a wholly owned central services subsidiary in the United Kingdom (Plan Limited). In programme countries, PI Inc operates through branches, except in Brazil where it has established a separately incorporated association (Plan International Brasil). All transactions and balances between entities included in the combined financial statements are eliminated.

d. Accounting for income

i) Most income raised by Plan comprises child sponsorship contributions. In general, these contributions are paid on either a monthly or annual basis. They are accounted for as income when received, including any contributions received in advance. Amounts received in advance are presented within temporarily restricted funds on the combined statement of financial position.

ii) Certain contributions receivable by Plan, including the majority of the grants from government bodies and other NGOs, are designated for specific purposes by the donors. These contributions are recognised when the relevant donor-stipulated requirements for receipt have been met and Plan is entitled to receive the income. Any such contributions which have been recognised in income but remain unspent at the year-end are presented within temporarily restricted funds on the combined statement of financial position.

iii) Plan receives contributions from various other sources, including legacies and trusts in which it is named as a beneficiary (but over which it has neither control nor significant influence). These contributions are recognised when Plan has an irrevocable entitlement to receive future economic benefits and the amounts are capable of reliable measurement.

iv) Gifts in kind are recognised at fair value when received. In 2010 the estimated value of medicine donations was based on published price lists for these patented products, as recognised in the North American markets where the donations were received. In 2011 the Members' Assembly decided to change the basis for estimating fair value and use the cost of the equivalent goods or services in the country of the ultimate beneficiary, as this more appropriately reflects the underlying value of Plan's work to the beneficiaries.

v) Investment income represents both PI Inc's and the National Organisations' interest and dividend income, all of which is recognised when Plan becomes entitled to the income, and realised gains and losses on the sale of investments. Interest income on debt securities is measured using the effective interest method.

vi) Plan benefits from the assistance provided by a large number of volunteers both in NOs and PI Inc. It is not practicable to quantify the benefit attributable to this work, which is therefore excluded from the combined income statement.

vii) During 2011, the classification of Plan's diverse products across different markets was reviewed and revised criteria for product groups have been introduced which in management's view are more distinct. 2010 reported income has been restated to be consistent with the 2011 classification, with the result that grant income has been reduced by €17.3 million and project sponsorship and appeals income increased by the same amount as set out in note 2a. This reclassification has no impact on total income.

e. Accounting for expenditure

Expenditure is recognised in accordance with the accruals concept. Programme expenditure which does not involve the receipt of goods or services by Plan, including payments to the communities and other NGOs with which Plan works, is recognised either when the cash is paid across to a third party or, if earlier, when an irrevocable commitment is made to pay out funds to a third party.

f. Accounting for fund balances

Fund balances are identified in three categories:

i) Unrestricted funds are those that are available to be spent on any of Plan's activities. Two of these fund reserves may be categorised as accounting reserves, as they arise from the accounting treatment for certain assets and liabilities:

- the net investment of funds in property, plant and equipment and intangible assets
- the unrealised gains/ (losses) on investments available for sale.

In 2009, unrealised gains /(losses) on forward foreign exchange hedge transactions were also categorised as accounting reserves in accordance with cash flow hedge accounting under IAS 39. In 2010 and in accordance with IAS 39, management revoked its designation of cash flow hedge accounting and as such the gains or losses on forward foreign exchange hedge transactions are recognised in the combined income statement in 2011 and 2010. See note 1o. below for further details.

The other unrestricted reserves include:

- a grants prefinancing reserve in PI Inc, equivalent to one quarter's expenditure on grants prior to reimbursement by donors
- funds which are available for future expenditure include the operating reserves of the National Organisations, the working capital reserve in PI Inc (which is a maximum of one month's sponsorship expenditure), the PI Inc contingency reserve (also equivalent to one month's sponsorship expenditure) and a disaster risk management fund of €1.5 million which is used to finance disaster risk management work whilst fundraising is underway.

PI Inc has a contingency reserve so that in the event of certain operational and financial risks crystallising, Plan would be able to:

- complete programme work that is already underway
- safeguard staff and secure assets in the event of civil disorder or war
- adjust spending plans in a controlled manner
- restructure field and central operations.

ii) Temporarily restricted funds comprise:

- advance payments by sponsors
- unspent funds that have been restricted to specific purposes by donors
- contributions receivable at the year-end, including amounts receivable from legacies and trusts, but excluding any such amounts which are designated as permanently restricted.

iii) Permanently restricted funds are those that will not become unrestricted. They include endowment funds restricted by donors and statutory funds that are required in accordance with the statutes of the countries in which some NOs operate.

The PI Inc reserves specified above are defined by the PI Inc reserves policy.

g. Operating leases

Operating leases, being those leases which do not transfer substantially all the risks and rewards of ownership of the related asset, are included in expenditure on a straight-line basis over the lease term.

h. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with banks which have a maturity date of less than 3 months from the date the deposit was made. They are carried in the combined statement of financial position at cost. For the purposes of the combined statement of cash flows, cash and cash equivalents are stated net of bank overdrafts.

i. Investments

Investments that Plan has the intent and ability to hold to maturity are classified as held to maturity and are included in either current or non-current assets as appropriate. All other investments held by Plan are designated as available for sale and are included in current assets unless it is anticipated that they will not be sold within twelve months of the balance sheet date.

Investments available for sale are carried at fair value, whilst investments held to maturity are carried at amortised cost. Realised gains and losses arising from changes in the fair value of assets available for sale are included in the combined income statement in the period in which they are realised. Unrealised gains and losses are recorded in a separate category of reserves and the amounts arising in the year are recorded in the combined statement of comprehensive income and expenditure.

Plan assesses at each balance sheet date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the securities are impaired. In such cases the cumulative loss is removed from reserves and recognised in the combined income statement.

j. Other financial assets – interests in trusts

Plan is a beneficiary of certain trusts administered and managed by third parties. Plan's interests in these trusts are recorded at fair value and classified as current or non-current assets as appropriate.

k. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation and amortisation and impairment losses. Intangible assets represent software held for internal use, which is either purchased, donated or developed internally. Costs relating to software developed internally are capitalised when the qualifying project reaches the development stage as defined in IAS 38, Intangible Assets. The cost of assets received as gifts in kind is determined as set out in note 1d. Depreciation and amortisation are provided under the straight-line method over the following estimated useful lives of the assets:

Buildings	5 - 50 years
Equipment	3 - 10 years
Intangible assets:	
Purchased software	Lower of 5 years or the period of the licence
Other intangibles	3 - 5 years

Land is not depreciated. Gains or losses on disposals in the year are included in the combined income statement.

Property, plant and equipment and intangible assets are subject to review for impairment either where there is an indication of a reduction in their recoverable amount or, in the case of intangible assets not yet available for use, on an annual basis. Any impairment is recognised in the combined income statement in the year in which it occurs.

l. Inventory

Humanitarian supplies are valued at cost with obsolete stock written off and are included in programme expenditure when distributed to beneficiaries. Cost comprises the cost of purchase and is determined using the first-in, first-out method.

