PLAN WORLDWIDE ANNUAL REVIEW AND COMBINED FINANCIAL STATEMENTS 2013

Plan

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Contents

This review sets out Plan's progress towards our vision and mission between July 2012 and June 2013.

Child protection
Throughout all our activities, Plan is committed to ensuring the protection, security, privacy and dignity of all the children we work with. If you have questions or concerns about child protection at Plan, please contact us: child.protection@plan-international.org

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Plan in 2013

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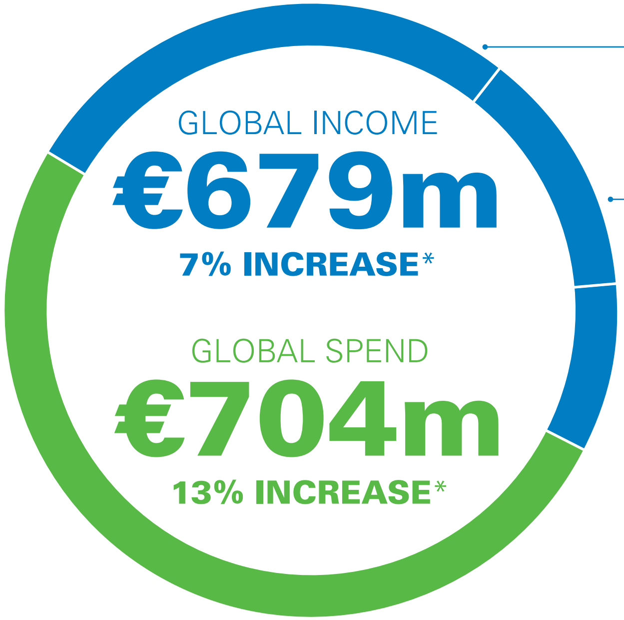

SPONSORSHIP
€369 million

GRANTS
€184 million

OTHER
€126 million

WE WORKED WITH

165 million people

including **78** million children

reaching **90,229** communities

WE HAVE PARTNERSHIPS WITH

3,758
national and local governments

1,699
national and international NGOs

66,824
local community-based groups

577,423
TOTAL NUMBER OF PEOPLE TRAINED

67,647
education workers

226,462
health workers

176,341
in child protection

61,208
in business skills

*compared to financial year July 2011 to June 2012

Chair's introduction

Welcome to this review of Plan's worldwide activities. It covers 2012-2013 – a year when we in Plan have been finding new ways to learn from experience and challenge ourselves to become more effective, efficient and credible.

A major priority for this year has been our work to bring young people to the heart of decision-making – not only where we work in the field, but also within the highest decision-making bodies of Plan itself, through our youth participation strategy, agreed in June 2013. Young people are increasingly involved throughout national and international parts of the organisation, and now have two seats representing the constituency of youth as observers on our Members' Assembly, with full participation rights (see page 7 for explanation).

This new approach is just one part of a far-reaching set of changes taking place across Plan that emphasises our accountability to children, donors, the public and to each other.

In June 2012, we approved extensive plans to improve the way we operate across Plan. Our Business Operating Model review is a process of organisational change designed to ensure all the parts of Plan work together more effectively and transparently, to achieve our One Goal (see page 8) agreed in 2011. Implementing complex change in a federated organisation is very challenging, as all international NGOs discover, and the International Board has kept a close eye on progress, and reported regularly on this change programme to the Members' Assembly.

One year on, we are confident that Plan is on track to deliver substantial change, but we are asking management to improve the alignment of the different elements of the change programme and communication about it across the federation. We are also mindful of the need to speed up the delivery of proposals and implement them as soon as is practicable, as change programmes that run without a finite duration have markedly reduced chances of success.

Another activity helping to bind the organisation together is our work to develop our internal accountability. In June 2013 we passed six new global standards, designed to ensure that Plan takes a consistent approach to key issues across the organisation and to improving transparency and accountability. As well as developing further standards, we are improving the way we implement, monitor and enforce them.

The Board also holds itself accountable for improving its own effectiveness, and demonstrating added value to the members who elect it. In March, as a Board, we invested time in examining the way we work together and with management. As a result, we have decided to operate at a much more strategic and outward-facing level, focusing on key risks and the external forces that influence Plan's place in the world, as well as carrying out the traditional fiduciary responsibilities of any effective board.

The real test for Plan's success is whether we make a sustainable difference to the lives of the boys and girls in our programme countries. After visiting Plan offices in all four regions this year, I am convinced that we do. I am equally aware that our challenge, as a Board and a Members' Assembly, is to enable Plan to pursue its work in a way that ensures ever greater impact in return for the public money invested in and entrusted to us. So we will continue to strive for continuous improvement, to support our staff and partners working on the ground to deliver on our goals of protecting the rights of children. Now, more than ever, we need to support every child to reach their full potential.

Ellen Margrethe Løj
Chair, International Board of Directors and Members' Assembly


© Plan / Steven Wright

Chief Executive Officer's introduction

Plan is innovating and changing as we respond to an increasingly complex world. A priority is to identify the forces that challenge traditional ways of assisting children and communities to tackle child poverty. But we also need to change the way we operate as an organisation, to deliver an effective and cost-efficient response.

The forces of climate change, urbanisation and demographic shift are transforming the way we work. For the most vulnerable communities, these changes can pose a serious threat to stability and livelihood. We believe the best way to equip them for the changing world is to build resilience: educating, protecting and empowering young people.

The shooting of Malala Yousafzai in October 2012 demonstrated the dangers facing children in a volatile world and, conversely, the power of children to make a difference to their own lives. Malala has become an iconic figure in the struggle for girls' rights. The global launch of our Because I am a Girl campaign (see page 14) in the days following the attack on Malala consolidated our reputation as the leading NGO campaigning for girls' education, and attracted huge public attention.

As the world shifts around us, it is crucial we learn from what we have done and what we have achieved. Our commitment to improve programme quality has seen us commission major independent research into the efficiency of our programmes, and we are continuing to revisit programmes five years after we have left, to assess the sustainability of our impact (see page 10). Our new Plan Academy is harnessing the sector's knowledge of development issues and delivering it to staff across the organisation, through face-to-face training and e-learning giving staff the tools they need to learn about Plan's core child-centred approach to fighting poverty.

Our emergencies work this year has been shaped by the increase in disasters arising from climate change, as in the Philippines typhoon (see page 23), and instability of governments, as in Mali (see page 23). This raised particular challenges – not least, securing funding for disasters that attract less media coverage, and working with a wider range of governments and partner organisations. We put stronger structures in place to make young people and their communities more resilient to the changing threats.

Plan has always worked innovatively in response to change. The willingness to learn, grow and challenge current thinking is central to our child-centred community development approach. As the Chair's introduction describes, we are part way through an extensive series of changes designed to make us operate more effectively as an organisation. At the heart of them all is an ambition to be more efficient and credible, and to manage more productively the complex relationships between our multiple funding streams and growing number of partners. We have to respect the integrity and unique nature of each relationship, while making all parts fit together on a huge and global scale.

Plan's achievements are the result of so many people's efforts. I would like to thank all our supporters and partners who have shared valuable resources and expertise with us in the past year. The continuing support of over one million child sponsors is especially important in uncertain times. Thanks are also due to our staff and partners in the field for their dedication to improving children's lives. These individual commitments are making a difference to millions of children and, while we can always do better, we can be intensely proud of what we do and the dedicated people who do it.

On my visits to many projects in Plan countries, one of the most uplifting things I see is young people developing the confidence to speak articulately on behalf of others, on issues such as education and child marriage. The most important thing we can do is to enable them to interact with power and authority so they cannot be ignored. In the face of the multiplicity of challenges young people now face, this work is more important than ever before.

Nigel Chapman

Nigel Chapman
Chief Executive Officer

Plan's young ambassadors

Who better to describe Plan's impact than the people we work with? The individuals featured on these pages are just four of the 79 million children and young people around the world who we work with to ensure they have the skills and opportunities to reach their full potential.

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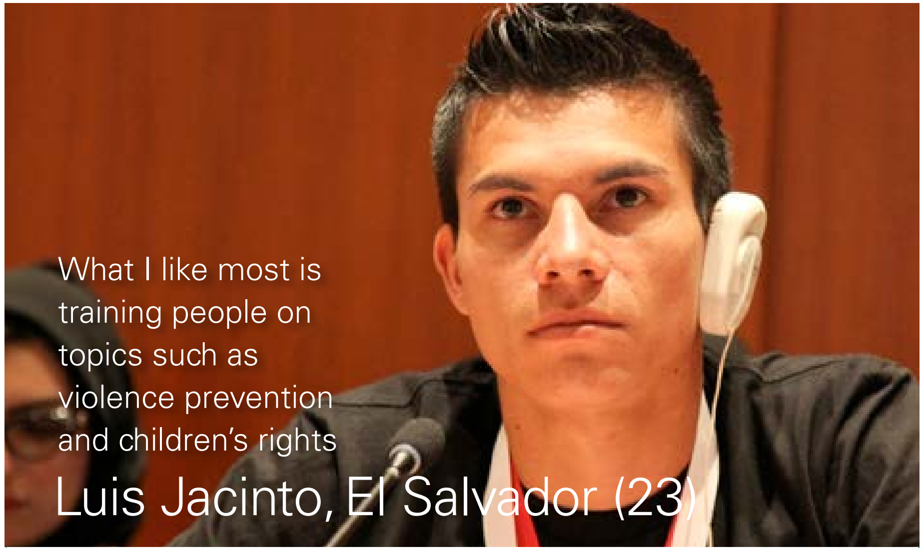
I was born to a small family in Jakarta. My father is Javanese and my mother is from the Bataknese tribe. She is very tough. I like her toughness. She teaches me about the challenges of life.

I was always an ambitious and passionate girl, but sometimes I neglected the importance of caring. I was a bully without knowing the meaning of the word. When Plan brought its *Learn Without Fear* anti-bullying campaign to my school, I realised that I had to change my mindset. I had to be more caring and not make people afraid. When I wanted to change, Plan offered the support I needed.

I was selected as the *Learn without Fear* ambassador, speaking out about bullying. Now, when I am working to promote children's rights, it's like I'm living someone else's life. I'm a better person, for sure. I think every child and adult should know about Plan, what it does and how it works. Together, we can make a better world for everyone – but especially for children.

READ FULL INTERVIEW



© Plan

I live with my seven siblings, my mother and my father in Los Hernandez – a quiet rural community where I play soccer every weekend. The men in my family grow corn, beans, rice and sometimes cucumbers, while the women do housework at home.

When I first became involved with Plan, I was a shy 14-year-old boy with no understanding of my rights. Since then I have helped by facilitating and strengthening networks.

What I like most is training people on topics such as violence prevention and children's rights. I am also studying to be a social worker. People here often think education is not important – but it is. A young person who studies has a different vision and a different life plan from one who does not. Youth are the present and future of our country.

I live with my mother and four siblings. My father abandoned us, so my mother is the breadwinner. She is uneducated, but she does her best from petty trading to support our education.

Before I became involved with Plan, all I knew was going to school, doing my chores and sleeping. I never had time to think about marginalised children – because I was marginalised and deprived as well. I never knew that I had the right to voice my views about what was happening to me. But, as a young girl in an environment that was filled with gender inequality, I always had the determination to reach my potential.

When I became involved with Plan's Girls Making Media project, I realised that I do have a voice. Through Plan, I have developed my skills in media, writing and presenting programmes on issues affecting women and girls, and I am confident in public speaking. I am involved in decision-making and have become a role model. It is my pleasure to work with Plan.

READ FULL INTERVIEW

After my father and both his wives died, leaving behind 12 children, I felt that all my dreams were shattered. We lacked clothes, school materials and medical care. We could spend the whole day without food. Accessing education was very hard. Each and every minute, we would remember the missed love from our parents.

I became involved with Plan when they helped our community establish a youth group to ensure young people were involved in development plans and progress. Today, I am a youth representative on a global Youth Steering Committee representing eastern and south Africa. I present young people's views on issues affecting them. I am especially motivated when I witness big changes in my community as a result of Plan's support.

Despite the many challenges, education was my first priority: it is your key to everything. Getting involved as a citizen is important too. I am now so hopeful and energised. I have realised that even without parents, I can make it in life and fulfil my dreams.

READ FULL INTERVIEW

About Plan

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Plan has been working for, and with, children for more than 75 years. Today, we work in 50 low- or middle-income countries across Africa, Asia and the Americas to promote children's rights and provide better opportunities for millions of children. Our 21 donor organisations around the world raise awareness and provide funding and expertise for our programmes.

We focus on ensuring that the children who are most marginalised receive the education and protection they have a right to, and they are not excluded from services or decision-making. We do this by working in partnership with communities, local and national government and civil society organisations. We are independent, with no religious, political or governmental affiliations.

How we work

Plan sees a clear link between fulfilling rights and tackling poverty. The benefits of a good start in life are far-reaching – not just for individuals but for future generations.

Plan believes that every young person should have the chance to be an active citizen – shaping the communities around them. That is why our child-centred community development sits at the heart of our work. This approach is based on some core values: child rights, inclusion and non-discrimination and participation. It enables young people to set their own priorities: developing strategies, assessing local progress, preparing for disasters, and taking part in decisions that affect their communities. By building young people's confidence and skills, we can empower them to build the world they want to live in.

How we are organised and funded

Plan is made up of three parts:

- Plan International, Inc. designs and delivers programmes through regional and country-level offices. Our programme offices are located in the areas where our programmes are implemented, to allow us to respond to the situation of the local communities.
- Twenty-one donor organisations worldwide. In India and Colombia, we carry out both programming and fundraising activities. For a full listing of Plan's offices, see back cover.
- Plan Limited is a wholly owned subsidiary of Plan International, Inc. It provides central services that support our programmes.

We maintain accountability through our International Board. This is made up of members who are elected by our guiding body – the Members' Assembly – to ensure that our senior executives run the organisation efficiently and effectively. Children also participate at the decision-making level – for example, through Youth Boards and our Youth Steering Committee.

Key features of our work

- We work closely with children and their families in the communities where they live.
- We work with communities and government to help them meet their legal obligations towards children, under the Convention of the Rights of the Child and other international agreements.
- We have partnerships with a range of civil society organisations to strengthen their capacity and implement programmes.
- We collaborate with corporations in socially responsible programmes.
- We participate in coalitions and alliances to tackle the underlying causes of poverty through advocacy and campaigns on child rights.

