Plan Worldwide Annual Review and Combined Financial Statements 2014

Plan

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This review sets out Plan's progress towards our vision and mission between July 2013 and June 2014.

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

Cover photo © Héctor Fabio Zamora / El Tiempo / Plan

A month after Typhoon Haiyan devastated their community in the Philippines, children enjoy a performance by Plan-partners Clowns Without Borders

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PLAN INTERNATIONAL IN 2014

GLOBAL INCOME:

€722 million

6% growth year-on-year

Sponsorship income €354 million

Grants income €232 million

GLOBAL SPEND:

€709 million

1% growth year-on-year

8,408 staff in 50 programme countries worked with

86,676 communities

Our work areas had a population of

164.9 million people

including

81.5 million children

We have partnerships with

3,878 national and local governments

1,110 non-governmental organisations

27,777 local community-based groups

We trained 859,450 people including

104,231 education workers

289,437 health workers

272,755 in child protection

135,762 in vocational and business skills

CHAIR'S INTRODUCTION

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I am pleased to enclose the Worldwide Annual Review and Combined Financial Statements for 2013-2014, in this my final year as Chair of the International Board and the Members' Assembly of Plan International.

A key focus of our attention over the past year has been the Business Operating Model change programme – designed to ensure all parts of Plan work together more efficiently, effectively and transparently. Making changes across such a large organisation is not straightforward and there have been many challenges along the way, but our commitment to making the changes to achieve better outcomes for children is as strong as ever, and we have made significant progress on different aspects of the change programme during the year.

Most notably, we have developed a new global brand, which will illustrate and underpin our One Plan approach. We look forward to launching this in 2015.

I am also pleased to report that members of the Plan family have reached important milestones. Fundación Plan in Colombia and Plan India both met the requirements to attain full management responsibility for their own programmes. The Members' Assembly also approved the development of new National Organisations in Thailand and Brazil – two countries with huge potential for fundraising as well as a great need for relevant programmes to reach the most marginalised children.

The contributions of two young people representing Plan's Global Youth Steering Committee at meetings of the Members' Assembly this year have been met with great support. It is planned that the young people will continue to attend meetings with full participation rights, as part of the organisation's priority to emphasise its accountability to children.

Finally, it is with some regret that I conclude my final introduction for the Annual Review. Having accepted the United Nations Secretary-General's request to lead the UN's peace-keeping mission in South Sudan, I am stepping down from my position as Plan's Chair. I have had the opportunity to work with so many talented individuals, and have been truly inspired by Plan's dedication and commitment to improving the lives of children. I am confident the organisation will continue to go from strength to strength and I will make a strong appeal for continued support for Plan and for the rights of children around the world.

Ellen Marg. Løj

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

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Ellen came to Plan International after serving four years in Liberia as the Special Representative of the Secretary-General of the United Nations Mission in Liberia and Coordinator of United Nations Operations. With a distinguished career as a diplomat, she has worked within the UN and the Danish government, including representing her country at the Security Council and the EU.

CHIEF EXECUTIVE OFFICER'S INTRODUCTION

© Plan / Steven Wright

Plan International's purpose is to help all children realise their full potential. In the past year, we have made good progress in implementing the 2011-2015 global strategy: One Plan, One Goal – Rights and Opportunities for Every Child.

At heart, this strategy addresses two priorities: using all the tools of a modern international non-governmental organisation to create change for children – including enhanced campaigning initiatives and humanitarian intervention – and attracting the resources to support and sustain this diversification.

The prize we strive for is as important as ever. Through our programmes millions of children are exposed to ideas and opportunities that can transform their lives. Supported by thousands of committed volunteers and staff, they are empowered to overcome poverty, violence and discrimination.

Despite progress towards the Millennium Development Goals, many children still do not realise their rights. The largest group of children missing out is girls. One of the most critical tasks of our Because I am a Girl campaign is ensuring girls enjoy their rights to a quality education. In June, Plan youth delegates joined a takeover of the African Union in Addis Ababa (see p11). They called upon governments to raise their domestic education spend, and partly as a result, world donors pledged more than €22 billion in additional funding for education. This is an example of global advocacy in action.

Disaster response is also a growing part of Plan's programmes. This year we responded to an unprecedented number of very serious emergencies. Typhoon Haiyan in the Philippines saw our largest ever response, while new resources helped us deal with mass displacement in South Sudan (see p15).

Improving programme quality and scaling up successful programmes are strategic priorities for Plan (see p9). In December, we established a team of Global Advisors to lead on programme standards and best practice. During the year, the Plan Academy – our blended training resource – helped over 500 staff learn more about our child-centred community development approach, which puts children's rights and their voices at the heart of our work to combat poverty.

Corporate partners play a growing role in our work. For example, with Accenture Development Partnerships the first steps have been taken to implement digital birth registration using mobile technology; the Banking on Change initiative with Barclays is helping our community savings groups projects reach more young people; and we partner with the Nike Foundation to promote the Girl Declaration and our joint effort to get girls on the post-2015 agenda.

Our grant funding has been increasing for a number of years. Diversification of funding is good for innovation and improves programme quality, but growth brings its own challenges. This year we have continued to implement our new Business Operating Model, including plans designed to improve how we recover all our costs from grant donors. This will ensure the right proportion of resources is devoted to serving grant funding and to programmes funded by sponsorship.

In Brazil and elsewhere this year, I saw how our programmes create leaders. These young people are confident debaters, they fight for their rights, they create change by amplifying the demands of their communities. We need to support these extraordinary people, so they keep closing the gap between their hopes and the daily reality of their communities' lives.

Nigel Chapman

Nigel Chapman
Chief Executive Officer

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As Chief Executive Officer, Nigel Chapman leads the Plan International team. In Brazil, he met girls who had expressed their wish to engage in organised sports in the way boys often do. As part of its Because I am a Girl campaign, Plan has set up inter-community soccer tournaments to respond to the girls' requests.

PLAN'S YOUNG AMBASSADORS

Helping the voices of young people to be heard is a core priority for Plan's work. Here are five of the many young Plan volunteers who have spoken out on the international stage this year in support of child rights.

Helene, 22, travelled to the African Union in Addis Ababa in June to press for increased education spending by world governments.

Helene, Germany

We can achieve so much if young people raise their voices

I grew up in a small village in Germany and went to school in a nearby city, Celle. My family sponsored a child with Plan. I loved reading the sponsors' magazine and was curious about the lives of other children. When I was 14 I travelled to India to join my aunt. For the first time in my life I saw poverty and I wanted to improve the situation of children. I joined a youth group mentioned in the Plan magazine and became involved. This year [2014] I joined a Youth Advisory Panel, an initiative to provide a youth perspective on Plan's work, including adults but led by two elected youth trustees with full voting rights. I'm one of them.

As part of the African Union Youth Delegation I flew to Addis Ababa in June [2014]. It was unforgettable. I met people from all over Africa and exchanged ideas. A special moment was meeting Christiana from Sierra Leone who shared her story of child marriage with me.

High-quality education is the foundation of every development. We can achieve so much if young people raise their voice. We are the future: that's why we need to be asked about what decisions should be taken.

Kamanda, Sierra Leone

Young people are at the heart of Plan's work

I am from a small village of three houses near Port Loko in Sierra Leone. Now, I am part of Plan's Global Youth Advisory Panel as well as the Members' Assembly – the highest decision-making body of Plan – on which I represent children and young people in West Africa as the first youth delegate from a country office.

Young people are at the heart of Plan's work. Children are vulnerable, marginalised and sometimes seen as idlers and perpetrators of theft. I would like to change that negative perception. Plan shows it values young people's voices by involving us in its decision-making.

The Members' Assembly is a platform that gives us the chance to raise issues and take decisions affecting the whole organisation. We discuss everything: young girls' pregnancy, poverty, violence against children and youth, and lack of teachers are among the particular issues in Sierra Leone. We address laws that protect young people, and contribute insights to key discussions. It's an avenue for leadership training and very busy and intense. This year I travelled to Ghana and Germany to share our issues with adults, colleagues and peers. I am also proposing to lobby Plan to provide a scholarship scheme for children and youth.

Kamanda, 19, is the first youth delegate from a Plan programme country to sit on Plan's global decision-making body, the Members' Assembly.

Mayra, Guatemala

I will be able to help other girls in similar situations

I'm an indigenous girl and in my community, Alta Verapaz, many girls do not continue in education. Parents believe we should do chores and have children. My mother took care of all of us after my father left.

When I got involved with Plan, I learnt about the risks of child marriage, and about self-esteem. Plan showed me how to share my ideas with the community and advocate for change. I returned to study.

For me, the most important thing Plan does is develop the skills of young people. The Because I am a Girl campaign is important and shows girls that access to education can make a positive change. I am now doing my best to obtain the best grades. I dream about obtaining a degree in social work. Then, I will be able to help other girls in similar situations to fight for their dreams.

Mayra, 17, travelled to London to address delegates at the Global Summit to End Sexual Violence in Conflict, including the UK Foreign Secretary and the Special Envoy for the UN High Commissioner for Refugees, actress Angelina Jolie.