The net realisable value of inventory held for trading activities is the estimated selling price in the ordinary course of business less applicable variable selling expenses.

m. Non-current liabilities – termination benefits and pension obligations

The amount accrued for termination benefits represents Plan's estimated obligation to employees who have an unconditional legal entitlement to termination benefits, either under local statute or their employment contract.

Plan Netherlands and Plan Norway maintain defined benefit pension plans. The amount recognised in respect of these pension plans represents the present value of the pension obligations less the fair value of the plan assets, as adjusted for unrecognised prior service costs/benefits and unrecognised actuarial gains/losses. Pension obligations (and costs) are measured using the projected unit credit method. For individual pension plans, any cumulative actuarial gains/losses that exceed 10% of the greater of the pension obligation or the fair value of the plan assets are spread over the expected average remaining working lives of employees participating in the plan. Past service costs/benefits are spread over the average period until the amended benefits become vested. Any change in the accrual for defined benefit pension plans is charged to the combined income statement.

A number of Plan entities maintain defined contribution pension plans. The amount charged in the combined income statement in respect of such plans comprises the contributions payable by Plan in respect of the year.

n. Foreign exchange accounting

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of the transaction or at average contracted rates. Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rates. Exchange differences arising are included in the combined income statement. The income and expenditure of NOs and Plan Ltd are translated at weighted average monthly exchange rates. The assets and liabilities of these entities are translated into Euros at year end exchange rates. The translation differences arising are included in the combined statement of comprehensive income.

o. Hedging transactions

PI Inc enters into forward foreign exchange contracts to hedge certain of its exposures to exchange rate movements on forecasted expenditure in currencies other than the Euro and Sterling. With effect from 2010 and in accordance with IAS 39, the International Board revoked the designation of cash flow hedge accounting for forward foreign exchange contracts. Unrealised gains or losses on forward foreign exchange contracts entered into in 2011 and 2010 are recognised in income and expenditure. Under IAS 39, the opening unrealised gains or losses in 2010 remained in equity until the hedged expenditure was recognised during that year. The associated gains or losses were reclassified in 2010 expenditure in the same month that the liability assumed affected expenditure.

p. Taxation

As a registered Not for Profit Corporation, PI Inc has no liability for taxation. PI Inc's subsidiary Plan Ltd is liable to UK taxation but donates all taxable profits to Plan International (UK) under a deed of covenant.

q. Accounting estimates and judgements

The preparation of the combined financial statements requires the use of estimates and judgements in determining the reported amounts of assets, liabilities, income and expenditure and the related disclosures. These estimates and judgements are based on assumptions that are considered reasonable in the circumstances, having regard to historical experience. Actual results may differ from these estimates. Certain accounting policies have been identified as involving particularly complex or subjective judgements or estimates, as follows:

i) Income recognition - income is recognised when unconditional entitlement has been demonstrated. In some situations, for example in relation to contributions designated for specific purposes by the donor and income from legacies, judgement is involved in assessing when Plan becomes unconditionally entitled to receive the income.

ii) Expenditure recognition - Plan may use third party organisations, such as communities in programme countries and fellow NGOs, to fulfil its aims. Funds spent through such third parties are recognised as expenditure at the earlier of when cash is paid or when an irrevocable commitment is made to pay. Judgement can be required in determining whether the commitments provided to these organisations are irrevocable.

iii) Expenditure allocation - expenditure is analysed between certain programme groupings (called programme areas), as set out in note 3 to the combined financial statements. Judgement is sometimes needed in allocating expenditure, for example where a project covers more than one programme area.

iv) Termination benefits - in many of the countries in which Plan operates, employees have an unconditional legal entitlement to termination benefits, either under local statute or their employment contract, regardless of the reason for leaving. Estimation is required in quantifying the obligation arising from these entitlements.

2. Income

a. Income by source

	2011 €000	Restated 2010 €000
Child sponsorship income	**353,368**	345,854
Grants	**139,657**	102,468
Gifts in kind	**14,615**	22,614
Bequests	**3,280**	1,722
Project sponsorship and appeals	**74,086**	56,403
Other contributions	**77,366**	58,125
Interest and dividend income	**2,142**	1,494
Gain/(loss) on sale of investments	**665**	566
Investment income	**2,807**	2,060
Trading income	**3,605**	3,597
Total income	**591,418**	534,718

The classification of grant and project sponsorship and appeals income has been changed as described in note 1d. and the 2010 amounts have been restated to be consistent with the 2011 classification. This has no impact on total income.

b. Income by location

	2011 €000	Restated 2010 €000
Belgium	**12,441**	12,318
Denmark	**5,241**	5,053
Finland	**15,510**	14,973
France	**13,252**	12,818
Germany	**105,705**	98,773
Ireland	**8,091**	5,899
Netherlands	**44,945**	47,095
Norway	**45,860**	44,688
Spain	**14,126**	15,196
Sweden	**26,478**	22,464
Switzerland	**3,205**	2,348
United Kingdom	**64,626**	57,212
Europe	**359,480**	338,837
Canada	**84,503**	84,835
Colombia	**4,550**	4,153
United States	**63,199**	46,066
Americas	**152,252**	135,054
Australia	**30,456**	24,516
Hong Kong	**2,301**	1,568
India*	**2,829**	2,414
Japan	**30,055**	27,775
Korea	**5,822**	4,371
Asia	**71,463**	60,644
Other	**8,819**	3,097
Intragroup elimination	**(4,201)**	(6,511)
	587,813	531,121
Trading income	**3,605**	3,597
Total income	**591,418**	534,718

* Consolidated since becoming a Member NO on 6 December 2009

3. Expenditure

a. Expenditure by programme area

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2011 €000
Healthy start in life	1,008	68,481	1,379	-	**70,868**
Sexual and reproductive health	1,041	10,693	170	-	**11,904**
Education	4,539	74,357	1,923	-	**80,819**
Water and sanitation	1,005	42,391	878	-	**44,274**
Economic security	1,475	37,297	782	-	**39,554**
Protection	2,996	12,852	373	-	**16,221**
Participate as citizens	13,800	40,982	1,759	-	**56,541**
Disaster risk management	2,466	41,783	1,539	-	**45,788**
Sponsorship communications	14,416	35,183	2,097	-	**51,696**
Programme expenditure	**42,746**	**364,019**	**10,900**	**-**	**417,665**
Fundraising costs	**70,038**	**2,876**	**2,558**	**(1,765)**	**73,707**
Other operating costs	**40,964**	**-**	**11,053**	**(2,434)**	**49,583**
	153,748	**366,895**	**24,511**	**(4,199)**	**540,955**
Trading expenditure	**3,491**	**-**	**-**	**-**	**3,491**
Net losses on foreign exchange	**-**	**-**	**-**	**16,773**	**16,773**
Total expenditure	**157,239**	**366,895**	**24,511**	**12,574**	**561,219**