Our eight programme areas

Our strategy

One Plan, One Goal – Rights and Opportunities for Every Child

OUR VISION

Plan's vision is of a world in which all children realise their full potential, in societies that respect people's rights and dignity.

In the face of increasingly complex social and economic challenges, the traditional ways of operating are no longer sufficient. So, our focus as an organisation is on ensuring we are dynamic, innovative, responsive to change, professional and cost-efficient in pursuit of our vision.

We are now part way through a transformative four year strategic journey to make Plan a flexible and forward-thinking organisation, able to deliver our One Plan, One Goal strategy by 2015.

On these two pages are a few key examples of work towards achieving our strategy.

ONE PLAN

Underpinning our strategy is our ambition to operate as One Plan across the globe – a more efficient, effective and collaborative organisation.

▶ We will be a united organisation, working towards a common goal, with high-performing staff and consistent systems and processes.

▶ We will focus our efforts on increasing funding, both from individual and institutional supporters, to reach more children and their families.

▶ We will seek out and work with other development organisations, civil society, governments and the private sector, combining our expertise and skills and extending our impact.

ONE GOAL

© Plan / Ahmed Hayman

1 Tackling exclusion

Children are excluded for many reasons, including gender, disability and ethnicity. We are committed to ensuring our programmes address these barriers and provide all children with the same opportunities in life. For example:

▶ We have made great strides in ensuring gender equality in all areas of Plan's work. Half of Plan offices have completed a Gender Action Plan, to identify how they will work to deliver gender equality.

▶ Our Disability Inclusion Working Group, has initiated a number of new work projects this year, including:

- Raising awareness about disability within the organisation and developing tools and resources for inclusive programming.
- Plan's participation at the Conference of States Parties to the Convention on the Rights of Persons with Disabilities in September 2012 led to direct meetings with the UN Special Representative on Violence against Children.

© Plan

2 Improving programme quality

We are making sure that our programmes are based on evidence, adhere to global policies and standards, and their impact measured to ensure a positive and lasting effect for children. For example:

▶ Plan's Programme Effectiveness Department consulted with over 1,000 Plan staff to develop Child-Centred Community Development Operational Standards, which set out the core of the approach in a simple, action-oriented way. Plan staff will receive training in how to apply the standards.

▶ In 2013 we launched our new Plan Academy, which harnesses the sector's knowledge of development issues. Staff across the organisation and partners can now learn the latest skills in areas such as protection, tackling exclusion, gender equality, communications and advocacy.

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3 Expanding successful programmes

We adapt and replicate successful projects locally, regionally and globally, learning from best practice, to reach more children and their families. For example:

▶ Our regional office in Latin America led the development of a scaling up framework. It includes processes to identify and evidence effective programme interventions to ensure other organisations, particularly government institutions, adopt our most successful programmes so that more children benefit.

▶ Our new integrated Digital Birth Registration (DBR) programme identifies and implements appropriate digital technologies to overcome the barriers to birth registration in the developing world. The DBR Central Team supports our offices to implement DBR in a scalable and sustainable way. Plan is widely acknowledged as the expert in innovative approaches for birth registration.

© Fabrice de Silans / Plan

4 Extending our influence

We are using our experience and expertise as an authoritative and credible voice to influence others to act on behalf of children and young people. For example:

▶ Plan attended the Education For All summit in Washington DC to agree key actions on out-of-school children, and co-hosted two side events.

▶ Thanks to Plan's Because I am a Girl advocacy work, there have been moves towards ending child marriage in 19 countries and ending gender-based violence in and around schools across 18 countries.

▶ At the Civil Registration and Vital Statistics (CRVS) global summit in April 2013, a global initiative to lead the improvement of civil registration and vital statistics systems, Plan was the only international non-governmental organisation (INGO) engaged in drafting a Global Call to Action.

Our One Goal is to reach as many children as possible – particularly those who are excluded or marginalised – with high-quality programmes that deliver long-lasting benefits.

Our programme effectiveness

© Plan

Our programme effectiveness is at the heart of our accountability, both to the people we work with and to our donors. We are committed to developing and implementing programmes of the highest quality, based on solid evidence and consistent monitoring and evaluation. We work with communities to develop innovative ways to monitor our work and assess results and, through that, refine our ways of working.

We are currently developing a programme quality policy for the global organisation. This will align Plan's initiatives to strengthen programme quality and address the key issues that we have identified through our monitoring and evaluation processes.

Post-intervention assessment

What happens after we leave a community?

In 2013 we commissioned our second post-intervention study, focusing on eight barangays (villages) in Isabela Province, Philippines. The aim was to assess the long-term contribution of our work five years on, and learn from the findings. Filipino independent social research consultancy Sabay Tayo Foundation carried out desk research before conducting observations, interviews with community members and former staff, and focus groups.

The report highlighted positive outcomes, as well as opportunities for improvement. It reported that Plan had had a largely significant contribution to the lives of children and their families in the areas of health, education, water and sanitation and response to abuse and exploitation of women and children. Plan had also added value by strengthening the capacity of government to implement services for children and families. Many interventions had been sustained because of Plan's approach – being responsive to community need, with a high degree of community engagement.

The report recommended that Plan should continue strengthening its programme planning and accountability processes, and its technical expertise, to ensure that its programmes continue to be responsive to communities during implementation.

Plan is already implementing change on the basis of these findings. The results of the study are being used in developing a global programme quality policy and in the design of Plan Philippines' new Country Strategic Plan, which will shape its work for the next five years.

How inclusive is Plan?

Social Development and International Evaluation Advisor Renee Kantelberg along with colleagues Antonella Mancini, Leslie Groves and Jenny Chapman conducted a strategic inclusive review. The review was the start of a process to identify and implement steps to ensure the reach of our work includes all those who really need our help and support. We can then clearly define our approach, practice and how we monitor and manage our work.

Renee describes the review process: "Our independent review was designed to find out how well Plan does and understands inclusion. Plan wanted us to take a very inclusive, participatory approach so they could really understand what staff thought globally.

"The review focused on east and west Africa, Asia and Latin America, with Egypt, Togo, Vietnam and Ecuador being the main case-study countries. We developed a very thorough methodology, which included interviews and focus groups, asking, for example, questions about inclusion along each stage in the project cycle; from design through to evaluation. We also invited comments from across the organisation on Plan's internal social media platform. The approach allowed for a continuous learning process, with results being shared throughout the research period.

"Each region had different challenges. For example, in Egypt, staff discussed whether they were 'walking the talk' on inclusion within the office. Some common themes arose across the countries, including how Plan should tackle working with excluded groups and prioritise target groups.

"The findings were only meaningful because of the bottom-up approach, which enabled us to engage with staff at such an intimate level that they felt able to share without concerns. I haven't seen other international NGOs going to this level of detail."

The approach developed as part of the review has been formally adopted by Plan. As a first step, we have developed a training course on Tackling Exclusion for the Plan Academy.

For the latest updates on this work, go to plan-international.org/effectiveness

Our partnership work

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Our vision can be achieved even more effectively through working with others. For Plan, this means working effectively in partnership with our sponsors, with other development organisations and with the private sector, to combine our expertise and learning.

Double act: Plan and Accenture

Accenture is a long-term strategic partner that shares our commitment to making a lasting impact on the economic well-being of individuals and their communities.

At the heart of our partnership is a shared outlook – particularly in our commitment to provide underprivileged young people with employment opportunities. Skills to Succeed, Accenture's corporate citizenship initiative, aims to equip 500,000 people by 2015 with the skills to get a job or build a business. In 2012, Accenture provided financial resources and pro bono consultancy services to train 7,100 young adults in Thailand and Indonesia with technical, vocational and entrepreneurial skills.

Accenture people are also involved in helping us drive greater impact for our programmes. One way is through Accenture Development Partnerships, which involves collaborating with organisations working in international development and applying Accenture's core capabilities – its people and strategic business, technology and project management experience – on a not-for-profit basis.

Together, Plan and Accenture have partnered on more than 30 projects, and are currently working on an innovative project to support community health workers to use mobile phones to register children at birth. This new system will make birth certificates more accessible, and enable children to access education and healthcare.

"Plan is committed to making a positive impact on the economic well-being of individuals and their communities and our work together to provide skills training, through Skills to Succeed, reflects a shared vision of the importance of creating strong livelihoods," says Jill Huntley, Managing Director, Global Corporate Citizenship at Accenture. **"Our partnership focuses on using job-relevant skills to create opportunity and lasting change in people's lives."**

© Plan

Photo: Edwin Sithole / © 2012 Little Sun

EL SALVADOR
Working with governments and large funders to combat HIV

In March 2013, El Salvador was one of very few countries to win new funding through the Global Fund to fight AIDS, Tuberculosis and Malaria, with a $20.8 million grant for treatment and prevention of HIV and AIDS. Plan will be working in partnership with the El Salvador Ministry of Health, with Plan delivering prevention services and the Ministry providing medical care.

"In the past, the prevention and medical sides were run completely separately, explains Rodrigo Bustos, Country Director, Plan El Salvador. **"In this new model, all the services will be completely integrated. This will help us to keep track of each patient's care and to monitor the pandemic across the country."**

Plan was selected after a detailed evaluation of functions such as management administration and transparency. Plan will manage around 50% of the funds and will implement services through other civil society organisations and community centres, as part of its community-based approach.

ZIMBABWE
Working with former beneficiaries

In Zimbabwe, Plan's work is being supported by a new source of partners: its former sponsored children who set up Alight Zimbabwe, as a registered trust this year.

Today 6,000 members – all former sponsored children – each pay an annual membership fee of US$12 to Alight Zimbabwe, with further funding coming from well-wishers, Plan Zimbabwe and corporations working locally.

The aims include inspiring and motivating current and former sponsored children, and acting as positive role models among communities where Plan works. The group is also running some social entrepreneurship projects, such as selling solar-powered lamps and producing artefacts such as carvings, which are sold in Plan shops in Denmark.

The trust's co-ordinator, Edwin Sithole, who was himself sponsored through Plan, says, **"We still owe our success to Plan. Those who themselves have benefited can understand the need to uplift the lives of others."**

Our Because I am a Girl campaign

Our campaign aims to support millions of girls to get the education, skills and support they need to transform their lives and the world around them.

ACTIVITIES

11 October 2012

Global campaign launch

© Plan / Don Pollard

© Plan

Glowing pink landmarks, rock concerts and events in more than 60 countries around the world marked the global launch of Plan's Because I am a Girl campaign on the first ever International Day of the Girl. The campaign was launched in New York. Every Plan office around the world took part.

© Plan / René González

January 2013

At the World Economic Forum

© Lars Scholtyssyk

Plan launched a report on the impact of the global economic recession on women and girls worldwide. Findings included increased mortality rates, reduced life expectancy and fewer opportunities. Plan called for targeted support in social protection, job creation and education.

KEY: BONUS CONTENT

More information

See photos

Read publication

Watch video

See infographic

ACHIEVEMENTS

249
Projects on girls' rights and empowerment

Plan raised over **1,500,000*** hands in support of quality education for girls

*by October 2013

March 2013

At the Commission on the Status of Women

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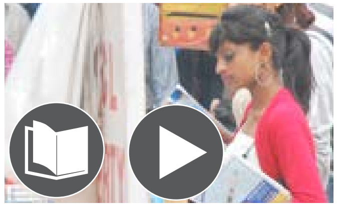


© Tariq and Stan Thekaekara

© Sigrid Spinnox / Plan

Youth delegates participated in the 57th Commission on the Status of Women. Plan was seen as a thought leader on girls' education. We launched two major reports: one on girls and safety in cities and the other on school-related gender-based violence.

April 2013

At the UN Education summit

©Global Business Coalition for Education / Ben Pfannl

Plan influenced the outcomes of six high-level meetings at the summit, all of which announced new measures and funding for education. Youth members of the Plan-supported Youth Advocacy Group also helped to ensure girls' education was in the spotlight at the high-profile event, organised by UN special envoy for Global Education Gordon Brown.

July 2013

First UN youth takeover

© Alexandra Kensland Letelier / Plan

Malala Yousafzai, shot by the Taliban for being a schoolgirl, celebrated her 16th birthday by leading a youth takeover of the United Nations. Young people from around the world – including a Plan-supported youth delegation – approved the first ever UN youth resolution: 'The Education We Want'. In a powerful and moving speech, Malala called for urgent action to ensure education for all. "One child, one teacher, one pen and one book can change the world," she said.

Plan's advocacy work led to results towards **ending child marriage in**
19 countries

Ending gender-based violence **in and around schools in 18 countries**

The campaign reached
2,000,000 girls directly and more than
18,000,000 girls indirectly

Programme highlights

Education

67,647

professional and volunteer education workers and school management staff trained. We supported the construction and rehabilitation of **2,741** schools.

see pages 18-19

Early childhood care and development

226,462

professional and volunteer health workers trained in early childhood care and development and health management, benefiting **19,763** communities.

see pages 20-21

Disaster risk management

54

disaster response programmes carried out, 35 Plan countries have disaster risk reduction projects and 49 countries have completed Plan's disaster risk preparedness process.

see pages 22-23

Child participation

Children and young people realise their right to participate as citizens

see pages 24-25

Child protection

122,719 community members and **53,622** members of staff of partner organisations trained in child protection.

see pages 26-27

Economic security

61,208 people trained in vocational and business skills and we supported **4,841** microfinance organisations and **52,815** local savings and loan groups.

see pages 28-29

Sexual and reproductive health

55,904 community health workers and traditional birth attendants trained, benefiting **10,777** communities.

see page 30

Water and sanitation

326,950 households supported to improve their sanitation facilities and helped communities build or refurbish **4,809** water points.

see page 31

EDUCATION

PLAN'S GOAL:

For children and young people to claim and enjoy their right to education.

© Plan / James Stone

Education is one of the most powerful tools available to break the cycle of poverty. Every child has the right to education, but many are excluded because of poverty, gender, disability, geographical remoteness, or language or cultural barriers.

We work to promote free, equal access to quality education for all children, as well as learning and life-skills training that help young people reach their potential. We promote child-friendly learning environments: developing teaching skills and teaching materials, providing life-skills training and helping communities become more involved in how schools are run.