Aminah, 21, travelled to UN Habitat's World Urban Forum in Colombia to demand better urban safety for girls.

Aminah, Uganda

I would like to improve the rights of children and youth in Kampala, especially the young girls

I grew up in Bwaise, Kampala, in a two-bedroom house with my eight brothers and sisters, and I first became involved in Plan in 2011. In April I went to the World Urban Forum in Medellin, Colombia. I spoke about the problems girls face in Kampala, including the danger from attackers, bad public transport, poor sanitation and how it floods when it rains.

I would like to improve the rights of children and youth in Kampala, especially the young girls. We are asking the urban authorities for better lighting and public transport, including more secure transport like buses. Representatives of Kampala's council were at the Forum, and agreed girls needed to be helped. After the Forum I was excited and very happy. Before I joined Plan I was shy and unconfident. I now make beautiful handbags for sale, and I want to start a day camp where we discuss issues facing girls and train in leadership and business.

Ridwan, Indonesia

I want to help other children in Indonesia get birth certificates

I live in East Jakarta with my parents. But as they did not know the importance of having a birth certificate when I was born I didn't have proof of my name, and was bullied. Other children called me "illegitimate". I dropped out of school and sang on the street for money. Without a birth certificate, you can be arrested and jailed.

One day I saw children learning to read and write. A man invited me to join them. I became a member of Yayasan Rumah Kita, a partner of Plan Indonesia, and felt safe learning with other children. I wanted to go back to school, but students had to submit a copy of their birth certificates. I was disappointed and felt destined to live on the street. Then, Yayasan Rumah Kita and Plan Indonesia's Universal Birth Registration project helped me get my birth certificate issued in Jakarta and I continued my education. I am now very happy that my birth was registered. I have proof of my identity, can take national examinations and can claim my rights to health services, education, protection from abuse, job opportunities and travel abroad. It has opened the door for me to become a teacher. But many other children still don't have birth certificates. I hope to help them so that they can be as proud to be Indonesian as I am.

Ridwan, 15, was a key speaker at the UN's High Level Panel on Civil Registration and Vital Statistics in Bangkok in September 2013.

ABOUT PLAN

Plan has been working for, and with, children for more than 75 years. In the year under review, we worked 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 national 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.

Children play and learn at an early childhood care and development project in Paraguay where Plan supplies facilities, equipment and training for volunteers

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 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 approach sits at the heart of our work. This approach is based on some core values: child rights, inclusion, 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:

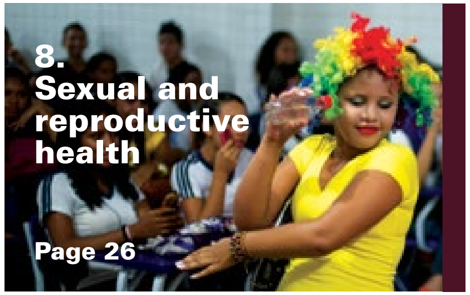
- Plan International Inc. designs and delivers programmes through regional and country-level offices. Our programme offices are located in the areas where our programmes are implemented, to allow us to respond to the priorities of the local communities.
- Twenty-one national organisations worldwide. In two of those, India and Colombia, we also carry out programming activities as well as fundraising. 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 Global 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 on 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



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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.

We are undertaking 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 June 2015. Our commitments in this strategy are:

- We will maximise our reach and impact on children's lives, particularly those from excluded or marginalised groups.
- We will increase our resources to enable us to maximise reach and impact on children's lives.
- We will align ourselves to our common programme-led One Goal as a united and effective organisation.
- We will achieve greater impact on child poverty through improved collaboration with others.

Our strategy is underpinned by a programme of organisational change in which we are developing our Business Operating Model and re-engineering our core processes, using technology as the platform for change. Plan will emerge from this change programme as a more efficient, effective and connected organisation, with a continued focus on delivering quality programmes for children and their communities.

On these two pages are key examples of work towards achieving our One Goal strategy.

One Plan

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

One Goal

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 strategy focuses on areas we believe will have the biggest impact in driving us towards our One Goal.

Tackling exclusion

We are committed to ensuring our programmes provide all children with equal opportunities in life. For example:

- 71 Plan offices undertook the Gender Strategy Review Process, advancing gender equality across our organisation.
- Plan's report *Outside the Circle* analysed approaches to ensure West African children with disabilities have access to education and protection; *Include Us!* drew on Plan's global sponsored child data to highlight the education and health needs of children with disabilities.
- Important programmes tackling exclusion include: work in Upper Egypt to change attitudes to harmful traditional practices and protect the rights of girls; community-based rehabilitation projects in countries such as Togo which promote inclusion of children with disabilities in all community actions; and inclusive education projects, such as those in Bangladesh (see p17)

Improving programme quality

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

- A global team of technical programme advisors has been established to lead development of thematic strategies and promote common, global standards and approaches based on best practice examples. Advisors on education, child protection, gender and inclusion, youth employment, savings groups and citizenship and governance are in place.
- Our Plan Academy trained 500 members of staff in child-centred community development last year, and is ready to be rolled out at scale.
- Plan is developing a new Programme Quality Policy that will establish a consistent, organisation-wide approach to quality and accountability.

Expanding successful programmes

We adapt and replicate successful projects locally, regionally and globally. For example:

- Plan's savings groups have reached over 1 million members worldwide. We are developing this methodology with women and youth in particular (see p21).
- The 18+ Programme to prevent child marriage across Malawi, Mozambique, Zambia, Zimbabwe is based on evidence from a number of successful projects, such as Plan Bangladesh's Stop Child Marriage Project and work by Plan Egypt to challenge child marriages.
- Digital Birth Registration (DBR) projects using mobile technologies have started in Kenya, Sierra Leone and Pakistan, where Plan is working closely with governments, UN partners and the private sector. The readiness for DBR in 11 other countries in Asia and Africa is being assessed.

Extending our influence

We are using our experience and expertise to influence decision-makers at the national, regional and international level in order to protect and strengthen children and young people's rights. For example:

- Following intensive advocacy at the UN in Geneva and New York led by Plan, the first ever resolutions on child marriage were adopted by the United Nations Human Rights Council and the General Assembly in autumn 2013.
- Long-term advocacy work led to the new Optional Protocol to the Convention on the Rights of the Child, which allows children to seek justice internationally when they cannot get redress for violations of their rights at national level.
- Plan has been at the forefront of global advocacy to ensure the rights and needs of children relating to birth registration are understood and included in the civil registration and vital statistics plans of governments and UN agencies.

OUR BECAUSE I AM A GIRL CAMPAIGN

11 October 2013

The campaign's first birthday


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On the International Day of the Girl, in five cities around the world we unveiled giant billboards of girls in factories and invited the public to erase them and reveal frescos of girls at school. Actress Freida Pinto led a delegation of girls from Burkina Faso, Egypt and Nepal to mark the day by illuminating New York's Empire State Building in pink, the Because I am a Girl campaign colour. Worldwide, Plan also turned a series of other famous landmarks pink.

March 2014

Plan delegates on UN stage


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Four girls from Malawi and Pakistan, supported by Plan, went to the United Nations in New York to campaign for girls' rights at the 58th Commission on the Status of Women. Plan was calling for the post-Millennium Development Goals framework to include the commitment that by 2030 all girls and boys have equal access to education. **"By campaigning, we give girls the confidence to know that things can change,"** said Ackissah, 17, from Malawi.

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.

April 2014

Youth Advocacy Toolkit launched

The toolkit, *The Education We Want*, developed in partnership with A World At School and The Global Education First Initiative was launched to help young people campaign for their right to education. With this toolkit packed full of ideas, inspiration and skills, Plan is encouraging youth to put pressure on governments to invest more in education, and to support Plan's campaign goal that the 62 million girls out of school globally realise their right to a quality education.

June 2014

10 Days To Act

Young people from many countries congregated in Ethiopia to launch 10 Days to Act. This initiative called upon governments to raise their domestic spend on education to 20 per cent of overall budgets and promote quality education for all. Held in partnership with the African Union and the A World At School campaign, it continued from 16-26 June. It ended with a huge win for global education when governments and donors pledged more than €22 billion in additional funding for education at the Global Partnership for Education conference in Brussels.

June 2014

World Cup: tackling child sexual exploitation

Sexual violence is the second most reported crime against children in Brazil and Plan's Children Back in the Game campaign put the spotlight on child sexual exploitation during the FIFA World Cup. **"Plan's goal is to prevent this exploitation,"** said Anette Trompeter, director of Plan Brazil. Plan's message reached 4 million people through cinema, press and in-flight advertising. The campaign also reached millions through social media after ambassador for Plan Germany, and superstar footballer, Mario Götze scored the tournament's winning goal.

ACHIEVEMENTS

Plan raised over **2,395,000*** hands in support of quality education for girls

* By September 2014

Plan advocacy activities reached nearly **55 million boys** and **58 million girls***

* By October 2013

Strategic partnerships with **568** government ministries and departments in **65** countries promote girls' right to education*

* By October 2013

EARLY CHILDHOOD CARE AND DEVELOPMENT

PLAN'S GOAL:

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

Plan supports a range of programmes that increase communities' capacity to 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 support parents and communities in parenting programmes that promote good nutrition, early childhood development and early education. We work with civil society and government organisations to help parents and children access quality primary healthcare and social services.