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2010 €000
Healthy start in life	1,793	58,098	2,064	(363)	61,592
Sexual and reproductive health	1,068	13,118	315	(69)	14,432
Education	2,484	62,508	2,233	(22)	67,203
Water and sanitation	916	35,566	1,157	(12)	37,627
Economic security	1,183	30,816	959	(11)	32,947
Protection	1,741	11,649	428	(4)	13,814
Participate as citizens	10,336	35,131	1,085	(15)	46,537
Disaster risk management	1,584	42,046	1,147	(14)	44,763
Sponsorship communications	15,819	30,753	2,637	(1,324)	47,885
Programme expenditure	36,924	319,685	12,025	(1,834)	366,800
Fundraising costs	59,643	1,272	2,308	(1,436)	61,787
Other operating costs	36,208	-	10,314	(3,420)	43,102
	132,775	320,957	24,647	(6,690)	471,689
Trading expenditure	3,071	-	-	-	3,071
Net gains on foreign exchange	-	-	-	(19,209)	(19,209)
Total expenditure	135,846	320,957	24,647	(25,899)	455,551

Examples of the types of expenditure included within each of the above categories are:

Healthy start in life: training health workers, preventative health education, childhood illness prevention, building and equipping pre school infrastructure and clinics, programmes and advocacy for universal birth registration.
Sexual and reproductive health: sex education, family planning, HIV/AIDS and SRH programmes.
Education: teacher training, building and equipping classrooms, child media, advocacy for educational policy improvements (including the *Learn Without Fear* campaign) and other recreational activities.
Water and sanitation: installing latrines and sewer systems, provision of affordable drinking water, hygiene promotion and health education and training.
Economic security: farming resources, irrigation system development, microfinance, business development and vocational training and training communities in natural resource management.
Protection from exploitation, neglect, abuse & violence: training of children and parents, capacity building of government and civil society organisations in child protection issues, child protection and promotion of child rights.
Participate as citizens: Education through child media, life skills training for adolescents, *Because I am a Girl* campaign, child and youth group activities, activities to increase public knowledge and understanding of poverty and vulnerability issues which prevent children from realising their full potential.

Disaster risk management: Disaster risk reduction training, disaster relief activities including food distribution and the provision of shelter facilities, water and sanitation and health activities and psychosocial support for children.
Sponsorship communications: organising communications between sponsors and sponsored children including associated logistical costs and cost of software to digitise communication materials.
Fundraising costs: marketing costs associated with attracting new sponsors and other donors.
Other operating costs: general management, finance, human resource and information technology costs of administrative systems and the cost of handling funds received.
Trading expenditure: cost of merchandise and operations associated with on-line shops and service subsidiaries of NOs.
Net losses / (gains) on foreign exchange: net losses and gains arising on the retranslation of monetary items denominated in currencies other than the functional currency of the relevant entity. This principally reflects changes in the value of the Euro.

Where applicable, each of the above categories includes salaries, project management and supervision and advocacy. Each category of field expenditure also includes an appropriate allocation of general management and operational support costs.

b. Expenditure by location

(i) National Organisations

	2011 €000	2010 €000
Belgium	**3,997**	3,976
Denmark	**1,799**	1,685
Finland	**5,992**	5,530
France	**3,688**	3,592
Germany	**19,775**	18,124
Ireland	**1,504**	1,353
Netherlands	**15,016**	12,675
Norway	**9,926**	9,690
Spain	**5,587**	5,832
Sweden	**7,725**	6,293
Switzerland	**1,032**	1,025
United Kingdom	**14,436**	12,324
Europe	**90,477**	82,099
Canada	**25,881**	21,286
Colombia	**2,409**	21
United States	**13,559**	12,374
Americas	**41,849**	33,681
Australia	**9,900**	8,571
Hong Kong	**1,404**	1,088
India*	**1,838**	537
Japan	**6,761**	5,746
Korea	**1,519**	1,053
Asia	**21,422**	16,995
Trading expenditure	**3,491**	3,071
Total National Organisation expenditure	**157,239**	135,846

* Included since becoming a Member NO on 6 December 2009

(ii) Field

	2011 €000	2010 €000
Bangladesh	**6,625**	5,792
Cambodia	**4,852**	3,525
China	**5,214**	4,770
India	**11,968**	9,683
Indonesia	**10,218**	9,367
Laos	**1,490**	779
Myanmar	**468**	735
Nepal	**8,875**	7,548
Pakistan	**17,289**	3,730
Philippines	**10,336**	8,638
Sri Lanka	**4,715**	3,989
Thailand	**2,531**	1,530
Timor Leste	**1,714**	1,458
Vietnam	**9,901**	8,041
Bangkok regional office	**2,259**	2,358
Asia	**98,455**	71,943
Bolivia	**8,355**	7,694
Brazil	**3,971**	3,845
Colombia	**10,137**	11,348
Dominican Republic	**5,373**	3,727
Ecuador	**9,614**	9,081
El Salvador	**7,222**	6,302
Guatemala	**8,089**	8,200
Haiti	**19,776**	23,563
Honduras	**5,386**	4,353
Nicaragua	**5,033**	4,598
Paraguay	**3,694**	3,798
Peru	**6,074**	5,401
Panama regional office	**3,355**	3,966
Central and South America	**96,079**	95,876
Egypt	**6,020**	4,949
Ethiopia	**5,812**	4,684
Kenya	**11,105**	10,383
Malawi	**4,796**	4,683
Mozambique	**1,974**	1,559
Rwanda	**3,383**	2,445
South Sudan	**2,388**	2,536
Sudan	**6,083**	5,732
Tanzania	**5,101**	4,646
Uganda	**6,754**	8,580
Zambia	**6,312**	7,055
Zimbabwe	**14,202**	16,073
Nairobi regional office	**2,463**	2,338
Eastern and Southern Africa	**76,393**	75,663
Benin	**6,373**	4,215
Burkina Faso	**22,187**	14,406
Cameroon	**7,218**	4,217
Ghana	**7,084**	6,098
Guinea	**6,943**	7,743
Guinea Bissau	**3,689**	2,906
Liberia	**3,162**	3,024
Mali	**4,032**	4,889
Niger	**5,984**	6,433
Senegal	**9,523**	7,457
Sierra Leone	**7,699**	4,538
Togo	**5,474**	4,747
Dakar regional office	**3,800**	3,842
West Africa	**93,168**	74,515
Interact worldwide expenditure	**2,800**	2,960
Total field expenditure	**366,895**	320,957

Expenditure excludes net losses and gains on foreign exchange. During 2011 Plan decided to maintain an ongoing programme in Myanmar and consequently 2010 operational costs which were combined with Thailand expenditure in that year are now reported separately.

c. Expenditure by type

	Note	2011 €000	2010 €000
Project payments		**187,404**	162,659
Employee salary costs	4	**141,748**	126,071
Other staff costs		**23,430**	19,096
Consultants and other professional costs		**35,884**	28,146
Marketing and media		**52,081**	45,818
Travel and meetings		**34,617**	30,225
Communications		**14,423**	14,440
Rent and related costs		**16,306**	14,434
Depreciation and amortisation	9	**8,815**	9,284
Supplies, vehicles and other office costs		**29,738**	24,587
Net losses/(gains) on foreign exchange		**16,773**	(19,209)
Total expenditure		**561,219**	455,551

4. Employee information

	Average number of employees		Salary costs	
	2011 Number	2010 Number	2011 €000	2010 €000
Field	**7,616**	7,093	**86,140**	76,648
National Organisations	**964**	907	**47,150**	41,234
International Headquarters	**127**	131	**8,458**	8,189
	8,707	8,131	**141,748**	126,071

5. Remuneration of key management

The average number of people designated as key management of Plan, including the 20 NOs (2010: 20 NOs), for the year ended 30 June 2011 was 45 (2010: 44). This includes the members of the Board of Directors of PI Inc, who do not receive any remuneration for their services. The remuneration payable to other members of key management was as follows:

	2011 €000	2010 €000
Salaries and short-term employee benefits	**4,196**	4,259
Post-employment benefits	**298**	282
Termination benefits	**25**	235
	4,519	4,776

The post-employment benefits principally comprise contributions payable to defined contribution pension schemes. There are no long-term incentive schemes for key management.