We work with national and local governments to help improve the laws and public policy on education and we take part in local, national and international campaigns to promote quality education for all.

BOLIVIA
Influencing national education policy

In rural Bolivia, many indigenous children have limited access to quality education, so helping improve their education is a priority for Plan. But to have really sustainable impact, it is vital that education programmes operate from the community level right up to national government.

We work directly with 979 schools to improve their education and management capacity. Among these Plan-supported schools there has been a 33 per cent increase in schools rated 'high quality' and a significant improvement in maths at primary level.

Our work involves helping communities develop systems that involve young people in their decision-making, and supporting their joint efforts with municipal governments and indigenous educational councils to improve the quality of schools and curricula. At the national level, we are campaigning for the Government to prioritise school improvements – particularly for indigenous girls.

"I'm so proud to have a municipal education plan for our primary schools with a curriculum that responds to what the girls, boys, parents and authorities have requested," says Gladys Alarcón, Mayor of the Municipality of Yuncharà. **"We're going to present the plan to the departmental government of Tarija to make sure it's implemented."**

CAMBODIA
Improving education and engaging communities

In Cambodia more than 95 per cent of children are enrolled in primary school, but this impressive statistic masks the often bleak reality of education in rural areas. Many lack resources, with poverty and malnutrition among students, high drop-out rates and frequent absenteeism among students and teachers.

Plan has been working to help communities, local governments and education officials to prioritise children's needs through our Child-Friendly Schools model. This encourages schools to become inclusive, effective, health conscious and safe, with children, families and communities engaged in decision-making. Sixty-six schools have now adopted the model.

We have also been targeting barriers to education, such as sanitation, health and nutrition and gender inequality in schools. One programme in Siem Reap province provides nutritious breakfasts to children in 278 primary schools, with rations to take home. Meanwhile, microfinance schemes relieve the financial pressure on families, freeing up children so they can go to school.

One 14-year-old student says, **"At first I felt embarrassed when my teacher asked me to sit with my highest-achieving classmates. But as my classmates helped explain things, I became happy and started to enjoy my studies."**

€87,555,000
Invested in education


© Plan

67,647
professional and volunteer education workers trained


© Plan

2,741
schools infrastructure supported

"A nation that lays emphasis on education for its young people ensures the development of the most powerful resource available – human resources."

Fatmata, Sierra Leone (19)

EARLY CHILDHOOD CARE AND DEVELOPMENT

PLAN'S GOAL:

For children to realise their right to a healthy start in life and early learning.

© Plan

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

We promote good nutrition, early child development and early education, providing support for parents and caregivers. We work with our partners to help parents and children access quality primary healthcare and social services.

AFRICA
Mobilising communities to run pre-school centres

A highly successful initiative that started in Uganda to give the best start to pre-schoolers and their families is now being rolled out in Ethiopia, Kenya, Mozambique and Zambia, supported by Plan Australia and Plan Finland.

The model, called Community-Led Action for Children, mobilises rural communities to run pre-school centres for four- to five-year-olds. Plan provides funding and technical support, but the 102 centres are owned and implemented by the communities. The centres prepare around 7,000 children for primary school. Parenting groups promote play and good hygiene practices.

Teachers in Uganda say that children who have attended the centres develop good social and learning skills. Their results are also better, with many already reading and writing when they start school. Their parents are more involved with the school too, attending meetings and asking questions.

We are now seeking to integrate this approach with government provision in areas such as health and nutrition. Rural communities will run the centres, with technical support from Plan.

VIETNAM
Strengthening family life with early years support

Forty-one-year-old A Muoi, his wife Nhung and their two children live in A-Bung commune, central Vietnam. Among the minority ethnic families in this remote area, there are high levels of malnutrition and poor access to healthcare, and few children receive quality basic education.

But a new scheme is having a radical effect on family life. Every two weeks, Nhung meets other mothers at a playgroup for under-threes, supported by a pre-school teacher and Plan volunteer. Part of Plan's early childhood care and development programme, the project nurtures the physical, social and cognitive development of young children in seven communes of Quang Tri.

In this child-friendly space, the mothers and children learn new skills that will help create a safe, supportive and positive learning environment for the future. Sessions include traditional songs, and parents learn how to play at home with their children, and get valuable lessons in health, nutrition and sanitation.

Parents like Nhung leave feeling more confident about their daily routines, with 70 per cent of mothers saying that their childcare practices and parenting skills have improved over the past year.

€113,631,000
Invested in early childhood care and development


© Plan / Vania Milanovitch

226,462
professional and volunteer workers trained


© Plan / James Stone

9,428
health and ECCD centres constructed or improved

"I'm busy all day in the rice field, but now, when I have time, I make toys for my children. I feel so relaxed and happy."
A Muoi, father

DISASTER RISK MANAGEMENT

PLAN'S GOAL:

For children and young people to grow up safely in resilient communities and realise their right to protection and assistance in emergencies.

© Plan

In times of disaster, children are particularly vulnerable. Separation from family and friends causes uncertainty, anxiety and shock, with a significant impact on children's emotional well-being. Our initial disaster response work focuses on children's urgent needs, such as food and water. We then prioritise child protection and education, to help re-establish a sense of security and normality. An important part of this involves developing child-friendly spaces, which help protect children from harm and exploitation, and aid emotional healing.

We also deliver disaster risk reduction work, to reduce the risk of harm from disasters. Using an innovative child-centred approach, we help children develop the skills they need to keep themselves safer and to make their communities better prepared and more resilient.

PHILIPPINES

Saving lives and promoting recovery after the typhoon

When Typhoon Bopha struck the Philippine island of Mindanao in December 2012, local communities had never experienced a typhoon of that ferocity before, and warnings had little impact.

Plan Philippines swung into action at the first cyclone warning. Through pre-positioned supplies such as jerry cans and tarpaulins we were able to rapidly meet the needs of communities and children. With 465 classrooms damaged or destroyed, a priority for Plan was to restore child-friendly areas where children would be safe and secure.

We provided temporary school spaces in the form of school tents. Almost 20,000 children received back to school kits (consisting of education and recreational materials) and 364 teachers received teacher's packs to replace destroyed teaching materials. Plan also trained teachers to recognise signs of psychological distress among children in order to refer them for specialist support.

Several donors who visited our work in Mindanao – particularly the European Community Humanitarian Office and the Office of US Foreign Disaster Assistance – highlighted the quality of our response and how we ensured consultation and community participation in our relief work.

MALI

A safe space for internally displaced youth

In 2012, armed conflict broke out between insurgents and government forces in northern Mali. Hundreds of thousands of Malians – mostly women and children – fled to refugee camps in neighbouring countries, while many headed for southern Mali. One of them was sixth-grade student Aissatou, who travelled 1,000 kilometres to her uncle's home in Ségou.

Aissatou felt homesick and lonely until she came across Plan's children's clubs: child-friendly spaces for internally displaced youth. In Ségou alone, nearly 2,330 children are supported in six of these centres, with 25 other centres in Timbuktu and Mopti. As well as playing games and doing art, the children are kept safe, learn about hygiene, sanitation and their rights, increase their understanding and respect for other cultures and receive emotional support. For Aissatou, the high point was playing football. **"I made lots of friends there, so I quickly picked up the local language,"** she says.

"With time, everything has worked out well for me," she says. **"Even though I miss my parents and my grandmother a lot, and want to go back to Bourem, I am at ease here with my friends and am relieved that I can continue my studies so that one day I can become a teacher."**

€70,083,000

Invested in disaster work

© Plan

54

disaster response programmes carried out

© Plan

49

countries have completed Plan's disaster preparedness process

CHILD PARTICIPATION

PLAN'S GOAL:

For children and young people to realise their right to participate as citizens.

© Plan

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. Plan helps children and young people become aware of their rights. We strengthen their confidence and leadership skills so they can come together to press for positive change, through events, use of media and by planning and designing programmes.

We also enable children's and youth organisations to advocate for change, monitor children's rights and hold government and service providers to account.

BANGLADESH
Children have their say in Child Parliament

For 14-year-old Santo, going to school was interspersed with days pulling a rickshaw around Tangail, Bangladesh, to earn money for his family. Then he was invited to volunteer for Our Report Towards Our Bangladesh (ORTOB) project – a Plan-supported project involving 152 children, aiming to build Bangladeshi children's capacity to take part in local and national governance.

One important ORTOB activity is the Bangladeshi Child Parliament. Each session is attended by a different Bangladeshi minister, who reports back to their party leader. The Child Parliament's achievements have included a national ban on corporal punishment. ORTOB is also strengthening networks of children's organisations and linking up with national advocacy groups, to establish child-led reporting for the Convention on the Rights of the Child alternative report.

For Santo, the experience has opened up new opportunities. After he received life-skills training, he completed his schooling and is now a facilitator of the Child Parliament.

NORWAY/LIBERIA
Children cross cultural divide to fight child marriage

In December 2012, members of Plan Children's Advisory Boards from Liberia and Norway came together for a two-day workshop in Foya district, Liberia to develop a joint campaign on child marriage. The campaign has run throughout 2013, with activities including performing a play, running workshops, writing articles, and meeting politicians.

One Norwegian participant was Frida. **"The visit was an amazing experience,"** she says. **"The young people were the same as us in so many ways – we liked the same music. But at the same time their situations were so different. They face a lot of problems, but they do it with a smile. It was very motivating to see that what Plan does really helps. It gives people opportunities."**

The Norwegian members have recorded their experiences through Facebook, blogs and a video called *Let's stop early marriage* on YouTube, and have run workshops in two secondary schools. The Liberian group has put on a play in the local marketplace and delivered presentations about the campaign at local police stations, hospitals and schools.

€68,887,000
Invested in child participation

"I feel proud to be a deputy speaker of the Child Parliament. My friends compare me with the representatives of the national Parliament! I was an average student, but this project has changed my attitude and inspired me to be a good student."
Eishi, Bangladesh (17)

CHILD PROTECTION

PLAN'S GOAL:

All children and young people realise their right to protection from abuse, neglect, exploitation and violence.

© Plan

Plan works to ensure that all children are safe and protected from all forms of abuse, neglect, exploitation and violence. We do this through effective services designed to prevent abuse, neglect and exploitation of children and to help victims recover. We campaign for and promote adequate legal protection at all levels as well as strong support within families and communities. We also raise public awareness of, and respect for, the right of all children to protection and help young people access the skills and knowledge that will help them to protect themselves.

PLAN/CARTOON NETWORK
In partnership to fight bullying

Bullying has far-reaching effects. Victims are often afraid to tell parents or teachers, fearing reprisals, and withdraw into themselves. Latin America has the highest levels of bullying worldwide, including robbery, insults and physical violence, and the rate is on the rise.

Plan has been working with the Cartoon Network since 2011 on a campaign to help students, teachers and parents tackle bullying and cyberbullying. The campaign, *¡Basta de Bullying!* (Enough bullying!), has been publicised on television, the web and Facebook, as well as through school programmes and has received extensive exposure on the Cartoon Network, which reaches 30 million households in the region.

In May 2013 we boosted the campaign by producing the *¡Basta de Bullying!* toolkit. The resource, aimed at Latin American students, parents and school administrators, explains how to identify, prevent and respond to bullying. Topics include 'What should I do if I am the target of bullying?' (in the children's version), 'How can I tell if my child is a victim of bullying?' (for parents) and 'How can I work with students and parents on bullying?' (for teachers).

PLAN/FAIRTRADE
Securing child rights and protecting family livelihoods

Around 215 million children under 18 years of age worldwide are engaged in child labour. Many have no opportunity for school or play, and do not receive proper nutrition or care. That's why Plan has come together with Fairtrade International in a partnership that combines our focus on the rights of children, and especially girls, with Fairtrade International's standards-based, certification system and support for producers.

The partnership is supporting communities to develop increased child protection, opportunities for young people (especially young women), and to secure better terms of trade and socially responsible production. It will also increase consumer awareness of these issues.

The initial pilot phase involves testing the techniques, systems and mechanisms developed by Plan and Fairtrade among coffee- and cotton-producing communities in Honduras, Thailand and Zambia. Technical experts from Fairtrade and Plan are delivering training on child labour, child rights and child protection, to facilitate community workshops to map risks to children's well-being within the communities, and to support the communities to develop their own policies on protecting child rights within their production systems.

€37,979,000
Invested in child protection


© Plan

53,622
members of staff of partner organisations trained


© Plan

122,719
community members learned skills and awareness to keep children safe and protected

ECONOMIC SECURITY

PLAN'S GOAL:

For children and young people to realise their right to economic security and access the skills they need for meaningful employment.

© Plan

Plan supports young people to make informed choices about their work. We help them access the skills, knowledge and information they need to secure productive, decent work, and to access financial services. We work to ensure the inclusion of marginalised populations – especially women – so that they can take action to improve their lives.

Working with national and local governments, we advocate for state and community support in times of economic difficulty, to enable children and young people to continue development, and promote policies that support economic activity. We also work with the private sector and civil society to ensure that economic opportunities are available, sustainable and have the best possible impact on children's lives.

ZAMBIA
Building business skills through youth mentoring

Like many young people in Zambia, Florence finished school with no hope of getting a job, training or credit. Finding herself pregnant and unmarried, Florence began selling vegetables along the main road with little prospect of developing her business.

However in October 2012, Florence, along with 52 other young people, attended a five-day training course run by Plan Zambia, with support from Barclays' Banking on Change programme. The course aimed to increase young people's skills, knowledge and opportunities. Topics included managing a business, building self-esteem and problem solving. Each participant had also to identify a young person within his or her community to mentor and bring to a youth business conference.

After the training, Florence decided to expand her business by setting up a shop.

Florence and the 52 other participants who attended the training course, have upheld their commitment to develop other young people in their community. Now, 106 young people have benefited from peer-to-peer mentoring and have gone on to start new businesses or expand their existing businesses.

"My life will never be the same again," says Florence. **"It's a dream come true. With what I've done so far, I am very positive that I will go very far in my business."**

RWANDA
Empowering deaf people through savings and loans

Disabled people in Rwanda often face marginalisation and exclusion, so for father-of-two Jerome, living with a hearing impairment had never been easy. But since he launched his own enterprise making metal boxes, through a Plan-supported project, business has flourished.