Two-year-old Axel plays at one of Plan El Salvador's Community Circles for Early Childhood Comprehensive Care, known as CAIPIs, near his rural home. "Not only are we committed to bringing our children," says Axel's mother Gloribel, "but also to working with them. We learn at the same time as our children."

SRI LANKA
Collective happiness helps improve child nutrition

Plan Sri Lanka's pioneering community-based health promotion programme addresses high levels of undernutrition among children under five in the country. It combines early stimulation and dietary advice with approaches that empower community members, particularly women. The programme including collective feeding, baby rooms and 'happy child' diaries and calendars, has helped families provide better nutrition for their children.

"We began to be more conscious of the weight of our babies, and initiated activities to improve their weight," says Kanchanamala, 30, a mother of three in the Moneragala region. **"When we fed our babies, we took them outside and showed them the beautiful flowers, trees and told them about birds. We also gave them food we grew in our gardens… We call this feeding the five senses."**

Active partnerships between community groups and health authorities have allowed the programme to scale up significantly. The programme has extended to 721 villages from the original 112 villages and the percentage of children who are underweight dropped from 45% to 25%. In addition, the engagement of fathers has improved, with almost 1,000 men actively helping to improve their children's well-being

Mothers who were part of the initial programme have passed knowledge and skills to new mothers across the country, as well as being invited to contribute to the Sri Lankan government's national action plan on nutrition.

ZIMBABWE
Building better mother and baby care through education

"I gave birth to a total of eight children," says mother Elizabeth Mapondera. **"Five of them died through my ignorance."**

Zimbabwe has a relatively high incidence of maternal and infant mortality. In 2012, maternal deaths stood at 960 per 100,000 live births, while the under-five child mortality rate was 84 per 1,000 live births, according to United Nations figures.

Plan's Women and Their Children's Health (WATCH) project aims to influence good childbirth outcomes, using community care groups to encourage sharing of health knowledge by bringing people together.

Each care group consists of 10-15 volunteer health educators and parents who meet with project staff and village health workers fortnightly to talk about health issues. With activities that include group singing, key topics include the prevention of HIV and AIDS, malaria and tuberculosis and the benefits of immunisation and sanitation. To date, 2,272 care groups have been established, bringing almost 23,000 parents together every two weeks, and reaching 100,000 households.

As well as mobilising positive behaviour, the groups bring the health message to parents in hard-to-reach locations. Funded by Plan Canada, the scheme is implemented with Zimbabwe's Ministry of Health and Child Welfare as the main partner.

"Thanks to the care group trainings, my other three children survived," says Elizabeth. **"The knowledge I now have on my health and children's well-being is empowering."**

€98,114,000
invested in early childhood care and development


© Plan

289,437
professional and volunteer health workers trained


© Plan

10,758
health and early childhood care centres constructed or improved

Our global priorities for 2015

- Strengthen programmes supporting the right to a healthy start in life – including activities to promote mother and child health, focusing on survival and growth. The strategy will be two pronged: community-managed health and early childhood care and development programmes; plus partnerships with civil society to advocate for increased quality of government services.
- Identify and document best practice models of health and early childhood care and development interventions within Plan.
- Establish early childhood care and development and mother-child health networks across Plan that will promote and share learning, informed by worldwide best practice.

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**.

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

We also invest in reducing the risks communities face when disasters occur and enable communities to reduce the harm that disasters can do. Using a 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.

Plan has invested heavily in increasing its capacity and competence to do disaster risk reduction work, as well as to respond to emergencies. In the last year we responded to an unprecedented number of Level 3 emergencies, the United Nations' highest category of emergency. In March 2014, we began a response to the Ebola outbreak that originated in Guinea.

"I was happy when school opened again in January. We have lessons in a tent, but it doesn't matter," says Jednel, 10, from Leyte in the Philippines. He and his family survived Typhoon Haiyan in November 2013 but his home was destroyed and his school was wrecked. Education in emergencies is a priority for Plan.

© Plan / Pieter ten Hoopen

PHILIPPINES

Global response to world's worst typhoon

With 14 million people affected by the deadly Typhoon Haiyan in November 2013, including 40,000 Plan-sponsored children, we mounted our biggest ever emergency response. Supported by appeal funds – and with over 50 years history of working in the Philippines – Plan moved rapidly: pre-positioned relief supplies allowed 20,000 people to receive immediate assistance, and once the storm had passed, more than 100 staff from around the world were deployed to work in the Philippines.

By early December, €2.7 million had been spent providing food, water, shelter, healthcare, protection, sanitation and hygiene for vulnerable families and children. Plan distributed over 126,000 meals, provided over 120,000 people with shelter, and set up mobile health clinics – demonstrating our improved ability to achieve speed and scale during big emergencies

In addition to this urgent activity, Plan focused on protection and education for children. From December, we offered psychosocial support and engaged young people in recovery planning. Our early childhood care and development (ECCD) programming seeks to ensure safe and supportive environments following disasters. Within three months of Haiyan, over 6,000 three- to four-year-olds were benefiting from mobile day care sessions and 262 new ECCD providers had been trained.

SOUTH SUDAN

Life-saving help for children displaced by conflict

In July 2013 South Sudan celebrated the second anniversary of its independence. But political instability and a food crisis have caused significant problems in this young country. In December, after conflict in Jonglei State, Plan's new Food and Nutrition Unit (FANU) worked in partnership with the World Food Programme and the Food and Agriculture Organisation to bring much-needed aid to thousands of displaced people, many of them children, facing severe food shortages.

FANU was set up in 2013 to increase Plan's capacity to prevent and manage food crises and malnutrition and save children's lives. Since January we have reached 262,716 people in Awerial, South Sudan.

"Following the humanitarian crisis, Plan has assisted thousands of displaced children and women," says Suzanne Brinkmann, Plan's lead specialist on nutrition in emergencies. Our food programmes prioritise malnourished under-fives, pregnant women and nursing mothers. Globally, malnutrition kills over 3 million children every year; lives that could be saved through timely interventions.

Plan has since augmented this nutritional assistance with a response to cholera, providing 21,300 aqua tabs to purify water and training 90 hygiene promoters. We also distributed emergency seeds and tools to households whose livelihoods have been destroyed by conflict, and trained communities in gardening, farming and fishing.

€91,214,000
invested in disaster work

44
disaster response programmes carried out

40
countries mounted child protection in emergencies interventions

Our global priorities for 2015

- Embed measures to improve the scale and quality of our disaster preparedness, risk reduction and emergency response programmes – with an emphasis on child protection, education in emergencies, early childhood care and development, and inclusion of adolescent girls.
- Increase the scope, depth and quality of Plan's Safe Schools Global Programme, and integrate resilience in Plan programmes.
- Strengthen Plan's work on food assistance, nutrition and cash-based programmes.
- Expand our influence through representation, collaboration and advocacy.

EDUCATION

"Children are the bamboo shoots of society," says Reaksa, 12, a volunteer peer educator at her Plan-supported school in Cambodia. "We had a meeting to form a learning group and children were selected, then after we had training… The project provides learning materials like books, pencils, chalks and a small chalk board for lessons."

© Plan

PLAN'S GOAL:

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

Education is a human right, and it is also the gateway for children to realise their full potential in societies, and break the cycle of poverty. Many children are excluded from education 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 – from early learning to secondary level – and learning and capacity-building that help young people reach their potential. We promote safe and supportive child-friendly learning environments: developing teaching skills and teaching materials, providing life skills and helping communities become more involved in how education is 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.

MOZAMBIQUE

Building better opportunities for girls' education

William Agyekum Acquah, Programme Support Manager, Plan Mozambique, says: "In rural Mozambique, most girls drop out of school. It's due to long distances, safety concerns and cultural resistance among families to send girls to school. Also, while Mozambique's 16-year war ended in 1992 there's still an infrastructure gap.

"Plan Mozambique has started a school building programme to rectify this situation. We've built one and have supported ten more, giving education access to girls and boys in Inhambane province. Nhancoja primary school, our first project, now has 618 children and 14 teachers. But still, over 1,000 young adults in the region don't have access to secondary education.

"So Plan Mozambique has worked with the local government, co-funded by Plan Korea, to provide a secondary school in Nhaconja. Already we've delivered two classrooms and space for Grade 9 students (14-15 years old).

"There are challenges. We need female teachers, and we need girls to transit from Grade 9 upwards. As girls are often prepared for marriage or work in the cashew nut industry, we started a four-year project to help girls realise their rights to education. Lessons were introduced to improve knowledge of sexual and reproductive health, and Plan is also developing after-school vocational training, such as women's carpentry."

BANGLADESH

Inclusive education reaches out to all marginalised children

Plan's education programmes aim to reach the most marginalised boys and girls. In Bangladesh, our School Improvement Plan programme aims to ensure all children are able to achieve their right to education, regardless of religion, caste, ability, gender and location.