6. Fund balances

	30 June 2010 €000	Additions/ (reductions) €000	Translation differences €000	**30 June 2011 €000**
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	23,646	2,641	(857)	**25,430**
Unrealised gains/(losses) on investments available for sale	777	491	(111)	**1,157**
Funds allocated to future expenditure	120,269	(5,333)	(229)	**114,707**
Grants prefinancing reserve	14,244	8,483	-	**22,727**
Total unrestricted fund balances	158,936	6,282	(1,197)	**164,021**
Temporarily restricted fund balances				
Advance payments by sponsors	15,530	948	(834)	**15,644**
Donor-restricted contributions not yet spent	75,423	14,389	(2,363)	**87,449**
Other restricted funds	4,079	8,458	(364)	**12,173**
Total temporarily restricted fund balances	95,032	23,795	(3,561)	**115,266**
Permanently restricted fund balances				
Donor-restricted fund balances	9,788	718	(1,188)	**9,318**
Statutory fund balances	2,484	(74)	(159)	**2,251**
Total permanently restricted fund balances	12,272	644	(1,347)	**11,569**
Total fund balances	266,240	30,721	(6,105)	**290,856**
Cumulative foreign exchange differences included within fund balances	5,924	-	(6,105)	**(181)**

	30 June 2009 €000	Additions/ (reductions) €000	Translation differences €000	30 June 2010 €000
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	22,011	735	900	23,646
Unrealised gains/(losses) on forward foreign exchange hedge contracts	204	(204)	-	-
Unrealised gains on investments available for sale	207	538	32	777
Funds allocated to future expenditure	55,566	60,320	4,383	120,269
Grants prefinancing reserve	20,181	(5,937)	-	14,244
Total unrestricted fund balances	98,169	55,452	5,315	158,936
Temporarily restricted fund balances				
Advance payments by sponsors	15,549	(1,697)	1,678	15,530
Donor-restricted contributions not yet spent	48,771	25,169	1,483	75,423
Other restricted funds	2,565	957	557	4,079
Total temporarily restricted fund balances	66,885	24,429	3,718	95,032
Permanently restricted fund balances				
Donor-restricted fund balances	8,207	255	1,326	9,788
Statutory fund balances	1,995	81	408	2,484
Total permanently restricted fund balances	10,202	336	1,734	12,272
Total fund balances	175,256	80,217	10,767	266,240
Cumulative foreign exchange differences included within fund balances	(4,843)	-	10,767	5,924

The fund balances presented in the combined financial statements are not available for distribution.

7. Financial risk management

Plan's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. Plan seeks to minimise the potential adverse effects of these financial risks. Risk management is carried out under policies approved by PI Inc's International Board. Plan's policy is to be risk averse and not to take speculative positions in foreign exchange contracts or any derivative financial instruments.

a. Market risk

(i) Foreign exchange risk

Plan's NOs receive the majority of their income and incur expenditure in their domestic currency and therefore have a natural hedge against exchange rate fluctuations.

PI Inc faces exchange rate exposure as expenditure is not incurred in the same currencies as income and some income is received in currencies other than the Euro. The purpose of PI Inc's hedging policy is to protect against the risk that there could be a significant change in the funds available for programme expenditure due to exchange rate fluctuations. PI Inc uses natural hedges, principally in the Euro, Sterling and US dollars, which covers around 30% of expenditure. PI Inc also enters into forward foreign exchange contracts to manage certain of its exchange rate exposures. Forward foreign exchange contracts equivalent to 50-80% of the forecast monthly expenditure are entered into where the country of operation is economically and politically stable, where a hedging product is available and where this level of expenditure is equivalent to a marketable forward amount for the relevant currency.

The hedging policy approved by the International Board uses forward foreign exchange contracts with up to 15 months maturity to purchase currencies.

At 30 June 2011 and 2010 the open forward contracts had settlement dates of up to 12 months. The amounts purchased under these contracts were:

	2011 €000	2010 €000
Purchase of :		
Kenya shilling	**(8,222)**	(9,012)
India rupee	**(3,309)**	(6,447)
United States dollar	**(18,034)**	(6,172)
Vietnam dong	**(4,698)**	(5,233)
Indonesia rupiah	**(5,306)**	(4,934)
Colombia peso	**(2,267)**	(4,634)
Philippine peso	**(5,096)**	(4,392)
Egypt pound	**-**	(3,825)
Uganda shilling	**(4,804)**	(3,661)
Peru nuevo sol	**(2,662)**	(3,565)
Ghana cedi	**(5,392)**	(3,280)
Zambia kwacha	**(2,579)**	(3,221)
China yuan	**(2,784)**	(3,164)
Dominican Republic peso	**-**	(3,120)
Ethiopia birr	**(3,342)**	(3,080)
Tanzania shilling	**(2,856)**	(2,858)
Malawi kwacha	**-**	(2,576)
Brazil real	**(1,589)**	(2,378)
Rwanda francs	**(1,189)**	(454)
Mozambique new metical	**(1,576)**	(122)
Thai baht	**(2,725)**	-
Sierra Leone leones	**(2,912)**	-
	(81,342)	(76,128)

Valuing these contracts using appropriate forward rates of exchange at the balance sheet date showed a net unrealised loss of €1.9 million (2010: loss of €0.3 million) reflecting the relative weakness of the euro at the end of June. The forward foreign exchange contracts are included in the combined financial statements at fair value. In 2009 forward foreign exchange contracts were designated as cash flow hedges where the revaluation adjustments arising from these contracts were recorded in a separate category of unrestricted fund balances called “unrealised (losses)/gains on forward foreign exchange hedge contracts”. In accordance with IAS 39, the International Board revoked this designation with effect from 2010. See note 1 o. above for further details. An analysis of the movements in this fund balance is shown below:

	Notes	**2011 €000**	2010 €000
Net gains from changes in fair value		**-**	-
Net (gains)/losses transferred to combined income statement		**-**	(204)
Total (reduction in) / addition to fund balance	6	**-**	(204)
Balance at start of year	6	**-**	204
Balance at end of year	6	**-**	-

At 30 June 2011, if the Euro had weakened / strengthened against all other currencies by 10% with all other variables held constant, then income and fund balances would have been €7 million higher/lower.

(ii) Price risk

Plan is exposed to equity and debt security price risks because of investments held to maturity or investments available for sale. These securities are held in seven NOs which mitigates the price risk arising from investments. Each NO sets its own investment policy. Assuming that equity indices had increased/decreased by 5% with all other variables held constant and that all Plan’s equity investments moved in line with the index, then other comprehensive income and fund balances would have been €0.6 million (2010: €0.6 million) higher /lower.