Boosted by his own success, in 2009 Jerome set up a group to support others. **"I was inspired by the fact that many people with hearing impairments were living in rural areas and being left out even though they had capabilities,"** he explains. But although the association had potential, it could not help members with micro-credit and financial services.

In November 2012, Plan, in partnership with the Rwandan Youth Parliament organisation (PAJER), supported Jerome's association to form a voluntary savings and loans association of 25 deaf young people. They provided training, enabling the association to offer small loans and advice, helping its members to develop their own businesses and access financial services.

Through the association, members have invested in businesses including hairdressing, animal rearing and metalwork. All have paid medical insurance and school fees for their siblings or children. Jerome is also providing free vocational training for six deaf boys, including three former street children, at his box-making workshop.

€41,598,000
Invested in economic security


© Plan

61,208
people trained in business and vocational skills


© Plan

45,765
agricultural workers and farmers trained

SEXUAL AND REPRODUCTIVE HEALTH

PLAN'S GOAL:

For children and young people to realise their right to sexual and reproductive health, including HIV prevention, care and treatment.

Plan supports quality, age-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 also advocate for more effective policies and actions that respect and protect the rights of children living in a world with HIV.

BRAZIL
Changing the health of a generation

Poor awareness of sexual and reproductive health and gender inequality are linked to a wide range of problems, including teenage pregnancy, HIV and gender-based violence. In Maranhão, Brazil's second-poorest state, parents are often reluctant to discuss these issues, and young people are worried about confidentiality at health services.

To help young people make healthier choices and access the services they need, Plan is working alongside AstraZeneca and Johns Hopkins Bloomberg School of Public Health on The Young Health Programme. The programme operates through a network of trained peer educators who talk to young people aged 10–19 about topics including homophobia, contraception, HIV and AIDS, and substance abuse. The programme also works closely with public bodies to influence policy and raise awareness of adolescent health issues. To date, the programme has reached 36,141 adolescents and 65,625 members of the wider community.

"A lot of young people are looking at the world by themselves," explains Maria Luiza, 15. **"They don't know its dangers. But if I talk to other people, then together we can change the future."**

€16,203,000

Invested in sexual and reproductive health

© Plan

55,904

community health workers and traditional birth attendants trained

© Plan

10,777

communities benefited

WATER AND SANITATION

PLAN'S GOAL:

For children and young people to realise their right to improved health and well-being through basic sanitation and safe, reliable, affordable drinking water.

Plan is one of the leading proponents of community-led total sanitation (CLTS). This rights-based approach involves encouraging communities – often children and young people – to take the lead in improving their sanitation and champion the benefits. We work alongside government, communities and local groups to ensure that our impact is sustainable in the long term.

GHANA

Boosting community capacity across Ghana

Improving sanitation practices is a vital way of reducing mortality and ill health due to sanitation-related diseases. Plan has been using the community-led total sanitation approach since 2000, which helps communities change behaviours such as open defecation.

We are currently running a pilot scheme in Ghana to ensure the progress and change in behaviours are sustained. It involves identifying natural leaders within each community and giving them extra training in skills such as self-reliance, trouble shooting and repairing latrines.

"Community-led total sanitation is a tried and trusted approach within Plan. We know that it delivers benefits to community after community. As with all approaches to behaviour change, we seek opportunities to develop and refine the approach – to drive greater effectiveness and to reach larger numbers of children," said Darren Saywell, our WASH/CLTS Technical Director at Plan USA, who has been working with colleagues in Ghana.

We have delivered training and follow-up support to around 240 natural leaders in Ghana's Upper West, Volta and Central regions. If the participating communities seek less NGO follow-up and support in future, this evidence can be used to promote schemes to increase the roles and capacity of natural leaders and, ultimately, boost communities' independence.

€45,417,000

Invested in water and sanitation

© Plan / Vania Milanovitch

326,950

households supported to improve their sanitation facilities

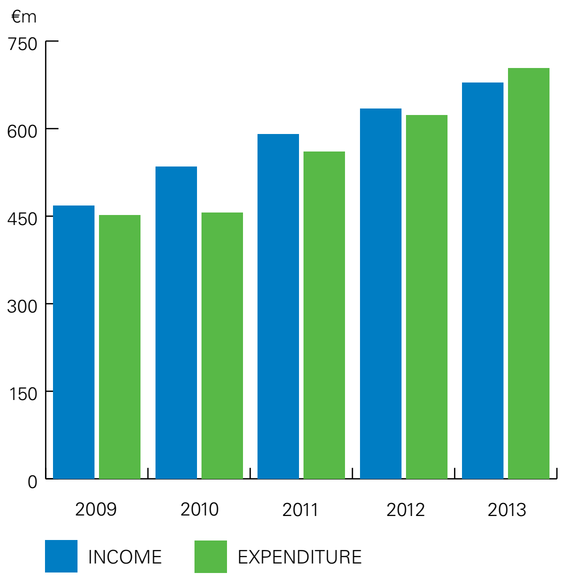
© Plan

4,809

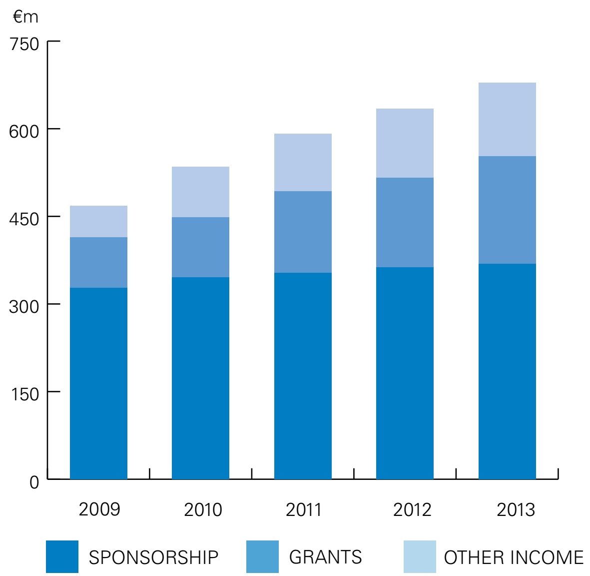
water points constructed or improved

Financial overview

Income and expenditure



Income by source



Income by country

	2012	**2013**
	€000	**€000**
Canada	111,388	**130,538**
Germany	113,026	**117,527**
United Kingdom	64,665	**65,184**
USA	44,574	**58,774**
Norway	50,934	**53,324**
Australia	38,238	**41,220**
Netherlands	47,889	**47,911**
Sweden	33,682	**35,224**
Japan	29,389	**26,662**
Finland	13,737	**16,330**
Belgium	12,324	**12,754**
Spain	13,125	**12,592**
France	12,906	**12,344**
Ireland	8,421	**9,008**
Colombia	7,387	**8,987**
Korea	7,720	**8,826**
Denmark	6,301	**6,105**
Hong Kong	3,134	**4,294**
Switzerland	2,652	**4,258**
India	2,695	**3,465**
Italy	420	**600**
Other	9,221	**2,846**

In the year to 30 June 2013 Plan raised income of €679 million, an increase of €45 million or 7% over the previous year. Child sponsorship income represents 54% of Plan's worldwide income in 2013 and grew by 2%, mainly due to currency movements. National Organisations in Germany, Norway, Korea and Hong Kong were particularly successful in increasing income from child sponsorship. Grants income grew by €31 million to €184 million, mainly due to bilateral donors in the US, Canada, Sweden, the Netherlands and Finland.

Plan has a deficit for the year of €25 million, after surpluses in each year since 2007, as 2013 has been a year of investment in fundraising, systems and programme development. All these activities contribute to achieving Plan's Global Strategy to 2015. The deficit also reflects maintaining programme budgets at planned levels, including spending funds received in 2012, although donations from child sponsors were lower than projected for the year.

Programme expenditure by location

2012

2013

Total expenditure, including foreign exchange losses was €704 million. Expenditure growth over 2012, excluding foreign exchange gains and losses, was €63m or 10%. The regional distribution of expenditure shows the ongoing trend of increasing the proportion of programming in Africa, which accounted for 47% of programme expenditure in 2013.

Programme expenditure accounts for 77% of the total excluding foreign exchange losses, but as the combined results represent the aggregation of Plan International, Inc and the Member National Organisations, this ratio does not necessarily apply to any of the individual entities. Early childhood care and development and education are Plan's largest programming areas representing 21% and 16% of programming expenditure respectively.

Fundraising expenditure represents 15% of expenditure, excluding foreign exchange losses and includes investing reserve funds to develop Plan's fundraising base. Other operating expenditure and trading costs, including Business Operating Model changes, account for 8% of expenditure.

Do you want more information?
You can get more financial information from our Combined Financial Statements. A copy is in the pocket at the back of this review or available on our website plan-international.org/about-plan/resources/publications

Expenditure by programme area

	2012	**2013**
	€000	**€000**
Early childhood care and development	96,814	**113,631**
Education	79,114	**87,555**
Disaster risk management	59,646	**70,083**
Child participation	70,981	**68,887**
Sponsorship communications	52,245	**53,493**
Water and sanitation	47,071	**45,417**
Economic security	38,841	**41,598**
Child protection	28,217	**37,979**
Sexual and reproductive health	14,616	**16,203**
Programme expenditure	487,545	**534,846**
Fundraising costs	90,927	**102,481**
Other operating costs	52,607	**54,841**
	631,079	**692,168**
Trading expenditure	2,934	**5,004**
Net losses / gains on foreign exchange	(10,867)	**6,545**
Total expenditure	623,146	**703,717**

Achievements and awards

2012

July

Plan signs agreement with Myanmar

Plan signed a memorandum of understanding with the Government of Myanmar that will allow us to run new programmes in the country to improve the lives of children. Over three years, Plan's work will include child-focused disaster risk reduction, early childhood care and development, and water, sanitation and hygiene.

© Plan

July

Malawi girls shout loud and clear thanks to kids TV station

Plan Malawi's former radio project Timveni has received a new government licence to run the first child-run and child-focused TV station. Its teen journalists – mostly girls – will focus on issues such as rape, abuse and forced marriage.

© Plan

September

Plan tsunami project wins UNESCO award

Young people in Colombia won a UNESCO award for a Plan-managed project to strengthen tsunami alert systems. The regional award, called 'Students in alert against tsunamis,' rewards achievements in education, science and broadcasting to reduce harm from tsunamis, which are a high risk in this part of the country.

© Plan

October

Plan brings youth to international platforms

Plan's Deputy Chief Executive Officer Tjipke Bergsma was accompanied by youth representatives at two important international meetings: a Plan-hosted panel on youth economic empowerment in Brussels as part of a European Development Day, and the World Bank/International Monetary Fund's annual meeting in Tokyo to discuss potential solutions to the growing youth employment crisis.

© Plan

2013

November

Plan Timor-Leste organises talk show

Plan Timor-Leste organised a talk show about children's rights on the national channel TVTL as part of Universal Children's Day. Children involved with Plan highlighted the key problems of education and child protection. A government policymaker confirmed that a new code to protect children's rights will be approved in 2014.

© Plan

November

Plan Germany wins prizes for transparency

Plan Germany won first place in a secretly conducted review by business magazine Capital to test the transparency of 50 German charities. The review assessed the charities' impact and use of donations. Plan Germany also won the PricewaterhouseCoopers 2012 Transparency Award (pictured) in recognition of its excellent communications with sponsors and donors.

© PwC

January

Plan scores for Egyptian children

Retired Real Madrid footballer Emilio Butragueño led a football masterclass for children in Egypt to launch a new youth sports programme run by Plan Spain and Plan Egypt with funding by the Real Madrid Foundation. Concha Lopez, Chief Executive Officer of Plan Spain said, "Sport promotes unity, improvement, teamwork and self-esteem among children and girls."

© Plan

March

Global climate change project wins award

Plan UK won a Climate Week Award for a project that supported 25,000 young people from 300 schools in Europe and Africa to develop climate change campaigns. The project won the Best Educational Initiative category. Plan UK's Youth Engagement Co-ordinator Tehseen Mirza was also shortlisted for the most inspirational young person category.

© Matteo Mencarelli

2013

May
Ethiopia powers towards EU award

Plan won an award for its Community Managed Renewable Energy programme in Ethiopia. The Energy, WASH and Integrated Rural Development Award is made by the European Union and the Government of Ethiopia. The programme has so far benefited more than 250,000 people with solar-powered water supplies, health clinics and schools, and fuel-saving stoves for families.

© Plan

May
West Africa targets malaria

The Plan West Africa Regional Office has been awarded the West Africa Roll Back Malaria Network award for non-governmental organisations. The award recognises Plan's commitment to fight malaria, our leadership within the network, and our collaboration with partners including the Global Fund, governments, partner organisations and children and communities.

© Plan

June
Plan leads work to end hunger in Africa

Plan played a leading role at a high-level African Union meeting in Addis Ababa discussing how to end hunger in Africa by 2025. Plan highlighted its food assistance and nutrition work and formed valuable connections with other civil society organisations working in the region. It presented recommendations to African and international leaders.

© Plan

Hearing the voice of youth

Kamanda, is 17 years old and from Sierra Leone. He is Youth Ambassador of the West Africa Regional Office for Plan's International Youth Steering Committee. This committee feeds into governing bodies including the Members' Assembly (see page 7), as part of Plan's Strategy for Youth Engagement in Internal Decision Making, published in 2013.

"Children and young people are the most vulnerable people in society; but we are the future leaders. We are the people who have to succeed. We have the vision. But if we are not protected and given the opportunity – if our voices are not engaged – then there is a bleak future for the world.

"When I was young, my parents did not know what education was, or its importance, so I would take my younger cousins to school and then stay at home doing household chores. I felt ashamed when I saw other children writing or speaking English, and they sometimes bullied me. So, from a young age I saw the importance of education, and I asked to go to school.

"Finally, when I was seven, after the war, I started school. I was elected prefect in my first term and came first in the class at the end of the year. Later, I became involved in Kids Arise – Sierra Leone – a Plan youth group – and I developed a passion for advocating for children and young people when I became its president.

"I feel so happy to be representing the young people of west Africa within Plan's Youth Steering Committee. The role provides an opportunity to become empowered, learn a lot of things and improve my practical skills, including decision-making and leadership.