The programme's target is to gain 100 per cent enrolment coverage with zero exclusion, and is particularly aimed at boys and girls in the three to ten age group. Using a variety of approaches including community-based early learning, mentoring and community involvement – and making school-going more attractive with colourful classroom decoration, sports and games – it is helping to ensure all boys and girls successfully complete five years of primary schooling.

Plan's programme reached 70,000 children in 275 primary schools. Our partners on inclusive education include the country's Directorate of Primary Education, UNICEF and CBM-Nossal, a global organisation working with disabled children.

Sanjay Lal, 7, now goes to primary school in the Dinajpur district as a result of the programme. **"I want to study and be respected",** says Sanjay, from the marginalised Harijan community, traditionally denied access to education and consigned to cleaning jobs. Activities organised by Plan helped change negative attitudes among pupils, and Sanjay finds the school friendly and accepting: **"Now I want to be a doctor when I grow up."**

€82,753,000

invested in education

104,231

professional and volunteer education workers trained

2,454

schools constructed or rehabilitated

Our global priorities for 2015

Share and promote best practice in rights-based, scalable and sustainable education programming across the whole of Plan. Our overall priorities are: inclusion and gender equality in education; continuous, holistic learning; and community engagement in education governance and accountability. Examples of good practice include:

- Plan's work with children and communities to reduce violence in schools in Togo.
- Inclusive education in Bangladesh aimed at ensuring the most marginalised boys and girls – the bottom 2-6% of the population – are included in education.
- Plan El Salvador's low-cost, community-based model for early childhood education.

CHILD PARTICIPATION

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PLAN'S GOAL:

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

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 the 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.

"It was difficult to be seen as an alien in my own country. With my official identity card, I can continue studying and apply for a scholarship," says Lida, 12, one of 320 stateless ethnic people who gained Thai citizenship at an event organised by Plan Thailand.

GUATEMALA

Promoting children's rights with regional committees

Plan seeks to strengthen the ability of communities to hold national and local governments to account. To deal with the challenges of poverty and malnutrition in Guatemala, we support communities to form municipal committees, comprising housewives, young volunteers, teachers and leaders, to address the rights of children and encourage pro-child legislation.

In Santa Catalina La Tinta, the Municipal Committee for Children and Adolescents tackles problems including education and child protection and creates stronger links between parents and children. **"Before we became engaged in this work, children's issues were practically invisible and people were unaware of the process to make proposals to the authorities at La Tinta,"** says Mynor Tut of Plan Guatemala. **"Now they have the Municipal Committee for Children and Adolescents, and are better informed on the issues affecting children."**

In coordination with the national government, Plan trains community members in participation, public policy and the rights of children. Groups have now travelled to other regions in Guatemala to exchange ideas with other committees and help develop public policies. **"My parents were surprised that I was invited to participate,"** says Flavio, 14, the youngest member of his committee in La Tinta. **"I met the Mayor and reminded him about the important things that he might forget – like places to play."**

UGANDA

Text messaging prevents school teacher absenteeism

Uganda introduced universal children's education in 1997, but problems remain, such as 20 to 30 per cent of teachers being absent on the average school day. This affects pupils' school attendance, with average child absence running at 27 per cent across Uganda.

A novel solution was formed by Plan Uganda with support from Plan Finland and funding from global technology company Nokia. Piloted in five schools in the Luwero district, it monitors attendance by inviting pupils to report missing teachers by SMS to each district education authority.

Each school receives two phones. A website supports the collection of responses, and Plan pays via a toll-free code. Once notified, the authorities contact the individual teachers who then have to provide a reason for their absence.

The scheme has almost eliminated teacher absences and reduced pupil absenteeism by almost 80 per cent in the pilot areas. In turn, pupil performance has improved and has led to the formation of 20 child council committees, increasing participation in school governance.

"Introducing it had challenges," says Margaret Natseli of Plan Uganda. **"There were many questions about whether children would misuse the system but they have been very responsible."**

€65,440,000

invested in child participation

74 per cent

of Plan programme countries ran birth registration projects

48

Plan countries supported youth groups and organisations

Our global priorities for 2015

- Strengthening our work supporting children, parents, teachers and community leaders to engage in school management and to work with education institutions to deliver better services.
- Supporting young people to better protect themselves, and to engage with their families, local institutions and groups to do a better job in protecting girls and boys.
- Influencing the development of the post-2015 Millennium Development Goals framework to ensure young people have roles in monitoring progress of the new goals and holding states to account.
- Advocating for comprehensive, rights-based civil registration and vital statistics systems and promoting the use of digital birth registration.

ECONOMIC SECURITY

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PLAN'S GOAL:

For children and young people to realise their **right to economic security** and **access the resources necessary for meaningful employment**.

Plan supports young people to make informed choices about their work. We help them access the knowledge, skills and services necessary to secure productive, decent work, and to access financial services. We work to ensure the inclusion of those who are marginalised – 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 their 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.

"For now, I am very hopeful about my future. I would like to become a doctor," says Jacqueline, 17, from Haiti, who has received training from Plan in crafts, self-esteem and financial literacy. "Medical school is still far off, but, I am very happy to teach other girls in my community how to crochet. Being able to share skills acquired with Plan Haiti's support with others is very rewarding."

PERU

Financial independence for the poorest families

While Peru has experienced significant economic growth in recent years, many of its remote Andean communities remain extremely poor and marginalised. Plan's Graduation from Extreme Poverty project aims to ensure extremely poor families achieve economic security by 'graduating' from safety-net programmes to sustainable income-earning activities.

Each target family receives training in social skills, childcare and health. The assistance also includes: supply of material and cash assets; technical training in a livelihood activity; opening of a savings account in a local microfinance institution; and monitoring of the progress of the income-generating activity.

The programme has seen 80 per cent of the 828 families assisted by the programme significantly improve their living conditions, and increase their household incomes by an average of 30 per cent.

Antonia, 36 and a single mother, developed a guinea pig business with the help of the project. Following advice, she is able to sell at higher prices, gaining profit for reinvestment and helping provide for her children. **"I can now sell guinea pigs for 15 soles (€4.00), and larger ones that weigh a kilo, for 20 new soles (€5.50),"** she says. **"I can buy fruit to help feed my family, we have toothbrushes and I have a clay refrigerator for keeping food cool."**

WEST AFRICA

Savings groups help youth access savings and skills

Plan's savings group programmes have reached over one million members in 26 countries. One of those programmes, The Youth Microfinance Project, is introducing young people to financial services in Niger, Senegal and Sierra Leone – places where limited access to finance and poor infrastructure create barriers to saving. Funded by the MasterCard Foundation at €3.8 million and supported by Plan Canada, it demonstrates how savings can help young people to become independent and challenge financial exclusion and unemployment.

Groups of 15- to 25-year-olds hold monthly meetings. More than 4,000 groups have been set up in the three West African countries, with each group keeping savings securely, making loans for domestic and small business use at mutually agreed interest rates. So far, the programme has reached 90,000 young people. The groups also deliver financial and life-skills education.

"I heard through my husband that there was a project for young people starting in my neighbourhood," says Koira Tegui, in Niger. **"At the neighbourhood chief's house, we formed a group of 25 members and I was elected secretary. With my loan and income, I was able to get four sheep and some poultry. I can now pay school fees for my daughter."**

€51,076,000

invested in economic security

135,762

people trained in business and vocational skills

64,280

local savings groups supported, reaching 1,142,720 members

Our global priorities for 2015

Share and apply best practice in community-driven, scalable and sustainable savings group programming across the whole of Plan. Elements of this best practice include:

- Building capacity of community members and local organisations to create and run groups.
- Using savings groups strategically to mobilise community resources to realise other basic rights in education, health and economic security.
- Employing savings groups as a low-risk 'starter system' to initiate youth into using financial services and to promote knowledge and skills around financial literacy, life skills and entrepreneurship.

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.

Our water and sanitation programming also extends to projects combating Malaria and other vector-borne diseases and to interventions promoting children's right to health, such as support for menstrual hygiene management.

"I missed a lot of school when I had my period. I was fearful of going to school when I had it," says Maureen, 16, from Uganda. She has now received Plan-supported health training that concentrated on menstrual hygiene management. "I am grateful for the training… All the girls are coming to school every day and our grades are better."

INDONESIA

Children bring safe sanitation to rural communities

In Indonesia, 129 million people do not have access to basic sanitation. Over 150,000 under-fives contract fatal diarrhoea each year, and the main cause is poor environmental health and household sanitation.

Plan's community-led total sanitation (CLTS) programme, implemented in tandem with the Indonesian Ministry of Health and supported by AusAID and Plan Australia, employs local activism to trigger communities into actions improving their own hygiene. Promotion of 'five pillars' of CLTS – which include an end to defecation in public areas, hand-washing with soap, and proper domestic waste management – is radically changing hygiene practices across many villages. In the 11 districts where Plan is working, we have reduced diarrhoea by an average of 35 per cent. Almost 195,000 latrines and 170,000 hand-washing facilities have been built by the communities themselves.