(iii) Interest rate risk

All bank deposits had a maturity date of less than one year and most interest-bearing investments had a maturity date or interest reset date of less than 3 years in the year to 30 June 2011 and the previous year. In view of this and the fact that interest income is small in relation to total income, changes in interest rates do not currently present a material risk to Plan. At 30 June 2011, if interest rates had been 50 basis points higher/lower with all other variables held constant, investment income for the year and fund balances at 30 June 2011 would have been €1.2 million higher/lower. Cash and investments are held in many currencies and yields in the year to 30 June 2011 ranged from 0.01% to 6.00% (2010: from 0.001% to 5.85%).

The maturity profile of bank deposits and interest bearing investments is shown below:

	0 – 1 year €000	1 – 3 years €000	Over 3 years €000	**30 June 2011 €000**
Cash and cash equivalents	245,513	-	-	**245,513**
Current asset investments available for sale	13,309	2,321	3,041	**18,671**
Current asset investments held to maturity	314	-	-	**314**
Non current asset investments available for sale	-	867	1,727	**2,594**
Non current asset investments held to maturity	-	1,704	-	**1,704**
Total at 30 June 2011	**259,136**	**4,892**	**4,768**	**268,796**

	0 – 1 year €000	1 – 3 years €000	Over 3 years €000	30 June 2010 €000
Cash and cash equivalents	242,424	-	-	242,424
Current asset investments available for sale	2,096	123	2,237	4,456
Current asset investments held to maturity	1,764	-	-	1,764
Non current asset investments available for sale	-	1,881	1,869	3,750
Non current asset investments held to maturity	-	1,841	-	1,841
Total at 30 June 2010	246,284	3,845	4,106	254,235

b. Credit risk

Credit risk arises mainly on cash and cash equivalents. Receivables and advances include small loans advanced under microfinance schemes that sometimes carry a high risk of default, which amounted to €0.6 million (2010: €0.6 million) net of provisions. Other receivables and advances are spread across all the countries in which Plan operates and this minimises the exposure to credit risk. Any large receivables due from individual organisations generally comprise grants receivable from public bodies. The aggregate maximum credit risk at 30 June 2011 was €291 million (2010: €272 million). The table below shows the combined cash balances held by PI Inc, its subsidiary and the NOs with the five largest bank counterparties at the balance sheet date.

	30 June 2011		30 June 2010	
	Rating	**Balance €000**	Rating	Balance €000
Counterparty A	A1	**32,365**	A1	6,694
Counterparty B	A1	**32,069**	A1	33,397
Counterparty C	A1	**30,164**	A1	37,919
Counterparty D	A1	**30,073**	A1	3,007
Counterparty E	A1	**27,507**	A1	22,501

Plan's policy is to hold cash and investments with institutions with short term ratings of at least A2 or equivalent, but this is not always possible having regard to the countries in which Plan operates. Investments held to maturity are corporate and government bonds. Cash and investments are analysed below into those held with institutions with short term ratings of A3 or better and those held with other institutions.

	Bank deposits & cash €000	Debt securities €000	Equities €000	**30 June 2011 €000**
Rated A or better				
Cash and cash equivalents	224,707	-	-	**224,707**
Current asset investments available for sale	7,776	10,531	9,996	**28,303**
Current asset investments held to maturity	-	314	-	**314**
Non-current asset investments available for sale	-	2,594	30	**2,624**
Non-current asset investments held to maturity	-	1,704	-	**1,704**
Total rated A or better	**232,483**	**15,143**	**10,026**	**257,652**
Other				
Cash and cash equivalents	20,806	-	-	**20,806**
Current asset investments available for sale	-	364	1,107	**1,471**
Non-current asset investments available for sale	-	-	431	**431**
Total other	**20,806**	**364**	**1,538**	**22,708**
Total				
Cash and cash equivalents	245,513	-	-	**245,513**
Current asset investments available for sale	7,776	10,895	11,103	**29,774**
Current asset investments held to maturity	-	314	-	**314**
Non-current asset investments available for sale	-	2,594	461	**3,055**
Non-current asset investments held to maturity	-	1,704	-	**1,704**
Total cash and investments	**253,289**	**15,507**	**11,564**	**280,360**

	Bank deposits & cash €000	Debt securities €000	Equities €000	30 June 2010 €000
Rated A or better				
Cash and cash equivalents	223,908	-	-	223,908
Current asset investments available for sale	-	4,072	10,352	14,424
Current asset investments held to maturity	-	1,764	-	1,764
Non-current asset investments available for sale	-	3,750	31	3,781
Non-current asset investments held to maturity	-	1,841	-	1,841
Total rated A or better	223,908	11,427	10,383	245,718
Other				
Cash and cash equivalents	18,516	-	-	18,516
Current asset investments available for sale	-	384	983	1,367
Non-current asset investments available for sale	-	-	470	470
Total other	18,516	384	1,453	20,353
Total				
Cash and cash equivalents	242,424	-	-	242,424
Current asset investments available for sale	-	4,456	11,335	15,791
Current asset investments held to maturity	-	1,764	-	1,764
Non-current asset investments available for sale	-	3,750	501	4,251
Non-current asset investments held to maturity	-	1,841	-	1,841
Total cash and investments	242,424	11,811	11,836	266,071

c. Liquidity risk

Plan commits to expenditure only when funds are available and seeks to maintain minimum reserves as set out in note 1 f. to these combined financial statements. Therefore liquidity risk is kept to a minimum. This is reflected in the combined statement of financial position where current assets of €316 million are over 7 times larger than current liabilities of €40 million. Plan uses bank overdrafts to meet short term financing requirements. As at 30 June 2011, the aggregate value of these bank overdrafts was €0.2 million (2010: €0.1 million).

d. Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (level 3).

The following table presents the financial instruments that are measured at fair value at 30 June 2011:

	Level 1 €000	Level 2 €000	Level 3 €000	**30 June 2011 €000**
Financial assets at fair value through income and expenditure:				
- Forward foreign exchange contracts	142	-	-	**142**
Available for sale financial assets:				
- Current asset investments	29,774	-	-	**29,774**
- Non current asset investments	3,055	-	-	**3,055**
Total assets	**32,971**	**-**	**-**	**32,971**
Financial liabilities at fair value through income and expenditure:				
- Forward foreign exchange contracts	(2,089)	-	-	**(2,089)**
Total liabilities	**(2,089)**	**-**	**-**	**(2,089)**

The following table presents the financial instruments that are measured at fair value at 30 June 2010:

	Level 1 €000	Level 2 €000	Level 3 €000	30 June 2010 €000
Financial assets at fair value through income and expenditure:				
- Forward foreign exchange contracts	239	-	-	239
Available for sale financial assets:				
- Current asset investments	15,791	-	-	15,791
- Non current asset investments	4,251	-	-	4,251
Total assets	20,281	-	-	20,281
Financial liabilities at fair value through income and expenditure:				
- Forward foreign exchange contracts	(539)	-	-	(539)
Total liabilities	(539)	-	-	(539)

The fair value of the forward foreign exchange contracts, investments held to maturity and available for sale investments is based on market prices obtained from financial institutions at the balance sheet date.