"By involving young people in its governance, Plan is showing that it's committed to listening to our views. It is saying, "Come on board!" As young people, we can help Plan make sure it runs its programmes in the best possible way. And once Plan has shown that it values our voices, we hope that others – including schools, governments, communities and even families – will follow suit."

© Plan / Gina Nemirofsky

Plan International Worldwide Combined Financial Statements

for the year ended 30 June 2013

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 and voting member of PI Inc

The year ended 30 June 2013 is referred to as 2013 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 2013.

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 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 (UBR), 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 partners directly with communities 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 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 manages the allocation, distribution and use of funds raised by Plan National Organisations (NOs), 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. Plan USA also acquired a subsidiary operation, CEDPA Nigeria in 2012, as a result of acquiring its parent operation, CEDPA. This had an immaterial impact on Plan USA's net income. 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. As members, the NOs together fully control PI Inc. Each NO has agreed to comply with the standards of operation set out in the By-laws of PI Inc.

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, coordinated through 4 regional offices. PI Inc registered a fundraising entity in Italy, Plan Italia Onlus, during 2012 with operations commencing from 1 July 2012. Plan's International Headquarters is located in the United Kingdom. Plan has four advocacy liaison offices. These include an office in New York, to liaise with the United Nations delegations, an office in Brussels operating as Plan Europe to liaise with the European Union, an office in Geneva to liaise with the United Nations and an office in Ethiopia to liaise with the African Union.

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. The Members' Assembly also elects the Board of PI Inc and ratifies the appointment of the Chief Executive Officer of PI Inc. The Members' Assembly consists of one or more delegates from NOs. Each 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. In June 2011, the Members' Assembly approved the Global Strategy to 2015 and in June 2012 the Members' Assembly approved a business operating model reform programme required to implement the Global Strategy. The Global Strategy is available on Plan's website **www.plan-international.org**.

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 whom 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 2013 there were 11 directors on the International Board including seven directors who sit on the Board of an NO, three directors who are independent from Plan and come from developing countries and one further director who is 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 experiences 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 completion of 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.

During 2013, the Board placed significant emphasis on oversight of a Business Operating Model reform programme which was approved in 2012, maintaining Plan's focus on strengthening programme quality and ensuring Plan effectively manages financial risks in a challenging economic climate. The Board oversaw a global audit tender which resulted in the incumbent audit firm, PwC, retaining the global audit and expanding its scope. The Board and Members' Assembly Chair, attended a workshop on youth participation in governance and decision making in May 2013, with members of a Youth Steering Group. The output, a draft strategy for youth participation in governance, was presented to the Members' Assembly in June 2013 and its recommendations accepted, which included Steering Group members attending the Members' Assembly as observers from November 2013.

The International Board of Directors as at 30 June 2013 comprised:

Ellen Margrethe Løj – Chair of the Members' Assembly and International Board. With a distinguished career as a diplomat, Ellen has worked within the UN and the Danish government, including representing her country in the Security Council and the EU. Ellen served as the Special Representative of the Secretary-General of the United Nations Mission and Coordinator of United Nations Operations in Liberia from 2008 to 2012. She is also a Board member of Plan Denmark.

Dorota Keverian – Vice Chair of the International Board. Dorota has extensive international experience in talent management, organisational change, strategy and performance improvement. She is currently a Director at William J. Clinton Foundation's Climate Initiative overseeing carbon capture, utilisation and storage projects in the US. Former Global Director of Consultant Human Resources, Boston Consulting Group. Former Arthur D Little Director and Vice President, responsible for Global Oil Practice P&L and people development. She is also a Board member and Chair of Plan USA.

Martin Hoyos – Treasurer of the International Board. 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 in 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 two listed companies in Holland and Germany.

Mayu Avila – Mayu has long standing experience within the private sector, mostly within banking and insurance, at the highest management and governance level. Her additional knowledge of the public sector comes from serving in several roles, including in 1999 being the first woman to be designated Minister of Foreign Affairs of El Salvador. She has extensive experience of NGO Boards, in both El Salvador and the Americas region. She taught at two Universities in El Salvador and at conferences at Business Schools. She has a private sector award of La Palma de Oro for maximum life time achievement. Mayu is currently Corporate Sustainability Head for HSBC Latin America.

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. He is also a Board member 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 and the Foundation in Germany.

Assefa Bequele – Assefa's professional experience includes university teaching in the United States and Ethiopia, and a long service of over 27 years in the International Labour Office as Director in its headquarters in Geneva, Asia and Africa. Dr Bequele is currently a Distinguished Fellow at The African Child Policy Forum, a leading Pan-African policy centre committed to the promotion of child rights and child wellbeing in Africa.

Lydie Boka-Mene – Lydie is Manager of StrategiCo, which specialises in risk analysis in Africa and, 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. Lydie previously worked for 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.

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

Frans Roselaers – Frans was a director at the International Labour Office, working on human development issues, child rights, and especially child labour. He is also a Board member of Plan Netherlands.

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 also a Board member of Plan Hong Kong.

Mayu Avila, Assefa Bequele and Frans Roselaers were appointed to act as directors on 1st December 2012. In accordance with the By-laws, Peter Gross and Pierre Bardon retired from the International Board of Directors on 1st December 2012.

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 2013 are listed below:

International Senior Management

Director	Role
Nigel Chapman	Chief Executive Officer
Tjipke Bergsma	Deputy Chief Executive Officer
Ann Firth	Chief Financial Officer
Mark Banbury	Chief Information Officer and Acting Director of Human Resources
Tara Camm	General Counsel and Company Secretary
Gary Mitchell	Director of Global Assurance
Patty O'Hayer	Director of Global Communications
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
Ossi Heinänen	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
Tanya Barron	United Kingdom
Tessie San Martin	United States

Plan Italy is a fundraising office of PI Inc and Tiziana Fattori is the appointed National Director. The average number of members of key management during the year was 32, 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. This includes risk management that supports the achievement of Plan's mission and objectives and safeguards the donations received, 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 49 audits during 2013 covering either financial or other operational functions within PI Inc, as well as 6 follow up visits to test the effectiveness of controls implemented following an initial audit. 11 of the initial audits applied a holistic risk approach using a COSO framework, 7 applied a programme management audit process and 31 were specific functional audits. The audits completed during the year indicate that there is a small, but continuing, improvement in the level of control across the activities reviewed as compared to 2012, but that these improvements are not observed across all of Plan's field operations that were audited.

Plan's intent is to continue to raise the standard of its internal controls, applying operational procedures and standards more consistently and strengthening monitoring and reporting. The implementation of an integrated financial, grants and projects tracking system has started in PI Inc in 2013.

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 methodology. In 2013 the International Board revised the Risk Management Policy, which was adopted by all member National Organisations, as well as PI Inc, as a standard. 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 identifies, monitors and manages its own risks in accordance with the policy.

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 2013 included risks inherent in the nature and geography of Plan's operations: risks of a child protection incident, risks of fraud occurring and risks to the security of staff and operations. The other key operational and strategic risks managed during the year related to Plan's business operating model and implementing changes to it, which were agreed in principle by the Members' Assembly in 2012. This change programme is now expected to be a three year process. Since 2012, the risks of economic pressures in the Eurozone having an impact on the security of funds deposited with banks and on Plan's income sources have declined or been partially mitigated by Treasury management. Developments continue to be monitored.

8. Environmental reporting

Plan introduced environmental reporting in 2012, covering the direct operations of all field offices, International Headquarters and the National Organisations. Environmental Key Performance Indicators measured conform to the Global Reporting Initiative (GRI) for these areas, and have also been converted into carbon emission equivalents where relevant.

Plan expected to see higher emission equivalents arising in 2013 than in the previous year due to improvements in data quality. The increase in reported emissions in 2013 reflects a more accurate calculation of air travel distances based on points of departure and arrival rather than average long and short haul distances, the inclusion of more motorbikes in vehicle travel figures and improved access to data on electricity usage of rented properties. Noting these causes of variations from year to year, Plan's environmental impact based on this information is equivalent to an estimated 23,000 tonnes of carbon dioxide emissions per year, arising from the sources listed below:

Environmental impact in tonnes of Carbon Dioxide equivalent			
	FY12	**FY13**	**% change**
Air Travel	5,632	8,219	46%
Vehicle and train travel	5,325	7,887	48%
Electricity use	3,733	4,708	26%
Office Diesel use	2,132	2,147	1%
Natural gas use	209	406	94%
Total	**17,031**	**23,367**	**31%**

In addition to improvements in data quality, Plan's reported environmental impact has increased year on year driven by growth in operations, represented by 10% expenditure growth in FY13.

During 2014, Plan will develop an environmental strategy to manage the environmental impact of the operations of the Worldwide organisation and continue to improve data quality.

9. Financial overview

9a Summary

After surpluses since 2007, generated by both income and currency movements, Plan has afforded a deficit in 2013 of €25 million. This reflects a year of investment by PI Inc and by NOs and maintaining field programme budgets at planned levels, whilst donations from child sponsors were lower than projected. The International Board Directors revised the PI Inc reserves policy during the year and reserves levels remain sufficient to meet future operational needs and to fund the investments approved for 2014.

In 2013 Plan's Worldwide income increased by 7% compared to 2012. Total expenditure, including reserves funded expenditure, rose by 13% year on year, including currency impacts, and by 10% excluding foreign exchange gains and losses.

In the year to 30 June 2013 Plan raised income of €679 million, which was €45 million more than the previous year. Total expenditure was €704 million, which was €81 million more than 2012. Total currency impacts on year on year expenditure amounted to a cost of €11 million. This consisted of a €17 million year on year adverse variation in foreign exchange gains and losses and a €6 million positive effect from the depreciation of some non-Euro field country currencies. Excluding these currency effects, underlying expenditure grew by €70 million or 11%.

The Plan Worldwide deficit in the year of €25 million contrasts with the 2012 surplus of €11 million which was mainly attributable to a gain on foreign exchange. The 2013 deficit consists of a €7m net loss on foreign exchange, €6m planned use of reserves for investment, €3m provisions for legal and taxation costs, €3m spend of sponsorship funds committed to individual country programmes in 2012 and a further €6m net spend from reserves, mainly to maintain field programme budgets at planned levels.

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 2012 and 2013 was impacted by favourable exchange rates movements compared to the Euro.

54% of Plan's income is derived from regular giving through child sponsorship, which increased by 2% to €369 million in the year, due to the effects of currency appreciation against the Euro with a small underlying increase. Underlying child sponsorship income increased in some markets, with particularly strong growth in Germany, Norway, Korea and Hong Kong. This growth offsets decreases in the Netherlands and the USA. The growth in sponsorship income reflects the scale of Plan's donor base in Germany, two successive years of effective TV fundraising in Norway and expanding numbers of donors in relatively new markets in Asia.

Grants income grew by €31 million to €184 million in the year, with major increases in the USA, Canada, Sweden, the Netherlands and Finland. A large USAID award for a health programme in Uganda accounts for the major part of the USA increase. CIDA and the Global Fund accounted for the majority of the increase in Canadian income. The increases in grant income from Sweden and the Netherlands relate to new framework agreements which commenced in 2012.

Gifts in kind totalled €36 million in 2013, compared with €27 million in 2012 and are mainly attributable to food security programmes in partnership with the World Food Programme and to delivery of malaria bed nets funded by the Global Fund.

Other sources of income amounting to €90 million, were, in total, broadly in line with 2012. These include other contributions, including disaster and other appeals which decreased by €1 million to €83 million for the year. Investment income reduced by €1 million to €2 million, due to lower cash balances and lower interest rates, whilst trading income of €5 million was €2 million higher than 2012.

9c Expenditure

Total Plan Worldwide expenditure, before foreign exchange gains and losses, increased by €63 million compared to 2012, to €697 million. Total programme expenditure was €535 million, which was an increase of €47 million or 10% over 2012. 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.

In 2013 the regional profile of expenditure excluding foreign exchange gains and losses, reflects an ongoing trend to increase the proportion of programming in Africa. As in 2012, Africa accounts for the largest share of total programme and non-programme expenditure, representing 36% in 2013, compared to 34% in 2012. Expenditure in Asia, including NOs based in the region, represents 20% of total expenditure in 2013 compared to 22% in 2012. As in 2012, Central and South America accounted for 15% of total expenditure excluding net gains on foreign exchange. The remaining 29% of expenditure was incurred in Europe and North America.

Programme expenditure represents 77% of total expenditure, excluding foreign exchange gains and losses, the same proportion as in 2012. Programme expenditure is categorised into the distinct areas in which Plan works in accordance with Plan's programme framework as implemented in 2010. Fundraising and other operating costs represent 23%.

Expenditure on a Healthy start in life accounted for 21% or the largest share of programme expenditure in 2013. This programme area covers support to primary health care programmes, pre-school infrastructure and the Universal Birth Registration campaign as well as malaria prevention work and food security outside disaster programmes. Health expenditure of €114 million represents a 17% increase compared to 2012. The largest increases were in Guinea and Liberia relating to a Community Health project and to Global Fund anti-malaria programmes. Spending also increased on school and under five feeding programmes in Cambodia, El Salvador, Zimbabwe, Sierra Leone and Tanzania. A USAID funded primary health care programme in Northern Uganda also contributed to additional spending on this programme area in 2013.

Expenditure on sexual and reproductive health covers costs related to family planning, HIV/AIDS and sex education. This expenditure represents €16 million, or 3%, of total programme expenditure. It is over €1m or 11% higher than 2012, mainly due to increased expenditure in Tanzania and in Bolivia.

Education accounted for €88 million or 16% of programme expenditure in 2013, 11% higher than 2012. Education, and particularly girls education, is Plan's second largest programme area and a focus for Plan. Education expenditure increased by €4 million in the NOs and by the same amount in Field operations, reflecting this Plan-wide focus. Plan's Because I am a Girl campaign, has contributed to girls education programmes and the campaign itself has included development education in NO countries, particularly in the Netherlands, the UK, Spain and Finland.

Water and sanitation programmes of €45 million represent 9% of programme expenditure, a 3% decrease, compared to 2012. This follows increases in 2012, primarily in Burkina Faso for family latrines and boreholes and in Pakistan on programmes in flood affected areas, which have largely wound down in 2013.