As part of the community-led approach, children check facilities in their home villages, posting stickers on the doors of houses following the five pillars. In Laob village more than 30 children act as 'sanitation supervisors'. Village head Yura Welhelmina Minanu Bahan has seen the children's involvement change people's behaviours. **"It is a kind of social sanction,"** says Yura. **"Doors without stickers from child volunteers will show that the houses are dirty."**

EL SALVADOR

Youth group innovation helps fight against dengue fever

The incidence of the insect-borne infection dengue fever has increased dramatically in El Salvador, and the highest proportion of those affected are children, particularly aged between five to nine years old. In March, 1,266 cases of dengue were positively diagnosed and two deaths confirmed.

With help from the country's Ministry of Health, a group of youths formed a health committee in the La Libertad region on the Pacific Coast, and came up with an innovative solution. One member of the committee, Fares, who was 17 years old at the time and has hearing and speech disabilities – saw that small fish ate mosquito larvae and could control mosquito populations.

Together with Plan staff, the group decided to create tanks for fish breeding and distribute fish to families across the area. Education campaigns were taken into schools and a pilot project launched with 900 families in La Libertad.

"They are using the resources available while implementing low-cost sustainable practices that are friendly to the environment and to people's health," says Plan's Programme Manager, Celina Rosales.

The project model has been recognised by the government, which is now interested in extending it across the country. Fares is pleased: **"All problems have a solution,"** he says. **"The important thing is to find it."**

€42,435,000

invested in water and sanitation

835,207

households supported to improve their sanitation facilities

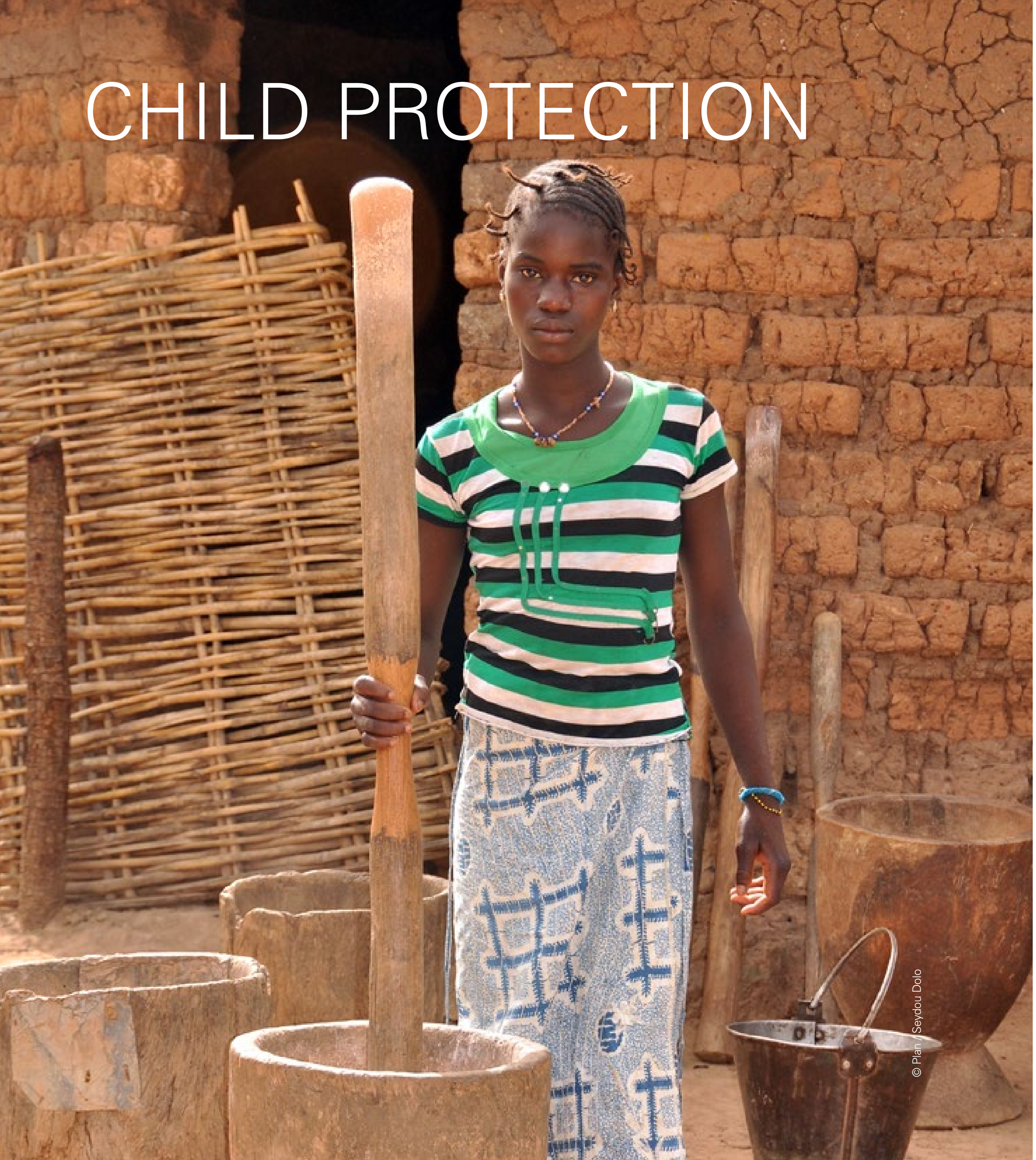
4,112

water points constructed or improved

Our global priorities for 2015

- Continue to improve water, sanitation and hygiene programmes by integrating themes such as food and nutrition security, economic security and inclusion of people with disabilities. This will allow us to more effectively improve health, well-being and the sustainability of our impact.
- Identify further opportunities for collaborative and joint water, sanitation and hygiene programmes and partnerships, including consortia and public-private partnerships.
- Strengthen the gender focus of our work, for example by extending menstrual hygiene management programming.
- Continue to investigate how to sustain hygiene behaviour change following community-led total sanitation interventions.

CHILD PROTECTION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PLAN'S GOAL:

All children and young people realise their right to **protection from abuse, neglect, exploitation and any other form of violence**.

Plan adopts a comprehensive, systems approach to child protection that aims to prevent and respond to all forms of violence against children and young people. We apply this approach in our development programming and in our emergency responses. Plan works to mobilise and strengthen the capacities of children, families and communities. We also influence and support governments and state agencies in order to create sustainable systems that ensure a safe environment for all children.

"I still remember the day I was cut, aged seven. Now, thanks to Plan, my sisters have been saved," says Mary*, 13, from Mali, where female genital mutilation (FGM) is practised. "My village leader signed an agreement to end FGM in the community. Plan have been coming to our village and teaching us about the health problems FGM causes and we no longer want to be doing it. FGM will be an old story here now."

** Name changed for child protection*

WEST AFRICA

Empowering young people to eradicate child violence

Nathalia Ngende, Violence Against Children Programme Manager, says:
"This project began as a new concept in child and youth participation for advocacy and policy change. It has led to the creation of National Children and Youth Advisory Boards on violence against children in all 12 Plan countries in West Africa. We've created an entire structure of youth participation.

"Each Board has 15 to 40 members, including boys and girls. They attend meetings and debates, and raise awareness with a range of tools: flyers, comics, dance, social media. It's important to mix fun with advocacy.

"The key issues are child labour and trafficking, female genital mutilation and child marriage. Young people are participating to end these practices. Our Forum on Violence Against Children in Accra, Ghana, last September revealed newer concerns including child begging in Senegal, children forced to work in convents in Benin and 'breast ironing' in Cameroon – a practice driven by similar traditions to female genital mutilation.

"The Special Representative of the United Nations Secretary-General on Violence against Children, Marta Santos Pais, called the project **"a role model"** and recommends taking it worldwide. Importantly, it's very popular with young people. There were 500 youth delegates planned at first, but now there are over 5,600."

NEPAL

Combating child trafficking with technology

Children in Bangladesh, Nepal and India can be vulnerable to cross-border trafficking, particularly those from marginalised religious and ethnic groups, such as Dalits or 'untouchables'.

Plan launched the web-based reporting system Missing Child Alert (MCA) to help report, track, rescue and repatriate children who experience trafficking from Bangladesh and Nepal to India. More widely, the MCA programme includes community awareness raising and the formation and training of child protection groups. It also supports the rehabilitation and reintegration of trafficked victims by providing shelter, counselling and life-skills training.

Plan's project partners include the United Nations Office on Drugs and Crime, Interpol, the Central Bureau of Investigation (India), and the South Asia Coordinating Group on Action against Violence Against Women and Children. This range of expertise helps ensure a coordinated response.

Julekha Khtoon was intercepted at the India-Nepal border. Just 14 years old, she had been trafficked by a couple who told her she could meet her mother, a migrant worker in Delhi, and find work herself. But as a result of MCA, she was returned to Nepal and trained in sewing to give her economic independence. **"If I had crossed the border I wonder where I would be now,"** says Julekha.