The fair value of investments held to maturity at 30 June 2011 was €2.1 million (2010: €3.7 million). In 2011 and 2010 there were no realised or unrealised gains or losses on investments held to maturity. On investments available for sale the unrealised gain was €1.2 million (2010: €0.9 million) and the realised gain was €0.7 million (€0.6 million). There were no unrealised or realised losses (2010: €0.1 million unrealised loss and nil realised loss).

The fair value of cash and cash equivalents, receivables and advances and accounts payable is in line with their carrying values in the combined financial statements. All cash, investments and other monetary items held in foreign currencies at 30 June were converted to Euros at the spot exchange rate on that date.

e. Cash and investments

Cash and investments at 30 June 2011 were held in the following currencies:

	Cash and cash equivalents €000	Current asset investments available for sale €000	Current asset investments held to maturity €000	Non current asset investments available for sale €000	Non current asset investments held to maturity €000	**Total €000**
Euro	124,368	13,653	-	1	-	**138,022**
Canadian dollar	8,238	3,202	-	-	-	**11,440**
US dollar	34,814	10,651	-	430	-	**45,895**
Yen	6,727	2,268	-	2,594	1,704	**13,293**
Norwegian kroner	6,357	-	-	-	-	**6,357**
Swedish kronor	4,139	-	-	-	-	**4,139**
Australian dollar	6,837	-	314	-	-	**7,151**
Sterling	19,454	-	-	-	-	**19,454**
Other	34,579	-	-	30	-	**34,609**
	245,513	**29,774**	**314**	**3,055**	**1,704**	**280,360**

Cash and investments at 30 June 2010 were held in the following currencies:

	Cash and cash equivalents €000	Current asset investments available for sale €000	Current asset investments held to maturity €000	Non current asset investments available for sale €000	Non current asset investments held to maturity €000	Total €000
Euro	122,460	665	-	1	-	123,126
Canadian dollar	20,037	2,505	-	-	-	22,542
US dollar	16,551	10,619	-	469	-	27,639
Yen	15,788	2,002	923	3,750	1,841	24,304
Norwegian kroner	7,747	-	-	-	-	7,747
Swedish kronor	10,099	-	-	-	-	10,099
Australian dollar	8,511	-	841	-	-	9,352
Sterling	13,748	-	-	-	-	13,748
Other	27,483	-	-	31	-	27,514
	242,424	15,791	1,764	4,251	1,841	266,071

There were no impairment provisions on available for sale financial assets in 2011 or 2010.

f. Interests in trusts

Plan has a right to receive future income from certain trusts set up by third party donors. The arrangements vary from trust to trust, but in general Plan has an irrevocable right to participate in the income generated by the trust and/or will receive a share of the capital held by the trust at some future date. Plan's interests in these trusts are recorded at their fair value, based on the discounted value of the expected future cash receipts or the value of the assets held by the trust, as appropriate. As at 30 June 2011, the fair value of these interests amounted to €1.2 million (2010: €1.2 million)

g. Financial liabilities

Forward foreign exchange contracts are held at fair value as set out in note 7 a. (i). All other financial liabilities are held at amortised cost.

h. Receivables and advances

Receivables and advances were held in the following currencies:

	Current assets		Non-current assets	
	2011	2010	**2011**	2010
	€000	€000	**€000**	€000
US dollar	**2,773**	4,380	**-**	-
Euro	**5,999**	5,000	**195**	140
Sterling	**6,164**	2,188	**-**	-
Yen	**83**	8	**287**	307
Canadian dollar	**653**	257	**-**	-
Norwegian kroner	**1,100**	1,454	**-**	-
Other	**5,860**	4,607	**470**	371
	22,632	17,894	**952**	818

Receivables and advances are stated net of provisions amounting to €2.0 million (2010: €3.0 million).

8. Inventory

Inventory is as follows:

	2011	2010
	€000	€000
Inventory for trading activities	**381**	267
Inventory for distribution to beneficiaries	**10,685**	-
Total inventory	**11,066**	267

The inventory for distribution to beneficiaries mainly comprises bednets in Togo.

9. Property, plant and equipment and intangible assets

	Land and buildings €000	Equipment €000	Tangible assets €000	Intangible assets €000	Total €000
Cost					
Prior year					
1 July 2009	4,248	37,205	41,453	18,902	60,355
Additions *	1,417	7,407	8,824	1,624	10,448
Disposals	(187)	(3,214)	(3,401)	(309)	(3,710)
Exchange adjustments	430	1,230	1,660	892	2,552
30 June 2010	**5,908**	**42,628**	**48,536**	**21,109**	**69,645**
Current year movements					
Additions	305	7,239	7,544	4,179	11,723
Disposals	(39)	(3,808)	(3,847)	(57)	(3,904)
Reclassifications	37	(2,596)	(2,559)	2,559	-
Exchange adjustments	(595)	(620)	(1,215)	(1,349)	(2,564)
30 June 2011	**5,616**	**42,843**	**48,459**	**26,441**	**74,900**
Accumulated depreciation and amortisation					
Prior year					
1 July 2009	2,119	26,266	28,385	9,959	38,344
Charge for the year	285	4,888	5,173	4,111	9,284
Disposals	(130)	(3,034)	(3,164)	(310)	(3,474)
Exchange adjustments	201	923	1,124	721	1,845
30 June 2010	**2,475**	**29,043**	**31,518**	**14,481**	**45,999**
Current year movements					
Charge for the year	403	5,309	5,712	3,103	8,815
Disposals	(20)	(3,483)	(3,503)	(57)	(3,560)
Reclassifications	-	(2,373)	(2,373)	2,373	-
Exchange adjustments	(236)	(480)	(716)	(1,068)	(1,784)
30 June 2011	**2,622**	**28,016**	**30,638**	**18,832**	**49,470**
Net book value:					
30 June 2011	**2,994**	**14,827**	**17,821**	**7,609**	**25,430**
30 June 2010	3,433	13,585	17,018	6,628	23,646

* Additions include €0.1 million of fixed assets which were consolidated on India joining Plan as a Member NO of PI Inc.

Included in intangible assets is €1.4 million (2010: €1.2 million) relating to internally generated software for internal use which is in the course of construction.

10. Pension plans

PI Inc operates two defined contribution pension plans for its expatriate employees, one for US citizens and one for non-US citizens. In addition, there are a variety of plans for other employees in the 50 developing countries in which PI Inc operates, in the 20 NOs and their subsidiaries and in Plan Ltd. These pension plans are a mixture of defined contribution pension plans with defined benefit pension plans being operated by 2 NOs. In all cases, schemes are governed by local statutory regulations and pension fund assets are held independently of Plan's assets.

Contributions to defined contribution pension plans totalled €3.3 million (2010: €2.3 million).

Funding of the defined benefit pension plans is determined by local pension trustees in accordance with local statutory requirements and local actuarial advice. The trustees of the defined benefit pension plans consider that their plans are adequately funded. The amount recognised on the combined statement of financial position in respect of the defined benefit pension plans has been calculated on the basis described in accounting policy "1m - Non-current liabilities- termination benefits and pension obligations" by independent actuaries.