Economic security which covers costs relating to youth employment, family livelihoods and savings schemes and some food distribution, increased by 7% over 2012 and represents €42 million or 8% of programme expenditure. Increased food distribution in Sierra Leone and programmes in Indonesia and Benin contributed most of the growth.

Programmes to protect children from exploitation, neglect, abuse and violence represent €38 million or 7% of total programme costs. These costs increased by 35% or €10 million compared to 2012. Expenditure in this programme area covers training of children in human rights as well as capacity building at local and national level. This effort is increasing in many countries, although a major programme in Colombia accounts for more than half the year on year growth.

Spending on participation programmes amounted to €69 million or 13% of programme expenditure. 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 on this programme area decreased by 3% compared to 2012, which included increased expenditure on the Because I am a Girl campaign ahead of the global launch in October 2012.

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 programmes accounted for €70 million or 13% of total programme expenditure, an 18% increase on 2012. Major programmes to address the impacts of the food crises and drought in the Sahel and Horn of Africa continued through Plan operations in Ethiopia, Mali, Niger and Burkina Faso.

Sponsorship communications comprises costs associated with communication between sponsors and sponsored children and represent 10% of programme expenditure. These costs have increased by 2% globally to €53 million.

Fundraising costs increased by 13% compared to the previous year, to €102 million and by 11% excluding the impact of investment from reserves and payments by Plan Germany to Hilfe Mit Plan in both 2012 and 2013, described in note 13 to the financial statements. Fundraising costs increased in most NOs, as organisations work to attract new child sponsors as well as donors to Because I am a Girl programmes.

Other operating costs of €55 million represent an increase of €2 million over the previous year, and €1 million excluding investment from reserve funds in a business operating model reform programme. Trading activities including online shops and a film production entity, increased in 2013 but still represent less than 1% of income and expenditure in both years.

Losses on foreign exchange of €7 million in 2013 and gains of €11 million in 2012 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 2013 of €280 million, were €33 million lower than at 30 June 2012. This reflects a €25 million deficit for the year and an €8 million translation loss arising from the revaluation of non Euro net assets. The decrease in fund balances is represented by a €32 million decrease in cash and investments, a €9 million increase in fixed assets and a net €10 million decrease in other net assets.

Of the €280 million reserves at 30 June 2013, €42 million is represented by property, plant, equipment and intangibles and €16 million is permanently restricted. The remaining €222 million cash reserves globally includes €120 million of donations designated for specific projects by donors and funds received from sponsors in advance.

Fund balances held in the NOs account for €121 million of total reserves, whilst PI Inc holds the balance of €159 million. PI Inc reserves are in line with the reserves policy set by the International Board (explained in note 1f to the combined financial statements), which takes into account the average reserve balances over a year and consequently the differences in the timing of cash inflows and outflows. The reserves balance includes the €6m balance on a fund designated in 2012 for investments in programme development, fundraising and a business operating model reform programme. These investments are projected to take place in 2014.

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

Ellen Marg. Løj

Ellen Margrethe Løj
Chair
6 November 2013

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

We have audited the accompanying combined 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 2013, 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 information.

Directors’ responsibilities for the combined 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, for determining that the basis of presentation is acceptable in the circumstances and for such internal control as management determines is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 2013, 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.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we draw attention to the fact that, as described in note 1 to the combined financial statements, the entities included in the combined financial statements have not operated as a single entity during the year.

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

PricewaterhouseCoopers LLP
Chartered Accountants
London
United Kingdom
6 November 2013

Combined income statement

for the year ended 30 June

	Note	2013 €000	2012 €000
Income			
Child sponsorship income	2a	**368,613**	362,996
Grants	2a	**184,347**	153,219
Gifts in kind	2a	**35,554**	27,088
Other contributions	2a	**83,071**	84,553
Investment income	2a	**1,794**	2,975
Trading income	2a	**5,394**	2,997
Total income	2a,b	**678,773**	633,828
Expenditure			
Programme expenditure	3a	**534,846**	487,545
Fundraising costs	3a	**102,481**	90,927
Other operating costs	3a	**54,841**	52,607
Trading expenditure	3a	**5,004**	2,934
Total expenditure before foreign exchange		**697,172**	634,013
Net losses/(gains) on foreign exchange	3a	**6,545**	(10,867)
Total expenditure	3a,b,c	**703,717**	623,146
(Deficit)/excess of income over expenditure		**(24,944)**	10,682

Combined statement of comprehensive income and expenditure

for the year ended 30 June

	Note	2013 €000	2012 €000
(Deficit)/excess of income over expenditure		**(24,944)**	10,682
Other comprehensive income and expenditure			
Unrealised gain /(losses) on investments available for sale		**497**	(244)
Exchange rate movements		**(7,812)**	11,313
Total comprehensive income and expenditure	6	**(32,259)**	21,751

There is no corporation taxation arising on the items set out above as explained in note 1p. to these financial statements. The notes on pages 15 to 39 form part of these financial statements.

Combined statement of financial position

at 30 June

	Note	2013 €000	2012 €000
Current assets			
Cash and cash equivalents	7b,e	**247,550**	280,265
Investments available for sale	7b,e	**17,303**	18,229
Investments held to maturity	7b,e	**141**	2,292
Receivables and advances	7h	**29,507**	31,541
Prepaid expenses		**10,011**	7,001
Inventory	8	**2,809**	2,646
		307,321	341,974
Non-current assets			
Investments available for sale	7b,e	**7,157**	3,727
Investments held to maturity	7b,e	**30**	30
Other financial assets – interests in trusts	7f	**936**	807
Property, plant and equipment	9	**27,559**	22,034
Intangible assets	9	**14,908**	11,225
Other receivables	7h	**932**	1,207
		51,522	39,030
Total assets		**358,843**	381,004
Current liabilities			
Bank overdrafts	7c	**345**	440
Accounts payable	7g	**17,860**	15,426
Accrued expenses	7g	**34,535**	29,843
Accrued termination benefits		**488**	464
		53,228	46,173
Non-current liabilities			
Accrued termination benefits		**20,286**	20,271
Pension obligations	10	**1,464**	506
Provisions for other liabilities and charges	11	**3,517**	1,447
		25,267	22,224
Total liabilities		**78,495**	68,397
Fund balances			
Unrestricted fund balances	6	**144,771**	169,260
Temporarily restricted fund balances	6	**119,841**	128,582
Permanently restricted fund balances	6	**15,736**	14,765
	6	**280,348**	312,607
Total liabilities and fund balances		**358,843**	381,004

The notes on pages 15 to 39 form part of these financial statements.

The financial statements on pages 11 to 39 have been approved by the Board of Directors of Plan International, Inc. and were signed on behalf of the Board on 6 November 2013.

Ellen Marg. Løj

Ellen Margrethe Løj
Chair

Hoyos

Martin Hoyos
Director

Combined statement of cash flows

for the year ended 30 June

	Note	2013 €000	2012 €000
Cash flows from operating activities			
(Deficit)/excess of income over expenditure		**(24,944)**	10,682
Depreciation and amortisation	9	**9,972**	9,053
Gain on sale of property, plant and equipment		**(64)**	(116)
Investment income	2a	**(1,794)**	(2,975)
(Increase) in receivables		**(863)**	(8,661)
(Increase)/decrease in inventory		**(163)**	8,305
Increase in payables		**10,991**	9,744
Effects of exchange rate changes		**6,410**	(3,956)
Net cash (outflow)/inflow from operating activities		**(455)**	22,076
Cash flows from investing activities			
Investment income received		**1,661**	3,136
Sale of investments available for sale		**6,558**	16,289
Purchase of investments available for sale		**(9,788)**	(8,090)
Sale of investments held to maturity		**1,545**	-
Purchase of investments held to maturity		**(101)**	(330)
Sale of property, plant and equipment		**412**	408
Purchase of property, plant and equipment	9	**(13,307)**	(10,404)
Purchase of intangible assets	9	**(7,088)**	(5,670)
Net cash (outflow) from investing activities		**(20,108)**	(4,661)
(Decrease)/increase in cash and cash equivalents		**(20,563)**	17,415
Effect of exchange rate changes		**(12,057)**	17,053
Net (decrease)/increase in cash and cash equivalents		**(32,620)**	34,468
Cash and cash equivalents at beginning of year		**279,825**	245,357
Cash and cash equivalents at end of year		**247,205**	279,825
Cash and cash equivalents at end of year comprise:			
Cash and cash equivalents		**247,550**	280,265
Bank overdrafts		**(345)**	(440)
		247,205	279,825

Combined statement of changes in fund balances

	Unrestricted	Temporarily restricted	Permanently restricted	**Total**
	€000	€000	€000	**€000**
Fund balances at 1 July 2011	164,021	115,266	11,569	**290,856**
Excess of income over expenditure	1,989	6,977	1,716	**10,682**
Unrealised gains on investments available for sale	(244)	-	-	**(244)**
Exchange rate movements	3,494	6,339	1,480	**11,313**
Total excess of comprehensive income over expenditure	**5,239**	**13,316**	**3,196**	**21,751**
Fund balances at 1 July 2012	**169,260**	**128,582**	**14,765**	**312,607**
Deficit of income over expenditure	(21,509)	(5,748)	2,313	**(24,944)**
Unrealised losses on investments available for sale	497	-	-	**497**
Exchange rate movements	(3,477)	(2,993)	(1,342)	**(7,812)**
Total (deficit)/excess of comprehensive income over expenditure	**(24,489)**	**(8,741)**	**971**	**(32,259)**
Fund balances at 30 June 2013	**144,771**	**119,841**	**15,736**	**280,348**

The notes on pages 15 to 39 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 with two exceptions. These are that these financial statements have been prepared on a combined basis and that as explained in note 1c, the fund balances of entities combined for the first time are included in the combined financial statements.

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 2012.

The Amendment and Interpretation of existing standards, Annual improvements 2011, has been adopted in Plan's combined financial statements for the year ended 30 June 2013, but has not had an impact.

The following Standards and amendments to existing standards will be adopted in Plan's combined financial statements for the year ending 30 June 2014 or later years. The impact is being assessed.

- IFRS 9, Financial Instruments
- Additions to IFRS 9 for Financial Liability Accounting
- IAS 32 Financial instruments: Presentation
- Amendments to IAS 32
- Amendment to IFRS 7, Financial instruments: Disclosures
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Interests in Other Entities
- Amendments to IFRS 10, 11 and 12, Transition guidance
- IAS 19 Revised, Employee benefits
- IAS 27 Revised, Separate financial statements
- IAS 28 Revised, Associates and joint ventures
- IFRS 13, Fair Value Measurement
- IFRIC 21, Levies
- Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36).

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). The businesses included in the combined financial statements have not operated as a single entity. 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. There is typically no consideration paid by Plan and entities financial results and assets and liabilities are combined into these financial statements on becoming Members. Bringing their consolidated assets and liabilities into the combined financial statements 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). During 2012 Plan Italia Onlus commenced operations as a subsidiary of PI Inc and is on the pathway to becoming a Member and NO of PI Inc. All transactions and balances between entities included in the combined financial statements are eliminated.

d. Accounting for income

i) Child sponsorship contributions represent 54% of Plan's income. In general, these contributions are paid by sponsors 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 using the cost of the equivalent goods or services in the country of the ultimate beneficiary, which appropriately reflects the underlying value of Plan's work to the beneficiaries.

v) Trading income is recognised at point of sale.

vi) 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, as well as realised gains and losses on the sale of investments. Interest income on debt securities is measured using the effective interest method.

vii) 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.

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.

Accounting reserves arise from the accounting treatment for certain assets and liabilities, specifically the net investment of funds in property, plant and equipment and intangible assets and the unrealised gains/ (losses) on investments available for sale.

A prefinancing reserve is held by PI Inc for liquidity purposes, equivalent to one month's average expenditure of designated funds (excluding Gifts in Kind).

Funds which are available for future expenditure include:

- the operating reserves of the National Organisations
- the child sponsorship and unrestricted funding working capital reserve in PI Inc, which is held for liquidity purposes and is equivalent to the higher of one month's average expenditure of child sponsorship and unrestricted funding and funds received by PI Inc from National Organisations awaiting designation
- the contingency reserve in PI Inc which is also equivalent to one month's average expenditure of child sponsorship and unrestricted funding
- free reserves, meaning funds in excess of the total reserves target level which comprises the sum of the specific reserves. Free reserves include an investment reserve for fundraising, programme development and organisational change which at 30 June 2012 was €12m and at 30 June 2013 was €6m.

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, which was revised by the International Board in June 2013. The changes made to the reserves policy for PI Inc were to:

- reduce the prefinancing reserve from three months' designated funding expenditure to one
- merge the working capital for disasters with other programme, fundraising and operating working capital
- set a target level for reserves, being the sum of specific PI Inc reserves described above, excluding free reserves
- provide for free reserves, being amounts in excess of the total target level for reserves, to be held and utilised for investment in programme development, fundraising and organisational change.

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. Lease incentives are recognised on a straight line basis over the life of the lease.

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 or to a payment on resignation either under local statute or their employment contract. The amount accrued is calculated separately for each country in which Plan operates applying the relevant local conditions, the salaries and length of service of individual employees and, where relevant, the probability of departure under each circumstance. Termination payments or statutory payments on resignation and the change in the net liability are charged to expenditure in the year.

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. Pension obligations (and costs) are measured using the projected unit credit method. 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. Unrealised gains or losses on forward foreign exchange contracts are recognised in income and expenditure.

p. Taxation

As a registered Not for Profit Corporation, PI Inc has no liability for corporation 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. The independent National Organisations are exempt from corporation taxation.