€39,051,000

invested in child protection


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58,008

members of staff of partner organisations trained


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214,747

community members trained

Our global priorities for 2015

- Roll out the new Global Strategy for Child Protection Programming (2015-2020), Protection from Violence is Every Child's Right, across Plan and share it widely with peer organisations.
- Provide Plan with global best practice guidelines on community-based child protection mechanisms – for example, building on work identifying best practices by Plan in Eastern and Southern Africa where there has been success in raising awareness of child protection issues at community and government levels.
- Build a stronger community of practice on child protection programming across all Plan offices by creating a network to exchange success stories and learn from failures, using data from Plan programmes and from other organisations.

SEXUAL AND REPRODUCTIVE HEALTH

© Plan / Katrijn Van Giel

PLAN'S GOAL:

Children and adolescents realise their right to sexual and reproductive health and **make a safe and healthy transition to adulthood**.

Plan supports universal access to evidence-based, gender-sensitive and age-appropriate sexual education. We foster access to equitable and confidential youth friendly sexual and reproductive health services, including HIV prevention, care and treatment. We work with families, communities and governments to create an environment that protects children and adolescents from discrimination, coercion and bodily harm, and upholds and promotes the right of adolescents to act on and advocate for their own sexual and reproductive health.

BRAZIL

Youth drama spreads health education message

Nicole Campos, Programme Coordinator, Plan Brazil, says:
"In Maranhão's capital, Sao Luis, young people are taking part in theatre to entertain and inform their peers about sexual and reproductive health. It's part of our Young Health Programme, which aims to address a range of key health issues for adolescents, including risk behaviours, such as the harmful use of alcohol and drugs, that can lead to non-communicable diseases. The programme is a partnership between AstraZeneca, Johns Hopkins Bloomberg School of Public Health and Plan.

"At four key schools, groups of ten adolescents between the ages of 13 and 17 were given the task of making props, including puppets, and writing scripts on four different subjects: contraception, sexual abuse, pregnancy and abortion, and sexual diversity and health.

"Technical help was given to the groups, but each group wrote startling plays, which were also performed in a public theatre in Sao Luis. One girl said as a result of her involvement she taught her mother how to use a condom, and as a boy in the audience told me: **'I now know what the schools don't tell us. It was funny, interesting and beautiful.'**

"It remains an issue that boys are less interested, but Plan has shown health issues can engage schoolchildren. Our project, only in São Luís, has reached more than 9,000 adolescents to date, and our Young Health Programme has reached more than 70,000 people."

CAMEROON

Protecting infants from HIV/AIDS infection

In the northwest region of Cameroon, 7.2% of women of child-bearing age are HIV positive. Antenatal care and the prevention of HIV transmission to infants are perceived as women's issues and male involvement is considered unacceptable. This reduces take-up of these vital medical services. Plan designed an intervention to support men's participation in antenatal care and the prevention of mother to child HIV transmission.

Following initial awareness-raising activities alongside working with local women's community organisations, 25 men's clubs were created in the Wum and Meiganga health districts. The clubs promote antenatal care and HIV testing for pregnant women. As a result, 75% of men in the clubs have accompanied their wives or partners on antenatal visits.

"I have learned from the men's club activities that a man is not supposed to abandon everything with the wife," says men's club member Che Thomas, **"but should rather support her in everything including accompanying her for antenatal care services."**

Since the beginning of the prevention of mother to child transmission of HIV project, 8,991 pregnant women in Meiganga and Wum have been screened for HIV; among them 364 tested HIV positive and are having treatment. This led to 297 children being born HIV-free from treated HIV-positive women.

€21,249,000

invested in sexual and reproductive health


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32 countries

run HIV/Aids prevention and care programmes


© Plan / Lynn Photos

72 per cent

of programme countries supported sex and life-skills education

Our global priorities for 2015

- Identify the best and most promising sexual and reproductive health programmes and practices within Plan that embody our child-centred community development approach.
- Consult with technical and policy staff worldwide across Plan to inform the development of Plan's sexual and reproductive health policy guidelines.
- Build and support a thriving sexual and reproductive health community of practice across Plan for learning and sharing.

Jimmy Westerheim visiting Winifred's community in Uganda

OUR FUNDING PARTNERS

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

Sponsorship

Sponsorship changes lives

Since its founding, Plan has used child sponsorship as a centrepiece in its programming to help children. Today, 1.4 million children are enrolled in sponsorship, and many people have been sponsoring children for a decade or more.

The benefits of sponsorship run in both directions: besides the obvious and intended benefits to children, their families and their communities from Plan-funded interventions, the connections made between sponsor and child can help those more fortunate experience the rewards of helping others.

Jimmy Westerheim, 27, a sponsor from Norway, explains: **"When I was younger, my parents sponsored a boy in the Dominican Republic. It helped me realise most people weren't as lucky as I was, and in 2010, I began my own sponsorship relationship with Plan with a child called Clement, from Zambia.**

"I went to Zambia, and met Clement, and also gave his school some football equipment. I expected it to be grim, but the children I met were happy and appreciative. This changed my life. I later saved up to go to Uganda where I also sponsored a girl called Winifred, now 17, and visited the local office in Kampala. Back in Norway last year I went on the national TV show *Idol Gives Back*, and spoke about my sponsorship. It's great to able to help make changes in children's lives."

Grant funding

Girl Power grants get results

Plan Netherlands leads a programme uniting six Dutch non-governmental organisations and supported by the Dutch national government.

The Girl Power: Promoting Equal Rights and Opportunities for Girls and Young Women programme is set up to fight injustices girls and young women face daily in Ethiopia, Ghana, Liberia, Sierra Leone, Zambia, Bangladesh, Nepal, Pakistan, Bolivia and Nicaragua.

The Dutch Ministry of Foreign Affairs granted the programme €52 million for five years to 2015 to help Plan and its partners to ensure the full participation of girls and young women in society, politics and the economy.

In 2013, the programme reached 900,000 girls and 450,000 boys with services like life-skills training, child helplines, scholarships and socio-legal protection services; other initiatives included awareness-raising and sensitisation activities with 350,000 households and 8,850 traditional leaders, and training for 6,000 government frontline staff including police, teachers and health workers.

One Girl Power project in Bolivia trained girls from the poorest parts of the Municipality of Yuncharà to make a weekly radio programme addressing issues that affect them. **"The girls were shy,"** says Tomasita, 15, one of the show's hosts. **"Now they listen to the radio and they participate; they know and demand their rights... we had an interview with a public prosecutor in Yuncharà and we have shared the girls' demands with him. He listened to us and we are getting results."**

Corporate partnerships

Lessons from a fruitful relationship

Learning is crucial for breaking the cycle of poverty, and Plan invests more in education than any other area. The Credit Suisse Foundation shares our belief in education.

In May 2014, Credit Suisse selected Plan UK as one of two key partners in a new three-year project, Financial Education for Girls. The programme targets 100,000 girls in Brazil, China, India and Rwanda and aims to improve girls' financial education and life skills, enabling them to remain in school longer.

The funding builds on a previous partnership between Plan and Credit Suisse, which made a significant impact on education in Liberia, Uganda, Guatemala and Cambodia, and helped some 19,000 children access better quality education. Together we have transformed schools, established Child Councils and trained teachers.

"We are looking forward to continuing our partnership with Plan in a programme that focuses on the critically important issue of financial education," says Dr Manuel Rybach, Global Head of Corporate Citizenship and Foundations, Credit Suisse. **"With Plan's experience in delivering life-skills training, combined with a new financial education component, we aim to build the capabilities of young people to participate fully in their communities and take advantage of opportunities to enhance their life chances."**

FINANCIAL OVERVIEW

INCOME BY SOURCE

In the year to 30 June 2014, Plan's worldwide income was €722 million, 6% more than the previous year. Income included €31 million relating to the relief, protection and education response to Typhoon Haiyan, which hit the Philippines in November 2013. The majority of Plan's income, 60%, is from individual donations, either through child sponsorship, which provided €354 million of funding in the year, or from the €79 million in contributions to Plan's Because I am a Girl campaign, disaster appeals or other fundraising. Grants and other cash contributions from institutional and corporate donors amounted to €259 million or 36% of total income, a 27% increase over the previous year. This included €27 million from corporate partnerships. Gifts in kind, primarily in the form of food distributions and medicines, representing 4% of income, provided €30 million of resources in 2014, 14% lower than the level in 2013.

Plan had a surplus for the year of €13 million. This is the net effect of unspent funds, primarily restricted funds, which will be spent or distributed over the duration of a multi-year project, offset by the planned spending of an investment reserve of €4 million and the €8 million effect of adverse currency movements. This follows a deficit of €25 million in 2013, when there was also use of the investment reserve and currency losses.