The amounts recognised in expenditure for defined benefit pension plans are as follows:

	2011 €000	2010 €000
Current service cost	**570**	412
Interest cost	**397**	346
Return on scheme assets net of administration cost	**(211)**	(130)
Past service cost	**(12)**	(12)
Actuarial losses	**21**	6
Other	**40**	(50)
Total	**805**	572

The movement in the net liability recognised in the combined statement of financial position for defined benefit pension plans is as follows:

	2011 €000	2010 €000
At 1 July	**(113)**	(125)
Total expense (as above)	**(805)**	(572)
Contributions paid	**537**	559
Other	**34**	32
Currency translation effect	**(1)**	(7)
At 30 June	**(348)**	(113)

The movement in the present value of the defined benefit obligation is as follows, all arising in plans that are wholly or partly funded:

	2011 €000	2010 €000
At 1 July	**(8,850)**	(5,583)
Current service cost	**(570)**	(412)
Interest cost	**(397)**	(346)
Expected employee contributions	**(112)**	(110)
Actuarial gain/(loss)	**1,362**	(2,180)
Benefits paid	**129**	107
Other	**-**	(246)
Currency translation effect	**(20)**	(80)
At 30 June	**(8,458)**	(8,850)

The movements in the defined benefit pension plan assets at fair value are as follows:

	2011 €000	2010 €000
At 1 July	**7,663**	5,311
Expected return on plan assets	**211**	130
Actuarial (losses)/gains	**(965)**	1,651
Employer contributions	**537**	559
Employee contributions	**116**	111
Benefits paid	**(129)**	(107)
Management fees	**(82)**	(50)
Currency translation effect	**15**	58
At 30 June	**7,366**	7,663
Actual return on plan assets	**(836)**	1,731

Amounts recognised in the combined statement of financial position for defined benefit pension plans are as follows:

	2011 €000	2010 €000
Actuarial present value of defined benefit obligation	**(8,458)**	(8,850)
Plan assets at fair value	**7,366**	7,663
Fund deficit	**(1,092)**	(1,187)
Unrecognised prior service benefits	**(72)**	(84)
Unrecognised actuarial losses	**816**	1,158
Total	**(348)**	(113)

The range of assumptions used in the actuarial valuations of the defined benefit pension plans are as follows:

	2011	2010
Weighted average assumed discount rate	**5.0-5.3%**	4.4-5.0%
Weighted average expected long term return on plan assets	**5.3-6.0%**	4.4-6.0%
Weighted average future salary increase	**2.95-3.0%**	2.95-3.0%
Cost of living adjustments for pensions in payment	**1.0-2.5%**	1.0-2.5%
Number of members	**344**	337

The expected long term return on plan assets has been determined with reference to the long term asset mix and with reference to rates of returns that are expected to be generated on these assets. These rates of return are chosen consistent with the term and the currency of the related obligation. Assumptions regarding future mortality experience are set based on advice in accordance with published statistics and experience in each country.

Expected contributions to the plans for the year ending 30 June 2012 are €0.5 million.

Historical information on the defined benefit pension plans is below:

	2011 €000	2010 €000	2009 €000	2008 €000	2007 €000
Defined benefit obligation	**8,458**	8,850	5,583	5,618	5,335
Fair value of plan assets as at end of year	**7,366**	7,663	5,311	4,627	4,568
Fund (deficit)/surplus	**(1,092)**	(1,187)	(272)	(991)	(767)

11. Provisions for other liabilities and charges

Provisions for other liabilities and charges are as follows:

	2011 €000	2010 €000
Split interest trusts	**125**	158
Building lease incentive	**611**	570
Other	**449**	370
Total provisions for other liabilities and charges	**1,185**	1,098

	Split interest trust €000	Lease incentive €000	Other €000	Total €000
At 1 July 2010	158	570	370	1,098
Additional provisions	-	-	168	168
Used during the year	(8)	(70)	(69)	(147)
Currency translation effects	(25)	111	(20)	66
At 30 June 2011	**125**	**611**	**449**	**1,185**

The split interest trust is an arrangement whereby a donor contributes assets in exchange for a promise from Plan to pay the donor a fixed amount for a specified period of time and the related liability is shown as a provision. The lease incentive represents a property lease incentive that is being released against rental expenditure over the life of the lease.

12. Contingencies and commitments

a. Contingent liabilities

Plan is involved in various legal and taxation disputes, the outcome of which is uncertain. The best current estimation of the maximum potential impact on Plan's financial position is €2.9 million (2010: €2.0 million) in aggregate.

b. Capital commitments

Contracts for capital expenditure not provided in the financial statements amount to approximately €0.1 million (2010: €0.8 million).

c. Operating leases

Plan's combined rent expense for the year was €11.0 million (2010: €9.4 million). Plan has non-cancellable operating leases for buildings occupied by several National Organisations, PI Inc and Plan Ltd. Lease terms vary by location. Total future minimum operating lease payments under leases existing as at 30 June 2011 are as follows:

	At 30 June 2011			At 30 June 2010		
	Rent €000	Other operating leases €000	**Total €000**	Rent €000	Other operating leases €000	Total €000
Within one year	7,219	486	**7,705**	7,679	825	8,504
Between one and five years	15,225	926	**16,151**	13,549	2,224	15,773
After 5 years	7,366	87	**7,453**	11,520	2,188	13,708

The lease on Plan Ltd's current premises expires in December 2011. Plan Ltd has agreed to relocate to a neighbouring building under a new lease that was signed on 1 July 2011. The total future minimum operating lease payments under this lease is €3.7m.

13. Related parties

Plan International India Chapter, based in India, was treated as a related party of PI Inc in 2009, because PI Inc was able to exert influence over the organisation, but it was not bound by Membership or ownership to PI Inc and therefore was not consolidated in Plan's Worldwide financial statements. On 6 December 2009 Plan International India Chapter became a Member NO of PI Inc so is no longer a related party from that date. The movements in net assets for the year to 30 June 2010 were as follows:

	2010 €000
Excess of income over expenditure	**(17)**
Exchange rate movements	**(18)**
Net increase for the year	**(35)**
Aggregate fund balances at beginning of year	**604**
India joining as a Member NO of PI Inc	**(569)**
Aggregate fund balances at end of year	**-**

There were payments of €0.2 million in the year to 30 June 2011 to four related parties which are charitable foundations.

Our achievements and awards in 2011

Working in partnership with our staff, communities and other organisations is crucial to Plan's success. Here is a small selection of our achievements in 2011.

Plan plays key role at MDG Summit
Plan took centre stage among the world's three largest children's agencies at the Millennium Development Goal summit in New York, making an impassioned plea for more coordinated, timely efforts to meet the MDG targets.

Top athletes support Plan Ethiopia's children's races
The second of Plan Ethiopia's Children's Races was held in Addis Ababa to promote Plan's *Learn Without Fear* campaign. More than 3,500 children participated in the 1km run. World-class athletes such as Haile Gebrselassie, Abel Anton and Lornah Kiplagat started the races and presented prizes.

Plan wins award for risk management
The International Institute of Risk Management awarded Plan its Transformation Award for excellence and innovation in all areas of risk management.