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 payments when their employment with Plan ceases, 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

	2013 €000	2012 €000
Child sponsorship income	**368,613**	362,996
Grants	**184,347**	153,219
Gifts in kind	**35,554**	27,088
Bequests	**4,999**	3,488
Project sponsorship and appeals	**78,072**	81,065
Other contributions	**83,071**	84,553
Interest and dividend income	**1,731**	2,614
Gain on sale of investments	**63**	361
Investment income	**1,794**	2,975
Trading income	**5,394**	2,997
Total income	**678,773**	633,828

b. Income by location

	2013 €000	2012 €000
Belgium	**12,754**	12,324
Denmark	**6,105**	6,301
Finland	**16,330**	13,737
France	**12,344**	12,906
Germany	**117,527**	113,026
Ireland	**9,008**	8,421
Italy	**600**	420
Netherlands	**47,911**	47,889
Norway	**53,324**	50,934
Spain	**12,592**	13,125
Sweden	**35,224**	33,682
Switzerland	**4,258**	2,652
United Kingdom	**65,184**	64,665
Europe	**393,161**	380,082
Canada	**130,538**	111,388
Colombia	**8,987**	7,387
United States	**58,774**	44,574
Americas	**198,299**	163,349
Australia	**41,220**	38,238
Hong Kong	**4,294**	3,134
India	**3,465**	2,695
Japan	**26,662**	29,389
Korea	**8,826**	7,720
Asia	**84,467**	81,176
Other	**5,549**	10,257
Intragroup elimination	**(8,097)**	(4,033)
	673,379	630,831
Trading income	**5,394**	2,997
Total income	**678,773**	633,828

3. Expenditure

a. Expenditure by programme area

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2013 €000
Early childhood care and development	**5,257**	**105,857**	**2,517**	**-**	**113,631**
Sexual and reproductive health	**2,446**	**13,455**	**302**	**-**	**16,203**
Education	**8,890**	**75,864**	**2,801**	**-**	**87,555**
Water and sanitation	**1,921**	**42,418**	**1,078**	**-**	**45,417**
Economic security	**2,993**	**37,405**	**1,200**	**-**	**41,598**
Protection	**5,635**	**31,152**	**1,192**	**-**	**37,979**
Participate as citizens	**7,867**	**56,817**	**4,203**	**-**	**68,887**
Disaster risk management	**3,290**	**63,390**	**3,403**	**-**	**70,083**
Sponsorship communications	**14,778**	**35,825**	**2,890**	**-**	**53,493**
Programme expenditure	**53,077**	**462,183**	**19,586**	**-**	**534,846**
Fundraising costs	**95,496**	**6,098**	**7,071**	**(6,184)**	**102,481**
Other operating costs	**45,167**	**-**	**11,541**	**(1,867)**	**54,841**
	193,740	**468,281**	**38,198**	**(8,051)**	**692,168**
Trading expenditure	**5,004**	**-**	**-**	**-**	**5,004**
Total expenditure before foreign exchange	**198,744**	**468,281**	**38,198**	**(8,051)**	**697,172**
Net losses on foreign exchange	**-**	**-**	**-**	**6,545**	**6,545**
Total expenditure	**198,744**	**468,281**	**38,198**	**(1,506)**	**703,717**

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2012 €000
Early childhood care and development	1,959	92,948	1,907	-	96,814
Sexual and reproductive health	1,711	12,587	318	-	14,616
Education	4,208	72,594	2,312	-	79,114
Water and sanitation	1,850	44,069	1,152	-	47,071
Economic security	2,128	35,706	1,007	-	38,841
Protection	4,524	22,585	1,108	-	28,217
Participate as citizens	16,036	51,519	3,426	-	70,981
Disaster risk management	3,537	53,991	2,118	-	59,646
Sponsorship communications	14,181	35,388	2,676	-	52,245
Programme expenditure	50,134	421,387	16,024	-	487,545
Fundraising costs	86,156	4,321	2,752	(2,302)	90,927
Other operating costs	43,382	-	10,955	(1,730)	52,607
	179,672	425,708	29,731	(4,032)	631,079
Trading expenditure	2,934	-	-	-	2,934
Total expenditure before foreign exchange	182,606	425,708	29,731	(4,032)	634,013
Net gains on foreign exchange	-	-	-	(10,867)	(10,867)
Total expenditure	182,606	425,708	29,731	(14,899)	623,146

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

Early childhood care and development: 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: youth employment and livelihoods, 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.

3b. Expenditure by location

Expenditure in note 3b excludes net gains and losses on foreign exchange.

(i) National Organisations

	2013	2012
	€000	€000
Belgium	**4,393**	4,383
Denmark	**3,002**	2,189
Finland	**5,835**	5,838
France	**3,807**	3,703
Germany	**27,663**	27,567
Ireland	**1,909**	1,706
Italy	**608**	89
Netherlands	**16,462**	16,715
Norway	**11,953**	10,692
Spain	**4,736**	5,629
Sweden	**9,605**	8,206
Switzerland	**1,439**	1,076
United Kingdom	**18,038**	17,912
Europe	**109,450**	105,705
Canada	**33,655**	28,773
Colombia	**967**	742
United States	**20,084**	17,176
Americas	**54,706**	46,691
Australia	**16,726**	14,475
Hong Kong	**1,795**	1,857
India	**1,174**	897
Japan	**7,412**	8,161
Korea	**2,477**	1,886
Asia	**29,584**	27,276
Trading expenditure	**5,004**	2,934
Total National Organisation expenditure	**198,744**	182,606

(ii) Field

	2013 €000	2012 €000
Bangladesh	**11,928**	10,130
Cambodia	**11,296**	8,008
China	**5,237**	4,565
India	**12,454**	13,233
Indonesia	**9,276**	9,010
Laos	**2,722**	2,296
Myanmar	**733**	171
Nepal	**7,336**	7,734
Pakistan	**13,188**	22,226
Philippines	**10,665**	11,494
Sri Lanka	**3,550**	4,004
Thailand	**3,220**	2,323
Timor Leste	**2,172**	1,615
Vietnam	**10,598**	9,416
Bangkok regional office	**4,033**	3,358
Asia	**108,408**	109,583
Bolivia	**11,946**	9,840
Brazil	**4,317**	4,100
Colombia	**20,046**	14,055
Dominican Republic	**4,567**	5,112
Ecuador	**7,990**	9,370
El Salvador	**10,324**	9,893
Guatemala	**8,541**	8,389
Haiti	**10,323**	10,326
Honduras	**5,998**	5,483
Nicaragua	**5,361**	4,867
Paraguay	**4,065**	3,836
Peru	**5,444**	5,340
Panama regional office	**4,761**	3,334
Central and South America	**103,683**	93,945
Albania	**366**	-
Egypt	**5,929**	6,810
Ethiopia	**15,276**	9,846
Kenya	**15,701**	15,253
Malawi	**6,082**	5,735
Mozambique	**3,158**	2,111
Rwanda	**5,962**	4,301
Sudan	**7,768**	7,692
South Sudan	**7,652**	7,410
Tanzania	**8,946**	6,010
Uganda	**14,392**	9,508
Zambia	**7,646**	6,186
Zimbabwe	**18,451**	15,243
Nairobi regional office	**5,937**	4,730
Eastern and Southern Africa	**123,266**	100,835
Benin	**9,746**	8,337
Burkina Faso	**15,908**	17,726
Cameroon	**6,432**	8,471
Ghana	**10,435**	9,404
Guinea	**11,715**	8,447
Guinea Bissau	**4,161**	3,632
Liberia	**10,943**	5,087
Mali	**9,769**	7,228
Niger	**11,290**	4,222
Nigeria	**577**	-
Senegal	**9,800**	8,281
Sierra Leone	**16,760**	13,001
Togo	**7,295**	18,602
Dakar regional office	**4,778**	5,024
West Africa	**129,609**	117,462
Interact worldwide expenditure	**3,315**	3,883
Total field expenditure	**468,281**	425,708

3c. Expenditure by type

	Note	2013 €000	2012 €000
Project payments		**219,364**	215,650
Employee salary costs	4	**182,828**	163,473
Other staff costs		**30,464**	24,211
Consultants and other professional costs		**47,402**	44,178
Marketing and media		**73,483**	60,359
Travel and meetings		**52,666**	46,110
Communications		**15,373**	13,909
Rent and related costs		**20,437**	18,224
Depreciation and amortisation	9	**9,972**	9,053
Supplies, vehicles and other costs		**45,183**	38,846
Net losses/(gains) on foreign exchange		**6,545**	(10,867)
Total expenditure		**703,717**	623,146

4. Employee information

	Average number of employees		**Salary costs**	
	2013 Number	2012 Number	**2013 €000**	2012 €000
Field	**8,529**	8,079	**108,804**	98,620
National Organisations	**1,192**	1,103	**60,658**	54,734
International Headquarters	**187**	148	**13,366**	10,119
	9,908	9,330	**182,828**	163,473

5. Remuneration of key management

Remuneration of key management is determined by NO and PI Inc salary policies which apply pay scales in accordance with norms locally or with sector norms for staff based outside their home country. Staff based outside their home country, also receive additional living allowances and benefits, related to their overseas posting. Salary levels of National Directors are not comparable due to the different sizes of operations and varying cost of living.

The average number of people designated as key management of Plan, including the 20 NOs (2012: 20 NOs), for the year ended 30 June 2013 was 43 (2012: 43). This includes the members of the International Board, who do not receive any remuneration for their services to PI Inc. The remuneration payable to other members of key management was as follows:

	2013	2012
	€000	€000
Salaries and short-term employee benefits	**4,497**	4,375
Post-employment benefits	**368**	417
Termination benefits	**30**	49
	4,895	4,841

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

The table below shows the number of key management with remuneration, excluding post employment and termination benefits, falling in the following ranges:

		Year to 30 June 2013	Year to 30 June 2012
		Number	Number
Up to	€100,000	**4**	5
€100,001 -	€125,000	**11**	11
€125,001	€150,000	**7**	7
€150,001 -	€175,000	**2**	2
€175,001 -	€200,000	**3**	2
€200,001 -	€225,000	**3**	3
€225,001 -	€250,000	**2**	2

6. Fund balances

	30 June 2012 €000	Additions/ (reductions) €000	Translation differences €000	**30 June 2013 €000**
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	33,259	8,271	937	**42,467**
Unrealised gains/(losses) on investments available for sale	1,071	497	(37)	**1,531**
Funds allocated to future expenditure	103,302	(20,187)	(4,377)	**78,738**
Grants prefinancing reserve	31,628	(9,593)	-	**22,035**
Total unrestricted fund balances	169,260	(21,012)	(3,477)	**144,771**
Temporarily restricted fund balances				
Advance payments by sponsors	16,359	(1,783)	(835)	**13,741**
Donor-restricted contributions not yet spent	98,432	(19,009)	(1,601)	**77,822**
Other restricted funds	13,791	15,044	(557)	**28,278**
Total temporarily restricted fund balances	128,582	(5,748)	(2,993)	**119,841**
Permanently restricted fund balances				
Donor-restricted fund balances	12,132	2,008	(603)	**13,537**
Statutory fund balances	2,633	305	(739)	**2,199**
Total permanently restricted fund balances	14,765	2,313	(1,342)	**15,736**
Total fund balances	312,607	(24,447)	(7,812)	**280,348**
Cumulative foreign exchange differences included within fund balances	11,132	-	(7,812)	**3,320**

	30 June 2011 €000	Additions/ (reductions) €000	Translation differences €000	30 June 2012 €000
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	25,430	6,675	1,154	33,259
Unrealised gains on investments available for sale	1,157	(244)	158	1,071
Funds allocated to future expenditure	114,707	(13,587)	2,182	103,302
Grants prefinancing reserve	22,727	8,901	-	31,628
Total unrestricted fund balances	164,021	1,745	3,494	169,260
Temporarily restricted fund balances				
Advance payments by sponsors	15,644	(220)	935	16,359
Donor-restricted contributions not yet spent	87,449	6,742	4,241	98,432
Other restricted funds	12,173	455	1,163	13,791
Total temporarily restricted fund balances	115,266	6,977	6,339	128,582
Permanently restricted fund balances				
Donor-restricted fund balances	9,318	1,616	1,198	12,132
Statutory fund balances	2,251	100	282	2,633
Total permanently restricted fund balances	11,569	1,716	1,480	14,765
Total fund balances	290,856	10,438	11,313	312,607
Cumulative foreign exchange differences included within fund balances	(181)	-	11,313	11,132

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 cover around one third 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 2013 there were no open forward contracts as the hedges in respect of the year to 30 June 2014, were put in place during July 2013. At 30 June 2012 the open forward contracts had settlement dates of up to 12 months. The amounts purchased under these contracts were:

	2013	2012
	€000	€000
Purchase of :		
United States dollar	-	(17,992)
Kenya shilling	-	(11,350)
Vietnam dong	-	(7,004)
Tanzania shilling	-	(5,532)
India rupee	-	(5,460)
Philippine peso	-	(5,032)
Ghana cedi	-	(4,933)
Indonesia rupiah	-	(4,928)
Egypt pound	-	(4,451)
Thai baht	-	(3,318)
Colombia peso	-	(2,760)
China yuan	-	(2,621)
Peru nuevo sol	-	(2,293)
Brazil real	-	(2,221)
Mozambique new metical	-	(1,386)
	-	(81,281)

Valuing these contracts using appropriate forward rates of exchange at the balance sheet date showed a net unrealised gain of €0.1 million at 30 June 2012. The forward foreign exchange contracts are included in the combined financial statements at fair value. At 30 June 2013, 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 €5 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 6 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 €0.7 million (2012: €0.7 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 1 year in the year to 30 June 2013 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 2013, 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 2013 would have been €1.3 million (2012: €1.4 million) higher/lower. Cash and investments are held in many currencies and yields in the year to 30 June 2013 ranged from 0.02% to 9.00% (2012: from 0.001% to 6.00%).

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 2013 €000**
Cash and cash equivalents	247,550	-	-	**247,550**
Current asset investments available for sale	4,578	-	-	**4,578**
Current asset investments held to maturity	141	-	-	**141**
Non current asset investments available for sale	-	2,828	2,941	**5,769**
Non current asset investments held to maturity	-	-	-	**-**
Total at 30 June 2013	**252,269**	**2,828**	**2,941**	**258,038**

	0 – 1 year €000	1 – 3 years €000	Over 3 years €000	30 June 2012 €000
Cash and cash equivalents	280,265	-	-	280,265
Current asset investments available for sale	1,608	274	3,478	5,360
Current asset investments held to maturity	2,292	-	-	2,292
Non current asset investments available for sale	-	2,987	-	2,987
Non current asset investments held to maturity	-	-	-	-
Total at 30 June 2012	**284,165**	**3,261**	**3,478**	**290,904**

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 €0.1 million (2012: €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 2013 was €288 million (2012: €321 million). The table below shows the combined cash balances held by PI Inc, its subsidiaries and the NOs with the five largest bank counterparties at the balance sheet date.