INCOME BY COUNTRY

	2013	**2014**
	€000	**€000**
Germany	117,527	**131,181**
Canada	130,538	**117,334**
UK	65,184	**75,652**
USA	58,774	**73,735**
Norway	53,324	**53,021**
Netherlands	47,911	**48,937**
Australia	41,220	**41,621**
Sweden	35,224	**35,035**
Japan	26,662	**23,921**
Finland	16,330	**16,766**
France	12,344	**14,174**
Belgium	12,754	**13,632**
Colombia	8,987	**13,285**
Spain	12,592	**12,425**
Ireland	9,008	**12,240**
Korea	8,826	**10,180**
Denmark	6,105	**7,173**
India	3,465	**5,566**
Hong Kong	4,294	**5,147**
Switzerland	4,258	**3,449**
Italy	600	**472**
Other	2,846	**6,732**
Total	678,773	**721,678**

EXPENDITURE BY REGION

Plan's worldwide expenditure including foreign exchange losses was €709 million, and €700 million excluding foreign exchange losses. This represents a €5 million increase in expenditure. The gap between income growth of €43 million and expenditure growth of €5 million is due to the spending of reserves in 2013 when expenditure exceeded income and to a Global Fund donation in 2014 of €9 million which has been used to purchase malaria bed nets which will be distributed and therefore recognised in expenditure in 2015, but is included in income in 2014.

Excluding funds applied to foreign exchange gains and losses, Plan uses 77% (2013 restated: 76%) of the money it receives on programme expenditure, 14% (2013 restated: 16%) on fundraising expenditure and 9% (2013: 8%) on other operating costs including expenditure relating to trading activities to support charitable funds. As Plan's worldwide results represent the aggregation of Plan International, Inc and the National Organisations, these ratios do not necessarily apply to any of the individual entities.

Africa accounts for 35% of expenditure in 2014, Asia 22%, Central and South America 14% and Europe and North America 29%. Asia accounts for a higher proportion of expenditure than the previous year (2013: 20%) due to the Typhoon Haiyan response, which was Plan's largest emergency response to date.

EXPENDITURE BY AREA

	2013	**2014**
	Restated	
	€000	**€000**
Early childhood care and development	113,631	**98,114**
Sexual and reproductive health	16,203	**21,249**
Education	87,555	**82,753**
Water and sanitation	45,417	**42,435**
Economic security	41,598	**51,076**
Protection	37,979	**39,051**
Participate as citizens	68,887	**65,440**
Disaster risk management	70,083	**91,214**
Development education	7,146	**5,717**
Sponsorship communications	38,715	**38,901**
Programme expenditure	527,214	**535,950**
Fundraising costs	110,113	**100,476**
Other operating costs	54,409	**59,256**
	691,736	**695,682**
Trading expenditure	5,004	**4,647**
Total expenditure before foreign exchange	696,740	**700,329**
Net losses on foreign exchange	6,545	**8,171**
Total expenditure	703,285	**708,500**

The prior year comparative percentages are restated because Plan adopted a revised categorisation of sponsorship costs in 2014, reflecting the separate development education and fundraising aspects and 2013 results have been represented on the same basis.

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 at plan-international.org/annualreview

AWARDS AND RECOGNITION FOR OUR WORK

Asia
Two of Plan's young campaigners received Youth Courage Awards for Education from the UN Special Envoy for Global Education, Gordon Brown: 18-year-old Bangladeshi Keshob Roy is president of a children's organisation formed and supported by Plan, and works to keep girls in school and out of child marriages; Urmila Chaudhary, who spent 12 years as a child domestic slave, is a central figure in Plan's campaign to abolish the Kamalari system of child servitude in Nepal.

Cambodia
Cambodia's Ministry of Education recognised Plan's work on education for rural children in the country's most populated province, Kampong Cham. The gold medal was given to Plan by the Secretary of State for Education, Im Koch, for providing "badly needed education services and facilities for the locality".

El Salvador
Plan El Salvador was among finalists in the Gloria de Kriete Foundation annual awards. Plan's project supporting a youth cooperative distributing honey won a special prize recognising its innovative approach and received €39,000 for development.

Guatemala
The 2014 Ulrich Wickert Special Award for Children's Rights recognised the achievements of Plan Guatemala's youth media project Radio Pocolá. Girls and boys from indigenous communities talk to hundreds of families via the radio station.

Indonesia
Plan Indonesia's community-led total sanitation projects won the Indonesian government's 2013 MDG Award. The award recognised work in Indonesia since 2010 providing access to decent sanitation and triggering communities to build their own sanitation facilities without subsidies.

International
Plan's short film *I'll Take It From Here* scooped the UNICEF Award at the Annecy International Animation Film Festival. The film about a girl's right to education was shot in Malawi with a non-professional, local cast. It has been translated into at least 12 different languages, and shown in 25 countries.

Liberia
The *Inquirer* newspaper named Plan as International NGO of the Year 2013. The paper praised Plan's work supporting the development and well-being of war-affected children in 77 communities across the country.

Mali
Mali's Minister of Promotion of Women, Children and Families presented an award to Plan Mali recognising its impact in reducing female genital mutilation. Representatives from 45 Malian villages that have abandoned the practice as a result of Plan's programmes were at the ceremony.

Pacific Islands
Plan Australia's 4CA child-centred climate change adaptation programme, implemented in six Pacific island countries, was one of three winners at the inaugural Pacific Innovation and Leadership Awards for Resilience. The award is an initiative of the United Nations Office for Disaster Risk Reduction.

Thailand
Plan Thailand's banking project won the Prudential Chairman's Challenge, part of the company's initiative encouraging its staff to volunteer on charity projects. Some 180 Prudential volunteers worked with school children to enhance their financial knowledge. Over three years the project will help 4,500 girls and boys gain financial skills and knowledge.

Uganda
President Yoweri Museveni of Uganda presented Plan Uganda with an award naming it the best child development organisation in the country. The Uganda Responsible Investment Award recognised Plan's contribution towards attainment of the Millennium Development Goals. President Museveni singled Plan out as a "responsible partner".

West Africa
Plan won the West Africa Roll Back Malaria Network award for non-governmental organisations. In our 12 West Africa programme countries, we have helped distribute nearly 19 million mosquito nets and train 28,000 community activists and 3,800 community health workers. Roll Back Malaria is a global partnership of over 500 organisations and governments.

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OUR OFFICES

Programme Countries

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

** As of November 2014*

National Organisations

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

Liaison Offices

European Union Liaison Office, Brussels, Belgium

Liaison Office to the United Nations, New York, USA

Liaison and Advocacy Office to the United Nations, Geneva, Switzerland

Pan African Liaison Office, Addis Ababa, Ethiopia

Regional Offices

Americas
Asia
Eastern and Southern Africa
West Africa

Plan
International Headquarters
Dukes Court, Duke Street, Woking,
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Design and artwork: nim design

Plan International Worldwide
Directors' report and Combined Financial Statements
for the year ended 30 June 2014

Contents

Key abbreviations and definitions:

Throughout this report, the organisations and operational groupings 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

Field - Development and humanitarian programme operations in Africa, Asia and the Americas, including these activities undertaken by the Indian and Colombian National Organisations

International Headquarters - The central organisation of Plan comprising the PI Inc head office branch and Plan Limited

The year ended 30 June 2014 is referred to as 2014 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 2014.

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 equality for girls (Because I am a Girl), universal birth registration (Count Every Child) and violence-free school environments (Learn Without Fear).

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 work 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

Plan has 21 NOs, which, excluding Plan Italy, are members of PI Inc. The member NOs together, fully control PI Inc. and have agreed to comply with the standards of operation set out in the By-laws of PI Inc. Each is a separate legal entity in its own country, with objectives, purposes and constitutions which are substantially similar to those of PI Inc. The NOs carry out fundraising, development education and advocacy and those in India and Colombia also carry out development programmes in their respective countries. PI Inc manages the allocation, distribution and use of funds raised by NOs for work in developing countries.

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 48 programme countries, coordinated through 4 regional offices. 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 2014 there were 10 directors on the International Board, including seven directors who sit on the Board of an NO, two 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 2014, the Board has assessed progress in implementing the Global Strategy to 2015, including the programme and fundraising portfolio plans. This has involved overseeing a number of organisational developments, including changes in Brazil, Thailand, Nigeria and South America. The Board have also looked ahead to the potential global development goals post 2015. In order to implement its Global Strategy, Plan identified changes required in its business operating model and design of these changes and implementation of some aspects, were monitored by the Board during the year.

The Board's programme in 2014 has included approving both programmatic and corporate partnership standards and reviewing and where necessary, revising financial policies. Where appropriate, policies and standards have also been adopted by the Members' Assembly, for application by all Federation members.

The Board has reviewed and revised the Terms of Reference of its two Committees, the Programme Committee and the Financial Audit Committee, during the year.

The International Board of Directors as at 30 June 2014 comprised:

Ellen Margrethe Løj – Chair of the Members' Assembly and International Board until 22 November 2014. 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, utilization 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 until 22 November 2014. Martin 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 four listed companies in Germany, Holland and France.

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 was a director until 22 November 2014. 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 Free University of Berlin. He has also acted as Board member of Manning, Selvage and Lee Inc as well as Chairman of Plan International 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.

Joshua Liswood – Joshua is currently a 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 and from 23 November 2014 is the Chair of the Members' Assembly and International Board.

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.

Lydie Boka-Mene retired from the International Board of Directors on 19th March 2014. Günter Haag, Gerald Hueston, Gunvor Kronman and Naderev Sano were appointed as board directors from 23 November 2014.