Procter & Gamble teams with Plan India for public awareness campaign
Plan India started a one-year pilot collaboration with Procter & Gamble on a public awareness campaign supporting feminine care and sanitation. Procter & Gamble will provide €149,000 plus sanitary towels for 400,000 11 to 13 year-olds, worth another €19,000. The partnership is expected to reach four more Indian states in its second year.

Plan wins top award as Zimbabwe's best employer
Plan Zimbabwe won the Best Employer of the Year award from the human resources firm Industrial Psychology Consultants.

Philippines deputy mayor receives UN Disaster Reduction award with help of Plan
Deputy mayor Alfredo Arquillano of San Francisco, Camotes Islands, Philippines, won the international Sasakawa Award for Disaster Reduction from the UN International Strategy for Disaster Reduction, which credited Plan for supporting the mayor's initiatives.

Plan International Australia picks up accounting transparency award

Plan International Australia won the inaugural Most Improved award at the fourth annual Australian PricewaterhouseCoopers Transparency Awards.

A Devex Top 40
INNOVATOR

Plan International USA selected as a Devex top 40 innovator

Plan International USA made the Devex top 40 Development Innovator list, which highlights leaders of innovation in international development.

Head of Plan's Asia region applauded by Vietnam government

Mark Pierce, former Plan Vietnam country director, was awarded the Medal for Peace and Friendship among Nations by the Vietnam government.

Disasters Emergency Committee
Working together

Plan UK joins Disasters Emergency Committee

Plan UK joined the Disasters Emergency Committee – a British humanitarian aid coalition whose members include the largest INGOs in the sector.

FAIRTRADE

Fairtrade International teams with Plan Canada on training manual

Plan International and Plan Canada announced a partnership with Fairtrade International to help protect children engaged in hazardous labour. Together we will develop a community-led monitoring system to enable producers to assess their own labour practices and protect the well-being of children.

UK journalist wins top award for story about Plan programme

Nina Lakhani, a reporter for the UK's Independent newspaper, won the prestigious international Dario D'Angelo Prize for her report on Plan's universal birth registration campaign, *Count Every Child*. Winners are recognised for investigative and analytical reporting about children.

Plan-funded Women's Development Association wins innovation award

The Xi Xiang Women's Development Association in Shaanxi, China, established and supported by Plan China, won the Outstanding Social Enterprise Maturity Award from the Culture and Education Department of the British Council, the China Social Entrepreneur Foundation and the Narada Foundation.

Plan Burkina Faso and European Union bring safe water to communities

In a country where 20,000 children under five die each year from water-related diseases, the European Union signed a €5 million agreement with Plan Burkina Faso to provide safe drinking water and sanitation to 150,222 people, including 22,822 children.

Plan hosts the launch of Sphere – Standards to improve Humanitarian Response

In 2011, Plan Ireland and Dóchas, the Irish association of NGOs, launched the revised Sphere Project Handbook: *Humanitarian Charter and Minimum Standards in Humanitarian Response*. Sphere is the leading initiative promoting quality and accountability in humanitarian work.

Contact us

Programme Countries

Bangladesh	+880-2-986-0167
Benin	+229-2130-3951
Bolivia	+591-2277-1610
Brazil	+55-98-3235-8490
Burkina Faso	+226-5037-8733
Cambodia	+855-23-217214
Cameroon	+237-2221-5458
China	+82-29-8810-2399
Colombia	+571-345-4099
Dominican Republic	+1-809-535-0070
Ecuador	+593-2-244-4941
Egypt	+202-236-57357
El Salvador	+503-2-264-4460
Ethiopia	+251-11-467-0175
Ghana	+233-30-2-778-039
Guatemala	+502-2-323-0202
Guinea	+224-64-00-0002
Guinea-Bissau	+245-320-2528
Haiti	+509-3751-9401
Honduras	+504-235-5762
India	+91-11-4655-8484
Indonesia	+62-21-522-9566
Kenya	+254-20-387-0216
Laos	+856-21-480-545
Liberia	+231-77-712-903
Malawi	+265-1-712-210
Mali	+223-2022-4040
Mozambique	+258-21-485602
Myanmar	+66-2204-2630*
Nepal	+977-1-553-5580
Nicaragua	+505-2252-5891
Niger	+227-20-72-4444
Pakistan	+92-51-260-9435
Paraguay	+595-21-615-174
Peru	+511-421-5163
Philippines	+63-2-844-2175
Rwanda	+250-0830-5392
Senegal	+221-33-8653550
Sierra Leone	+232-222-34080
Sri Lanka	+94-11-258-8252
South Sudan	+249-904-379-332
Sudan	+249-155-184115
Tanzania	+255-22-277-3258
Thailand	+66-2259-8284
Timor-Leste	+670-331-2492
Togo	+228-226-7836
Uganda	+256-414-305-000
Vietnam	+844-38220661
Zambia	+260-21-260074
Zimbabwe	+263-772-124124

*via Plan's Asia Regional Office.

Plan

National Organisations

Australia	
plan.org.au	+61-3-9672-3600
Belgium	
planbelgie.be	+322-504-6000
Canada	
plancanada.ca	+1-416-920-1654
Colombia	
plan.org.co	+571-345-4099
Denmark	
plandanmark.dk	+45-35-30-0800
Finland	
plan.fi	+358-9-6869-800
France	
planfrance.org	+33-1-44-89-90-90
Germany	
plan-deutschland.de	+49-40-611400
Hong Kong	
plan.org.hk	+852 3405 5300
India	
planindia.org	+91-11-4655-8484
Ireland	
plan.ie	+353-1-659-9601
Japan	
plan-japan.org	+81-3-5481-0300
Korea	
plankorea.or.kr	+82-2-790-5436
Netherlands	
plannederland.nl	+31-20-549-5555
Norway	
plan-norge.no	+47-22-03-16-00
Spain	
plan-espana.org	+34-91-524-1222
Sweden	
plansverige.org	+46-8-5877-5500
Switzerland	
plan-schweiz.ch / plan-suisse.ch	+41-44-288-9050
United Kingdom	
plan-uk.org	+44-20-7608-1311
United States	
planusa.org	+1-401-738-5600

Europe Liaison Office
Tel +322-504-6050
info-eu@plan-international.org

Liaison Office to the United Nations in New York, USA
Tel +1-917-398-0018

Liaison and Advocacy Office to the United Nations, Geneva, Switzerland
Tel +41-2291-97121

Regional Offices

Americas
Tel +507-317-1700
roa.ro@plan-international.org

Asia
Tel +66-2204-2630
aro.ro@plan-international.org

Eastern and Southern Africa
Tel +254-20-444-3464
resa.ro@plan-international.org

West Africa
Tel +221-33-869-7430
waro.ro@plan-international.org

Plan
International Headquarters
Dukes Court
Duke Street
Woking
Surrey GU21 5BH
United Kingdom

t +44 (0) 1483 755155

f +44 (0) 1483 756505

e info@plan-international.org

plan-international.org

All activities in this review have been taken from the Country Programme Progress Reports for 2011. For more information about these unpublished documents, please contact info@plan-international.org.

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