	30 June 2013		30 June 2012	
	Rating	**Balance €000**	Rating	Balance €000
Counterparty A	A1	34,972	A1	31,787
Counterparty B	A1	23,210	A1	33,100
Counterparty C	A1	21,924	A1	21,992
Counterparty D	A1	18,035	A1	13,504
Counterparty E	A1	10,478	A1	4,839

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

	Bank deposits & cash €000	Debt securities €000	Equities €000	**30 June 2013 €000**
Rated A or better				
Cash and cash equivalents	228,899	-	-	**228,899**
Current asset investments available for sale	-	4,578	100	**4,678**
Current asset investments held to maturity	-	141	-	**141**
Non-current asset investments available for sale	-	5,769	-	**5,769**
Non-current asset investments held to maturity	-	-	30	**30**
Total rated A or better	**228,899**	**10,488**	**130**	**239,517**
Other				
Cash and cash equivalents	18,651	-	-	**18,651**
Current asset investments available for sale	-	-	12,625	**12,625**
Non-current asset investments available for sale	-	-	1,388	**1,388**
Total other	**18,651**	**-**	**14,013**	**32,664**
Total				
Cash and cash equivalents	247,550	-	-	**247,550**
Current asset investments available for sale	-	4,578	12,725	**17,303**
Current asset investments held to maturity	-	141	-	**141**
Non-current asset investments available for sale	-	5,769	1,388	**7,157**
Non-current asset investments held to maturity	-	-	30	**30**
Total cash and investments	**247,550**	**10,488**	**14,143**	**272,181**

	Bank deposits & cash €000	Debt securities €000	Equities €000	30 June 2012 €000
Rated A or better				
Cash and cash equivalents	261,531	-	-	261,531
Current asset investments available for sale	-	4,958	11,615	16,573
Current asset investments held to maturity	322	1,970	-	2,292
Non-current asset investments available for sale	-	2,987	-	2,987
Non-current asset investments held to maturity	-	-	30	30
Total rated A or better	261,853	9,915	11,645	283,413
Other				
Cash and cash equivalents	18,734	-	-	18,734
Current asset investments available for sale	-	402	1,254	1,656
Non-current asset investments available for sale	-	-	740	740
Total other	18,734	402	1,994	21,130
Total				
Cash and cash equivalents	280,265	-	-	280,265
Current asset investments available for sale	-	5,360	12,869	18,229
Current asset investments held to maturity	322	1,970	-	2,292
Non-current asset investments available for sale	-	2,987	740	3,727
Non-current asset investments held to maturity	-	-	30	30
Total cash and investments	280,587	10,317	13,639	304,543

c. Liquidity risk

Plan commits to expenditure only when funds are available and seeks to maintain minimum reserves as set out in note 1f. 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 €307 million are nearly 6 times larger than current liabilities of €53 million. Plan uses bank overdrafts to meet short term financing requirements. As at 30 June 2013, the aggregate value of these bank overdrafts was €0.3 million (2012: €0.4 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).

There have been no changes in valuation method and no transfers between levels.

The following table presents the financial instruments that are measured at fair value at 30 June 2013:

	Level 1 €000	Level 2 €000	Level 3 €000	**30 June 2013 €000**
Available for sale financial assets:				
- Current asset investments	17,303	-	-	**17,303**
- Non current asset investments	7,158	-	-	**7,158**
Total assets	**24,461**	**-**	**-**	**24,461**

The following table presents the financial instruments that are measured at fair value at 30 June 2012:

	Level 1 €000	Level 2 €000	Level 3 €000	30 June 2012 €000
Financial assets at fair value through income and expenditure:				
- Forward foreign exchange contracts	733	-	-	733
Available for sale financial assets:				
- Current asset investments	18,229	-	-	18,229
- Non current asset investments	3,727	-	-	3,727
Total assets	22,689	-	-	22,689
Financial liabilities at fair value through income and expenditure:				
- Forward foreign exchange contracts	(645)	-	-	(645)
Total liabilities	(645)	-	-	(645)

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 2013 was €0.2 million (2012: €2.3 million). In 2013 and 2012 there were no realised or unrealised gains or losses on investments held to maturity. On investments available for sale the unrealised gain was €1.6 million (2012: €1.1 million) and the realised gain was €0.4 million (€0.6 million). There were no unrealised losses and realised losses were €0.3 million (2012: nil unrealised loss and €0.3 million 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 2013 were held in the following currencies:

	Cash and cash equivalents	Current asset investments available for sale	Current asset investments held to maturity	Non current asset investments available for sale	Non current asset investments held to maturity	**Total**
	€000	€000	€000	€000	€000	**€000**
Euro	66,589	694	-	1	-	**67,284**
Canadian dollar	42,045	3,967	-	4,133	-	**50,145**
US dollar	26,816	12,366	-	689		**39,871**
Yen	14,240	-	-	2,334	-	**16,574**
Norwegian kroner	27,262	-	-	-	-	**27,262**
Swedish kronor	14,967	-	-	-	-	**14,967**
Australian dollar	6,702	-	141	-	-	**6,483**
Sterling	14,948	-	-	-	-	**14,948**
Other	33,981	276	-	-	30	**34,287**
	247,550	**17,303**	**141**	**7,157**	**30**	**272,181**

Cash and investments at 30 June 2012 were held in the following currencies:

	Cash and cash equivalents	Current asset investments available for sale	Current asset investments held to maturity	Non current asset investments available for sale	Non current asset investments held to maturity	Total
	€000	€000	€000	€000	€000	€000
Euro	68,672	697	-	1	-	69,370
Canadian dollar	16,387	3,774	-	-	-	20,161
US dollar	110,893	12,270	-	739	-	123,902
Yen	12,765	1,488	1,970	2,987	-	19,210
Norwegian kroner	13,104	-	-	-	-	13,104
Swedish kronor	3,014	-	-	-	-	3,014
Australian dollar	7,460	-	-	-	-	7,460
Sterling	19,238	-	-	-	-	19,238
Other	28,732	-	322	-	30	29,084
	280,265	18,229	2,292	3,727	30	304,543

There were no impairment provisions on available for sale financial assets in 2013 or 2012.

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 2013, the fair value of these interests amounted to €0.9 million (2012: €0.8 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	
	2013	2012	**2013**	2012
	€000	€000	**€000**	€000
US dollar	**6,945**	3,295	**-**	-
Euro	**4,627**	4,000	**54**	379
Sterling	**6,447**	9,790	**257**	-
Canadian dollar	**1,364**	764	**-**	-
Norwegian kroner	**1,635**	1,286	**-**	-
Swedish kroner	**897**	2,007	**-**	-
Other	**7,592**	10,399	**621**	828
	29,507	31,541	**932**	1,207

Receivables and advances are stated net of provisions amounting to €2.5 million (2012: €2.3 million).

8. Inventory

Inventory is as follows:

	2013	2011
	€000	€000
Inventory for trading activities	**342**	266
Inventory for distribution to beneficiaries	**2,467**	2,380
Total inventory	**2,809**	2,646

The inventory for distribution to beneficiaries mainly comprises gifts in kind received but not distributed to beneficiaries before 30 June.

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 2011	5,616	42,843	48,459	26,441	74,900
Additions	1,279	9,125	10,404	5,670	16,074
Disposals	(485)	(3,004)	(3,489)	(46)	(3,535)
Reclassifications	(491)	463	(28)	28	-
Exchange adjustments	457	1,012	1,469	1,977	3,446
30 June 2012	**6,376**	**50,439**	**56,815**	**34,070**	**90,885**
Current year movements					
Additions	2,971	10,336	13,307	7,088	20,395
Disposals	(283)	(3,783)	(4,066)	(593)	(4,659)
Reclassifications	-	-	-	-	-
Impairment	-	-	-	(93)	(93)
Exchange adjustments	(238)	(845)	(1,083)	(1,604)	(2,687)
30 June 2013	**8,826**	**56,147**	**64,973**	**38,868**	**103,841**
Accumulated depreciation and amortisation					
Prior year					
1 July 2011	2,622	28,016	30,638	18,832	49,470
Charge for the year	356	6,120	6,476	2,577	9,053
Disposals	(364)	(2,867)	(3,231)	(41)	(3,272)
Reclassifications	(214)	195	(19)	19	-
Exchange adjustments	199	718	917	1,458	2,375
30 June 2012	**2,599**	**32,182**	**34,781**	**22,845**	**57,626**
Current year movements					
Charge for the year	373	6,573	6,946	3,026	9,972
Disposals	(2)	(3,715)	(3,717)	(593)	(4,310)
Reclassifications	-	-	-	-	-
Exchange adjustments	(52)	(544)	(596)	(1,318)	(1,914)
30 June 2013	**2,918**	**34,496**	**37,414**	**23,960**	**61,374**
Net book value:					
30 June 2013	**5,908**	**21,651**	**27,559**	**14,908**	**42,467**
30 June 2012	3,777	18,257	22,034	11,225	33,259

Included in intangible assets is €5.6 million (2012: €4.5 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 €5.7million (2012: €4.1 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:

	2013	2012
	€000	€000
Current service cost	**780**	503
Interest cost	**417**	448
Return on scheme assets net of administration cost	**(362)**	(206)
Past service cost	**(13)**	(13)
Actuarial losses	**-**	1
Other	**(56)**	40
Total	**766**	773

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

	2013	2012
	€000	€000
At 1 July	**(506)**	(348)
Total expense	**(766)**	(773)
Contributions paid	**623**	580
Net actuarial loss	**(893)**	-
Payroll tax	**43**	37
Currency translation effect	**35**	(2)
At 30 June	**(1,464)**	(506)

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

	2013	2012
	€000	€000
At 1 July	**(12,842)**	(8,458)
Current service cost	**(780)**	(503)
Interest cost	**(417)**	(448)
Expected employee contributions	**(115)**	(116)
Actuarial gain/(loss)	**611**	(3,423)
Benefits paid	**164**	141
Curtailment	**118**	-
Currency translation effect	**100**	(35)
At 30 June	**(13,161)**	(12,842)

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

	2013	2012
	€000	€000
At 1 July	**11,495**	7,366
Expected return on plan assets	**362**	206
Actuarial (losses)/gains	**(503)**	3,419
Employer contributions	**623**	580
Employee contributions	**115**	123
Benefits paid	**(164)**	(141)
Management fees	**(88)**	(88)
Currency translation effect	**(72)**	30
At 30 June	**11,768**	11,495
Actual return on plan assets	**(228)**	3,537

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

	2013	2012
	€000	€000
Actuarial present value of defined benefit obligation	**(13,161)**	(12,842)
Plan assets at fair value	**11,768**	11,495
Fund deficit	**(1,393)**	(1,347)
Unrecognised prior service benefits	**-**	(60)
Unrecognised actuarial losses	**-**	901
Other	**(71)**	-
Total	**(1,464)**	(506)

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

	2013	2012
Weighted average assumed discount rate	**3.4%-3.9%**	3.2-3.8%
Weighted average expected long term return on plan assets	**3.2%-3.9%**	3.2-4.1%
Weighted average future salary increase	**2.95%-3.5%**	2.95-3.5%
Cost of living adjustments for pensions in payment	**1.4%-2%**	0-1.4%
Number of members	**388**	383

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 2014 are €0.7 million.

Historical information on the defined benefit pension plans is below:

	2013	2012	2011	2010	2009
	€000	€000	€000	€000	€000
Defined benefit obligation	**(13,161)**	(12,842)	(8,458)	(8,850)	(5,583)
Fair value of plan assets as at end of year	**11,768**	11,495	7,366	7,663	5,311
Fund deficit	**(1,393)**	(1,347)	(1,092)	(1,187)	(272)

11. Provisions for other liabilities and charges

Provisions for other liabilities and charges are as follows:

	2013 €000	2012 €000
Split interest trusts	**188**	204
Building lease incentive	**2,379**	1,018
Other	**950**	225
Total provisions for other liabilities and charges	**3,517**	1,447

	Split interest trust €000	Lease incentive €000	Other €000	Total €000
At 1 July 2012	204	1,018	225	1,447
Additional provisions	-	1,472	943	2,415
Used during the year	(11)	-	(213)	(224)
Currency translation effects	(5)	(111)	(5)	(121)
At 30 June 2013	**188**	**2,379**	**950**	**3,517**

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 property lease incentives that are 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 €5.5 million (2012: €4.8 million) in aggregate.

b. Capital commitments

Contracts for capital expenditure not provided in the financial statements amount to approximately €1.0 million (2012: €0.6 million).

c. Operating leases

Plan's combined rent expense for the year was €13.6 million (2012: €12.0 million). Plan has non-cancellable operating leases for buildings occupied by several NOs, PI Inc and Plan Ltd. Lease terms vary by location. Total future minimum operating lease payments under leases existing as at 30 June are as follows:

	At 30 June 2013			At 30 June 2012		
	Rent €000	Other operating leases €000	**Total €000**	Rent €000	Other operating leases €000	Total €000
Within one year	10,177	460	**10,637**	8,671	443	9,114
Between one and five years	23,945	1,064	**25,009**	19,919	1,224	21,143
After 5 years	14,032	20	**14,052**	8,977	38	9,015

13. Related parties

Hilfe mit Plan is an independent foundation, registered in Germany that administers a number of independent non-Plan trusts. As two of its directors are also on the Board of Plan Germany, Hilfe mit Plan is considered to be a related party of Plan Germany. During the year Plan Germany donated €2.7 million (2012: €5.8 million) to Hilfe mit Plan.

In 2012, Hilfe mit Plan purchased the building that was partly occupied by Plan Germany and completed its refurbishment in 2013. Rent income from Plan Germany, paid at market rates, is providing a steady source of income for Hilfe mit Plan. Space will also be rented to other organisations, particularly other non-governmental organisations, mainly through use of meeting and events facilities. Plan Germany has secured rent predictability and cost stability for future years through the arrangement. Plan Germany paid rentals of €0.1 million (2012: €0.2 million) to Hilfe mit Plan.

Plan Germany also received charitable donations of €1.5 million (2012: €1.2 million) from Hilfe mit Plan and its independent trusts for development programmes. There were no amounts owing to or from Hilfe mit Plan at 30 June 2013 or 30 June 2012.

Our offices

Programme Countries

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China
Colombia
Dominican Republic
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Egypt
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Ethiopia
Ghana
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Guinea-Bissau
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