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 2014 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
Tara Camm	General Counsel and Company Secretary
Pamela Innes	Director of Human Resources and Organisational Development
Gary Mitchell	Director of Global Assurance
Jorn Johanson	Director of Global Communications
Matthew Carlson	Acting Americas Regional Director
Adama Coulibaly	West Africa Regional Director
Roland Angerer	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
Tiziana Fattori	Italy
Gabriel Kazuo Tsurumi	Japan
Sang-Joo Lee	Korea
Monique van't Hek	Netherlands
Olaf Thommessen	Norway
Concha López	Spain
Anna Hägg-Sjöquist	Sweden
Andreas Herbst	Switzerland
Tanya Barron	United Kingdom
Tessie San Martin	United States

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 NOs 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 NOs.

Global Assurance completed 43 audits during 2014, covering operational and financial activities within PI Inc. In addition, there were 8 follow up audits to test the effectiveness of controls implemented following an initial audit. 17 of the audits were the holistic Control Framework audits, using the COSO framework, and based on attainment of management standards. 7 reviewed project management processes, and focussed on programme assurance, 16 were specific functional or grants reviews, 2 were designed to review the effectiveness of some key, global policies, and there was a comprehensive audit of Plan's response to Typhoon Haiyan in the Philippines. These audits are indicating that Plan continues to show some improvements in management controls, but that there is still variation in application and consistency. The designed improvements to management systems and processes, has not yet been cascaded down to sufficient operational units to have a demonstrable impact in the year.

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. An integrated financial, grants and projects tracking system had been implemented in 4 East and Southern Africa operations by 30 June 2014 and an acceleration of the rollout to other PI Inc operations is expected in 2015. This is expected to improve control and oversight of operations.

7. Risk management

PI Inc and the NOs have a standard Risk Management Policy. 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. 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 2014 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. Also, the risks associated with the level of change ongoing in the organisation as a result of the business operating model reform programme, have been a particular focus. The other key operational and strategic risks managed during the year related to global economic instability, aspects of income growth and meeting accountabilities to donors, achieving the staff resourcing necessary for successful operations and implementing the SAP integrated system.

8. Environmental reporting

Plan's environmental Key Performance Indicators conform to the Global Reporting Initiative (GRI) for the areas measured, and are converted into carbon emission equivalents where relevant.

Reported emissions have decreased by 2%, from 23,367 tonnes in 2013 to 22,783 tonnes in 2014. Emissions arise from the sources listed below:

Environmental impact in tonnes of Carbon Dioxide equivalent	FY14	FY13	% change
Air travel	8,469	8,219	3%
Vehicle and train travel	7,469	7,887	(5%)
Electricity use	4,831	4,708	3%
Office Diesel use	1,647	2,147	(23%)
Natural gas use	367	406	(10%)
Total	**22,783**	**23,367**	**(2%)**

The decrease in Plan's environmental impact year on year reflects a reduction in travel and switches in the form of energy used, to cleaner energy sources.

During 2014, Plan developed a strategy to manage the environmental impact of the operations of the Worldwide organisation, which the International Board reviewed in October 2014.

9. Financial overview

9a Summary

Plan's combined surpluses and deficits in 2014 equate to a €13 million Worldwide surplus, compared to a €25 million deficit in 2013. Both years have been impacted by net foreign exchange translation and transaction losses, due to depreciation of non-Euro currencies. 2014 results have also been affected by the Philippines Typhoon Haiyan disaster which accounted for €31 million of income and €23 million of expenditure.

In the year to 30 June 2014 Plan raised income of €722 million, which was €43 million more than the previous year, an increase of 6%. Total expenditure was €709 million, which was €5 million more than 2013 a 1% increase. As well as the donations related to Typhoon Haiyan, income in the year included €9 million related to the purchase of malaria bed nets which were not distributed at the year end and therefore not included in expenditure.

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 2014 was impacted by adverse exchange rate movements compared to the Euro, whilst 2013 was impacted by favourable exchange rates movements.

49% of Plan's income is derived from regular giving through child sponsorship, which decreased by €14 million or 4% to €354 million in the year, due to the effects of currency depreciation against the Euro with a small increase excluding the exchange rate differences between the two years. Excluding Euro translation effects, the most notable sponsorship income growth occurred in Norway, Canada, Korea, Germany and Hong Kong, offset by decreases in the United States, the Netherlands, Japan, Finland and the United Kingdom (UK). India and Italy commenced sponsorship fundraising in 2014.

Grants income grew by €48 million to €232 million in the year, with major increases in the United States, UK, Canada, Colombia, Germany and France. Growth was impacted by Typhoon Haiyan funds. Other major donations included a USAID award for a health programme in Uganda that commenced in 2013, Water and Sanitation and Education grants from the UK DFID and Global Fund malaria and sanitation fund programmes.

Gifts in kind totalled €30 million in 2014, compared with €36 million in 2013 and are mainly attributable to food distributions and medicines.

Other sources of income amounting to €106 million were, in total, €15 million higher than in 2013. These include other contributions, including disaster and other appeals which increased by €14 million to €97 million for the year. Investment income increased by €1 million to €3 million, due to gains on the sale of investments, whilst trading income of €5 million was the same as 2013.

9c Expenditure

Total Plan Worldwide expenditure, before foreign exchange gains and losses, increased by €4 million compared to 2013, to €700 million. Total programme expenditure was €536 million, which was an increase of €9 million over 2013. 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 2014 the regional profile of expenditure excluding foreign exchange gains and losses, remains broadly the same as in 2013, with the exception that responding to Typhoon Haiyan has increased the proportion of funding for Asia. As in 2013, Africa accounts for the largest share of total programme and non-programme expenditure, representing 35% in 2014, compared to 36% in 2013. Expenditure in Asia, including NOs based in the region, represents 22% of total expenditure in 2014 compared to 20% in 2013. Central and South America accounted for 14% of total expenditure excluding net gains on foreign exchange in 2014 and 15% in 2013. As in 2013, 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 2013. Fundraising, trading expenditure and other operating costs represent 23%. Programme expenditure is categorised into the distinct areas in which Plan works in accordance with Plan's programme framework. In 2014, management revised the categorisation of National Organisation costs associated with Child Sponsorship to reflect the separate development education, fundraising and administrative aspects and restated 2013 expenditure categories on the same basis.

Expenditure on Early childhood care and development accounted for €98 million or 18% of programme expenditure in 2014. This programme area covers support to primary health care programmes, pre school infrastructure and the Count Every Child campaign as well as malaria prevention work and food security outside disaster programmes. As in 2013, it is Plan's largest programme area, but 2014 expenditure represents a 14% decrease compared to 2013, primarily due to the large growth in the previous year in Guinea, Liberia and Sierra Leone and to a year on year reduction in the scale of early childhood care and development programmes in Central and South America.

Expenditure relating to disaster risk management was the second largest spending programme area in 2014, impacted by the Typhoon Haiyan response and to the largest ever number of responses by Plan to acute emergencies. 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 €91 million or 17% of total programme expenditure, a 30% increase on 2013. Apart from the Philippines response, there was significant spending on disasters and food security in Zimbabwe, South Sudan and Malawi.

Education accounted for €83 million or 15% of programme expenditure in 2014, 5% lower than 2013 when girls' education programmes expanded, alongside Plan's global Because I am a Girl campaign. Education, and particularly girls' education, is Plan's third largest programme area. Countries with lower expenditure include Haiti, Ethiopia, Burkina Faso and Ghana.

Expenditure on sexual and reproductive health covers costs related to family planning, HIV/AIDS and sex education. This expenditure represents €21 million, or 4%, of total programme expenditure. It is over €5 million or 31% higher than 2013. Most of this increase is attributable to investment in programmes located in Uganda, Benin and El Salvador, which offset a €3 million reduction due to UKNO (Interact) grant programmes ceasing in 2013.

Water and sanitation programmes of €42 million represent 8% of programme expenditure, a 7% decrease, compared to 2013. The largest reductions in expenditure were in Pakistan, Ethiopia, Kenya and Bolivia due to the timing of grants.

Economic security which covers costs relating to youth employment, family livelihoods and savings schemes and some food distribution, increased by 23% over 2013 and represents €51 million or 10% of programme expenditure. Bangladesh, Indonesia and Cambodia expenditure in this programme area doubled in comparison to last year.

Programmes to protect children from exploitation, neglect, abuse and violence represent €39 million or 7% of total programme costs. These costs increased by 3% or €1 million compared to 2013. Expenditure in this programme area covers training of children in human rights as well as capacity building at local and national level and increases were most notable in Colombia, Zimbabwe and Uganda.

Spending on participation programmes amounted to €65 million or 12% 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 5% compared to 2013, which included the global launch of the Because I am a Girl campaign in October 2012. There were major reductions in programme expenditure in Mali, Ecuador and Kenya.

Sponsorship communications and development education costs are those associated with communications between sponsors and sponsored children and the cost of activities to raise awareness of development issues and advocate for policy changes and aid. Together these represent €45 million or 8% of programme expenditure and represent a €1 million or 2% reduction over 2013, due to a reduction in development education expenditure by the NOs.

Fundraising costs of €101 million, decreased by 9% or €9 million compared to the previous year. Investments from fund balances decreased by €3 million, resource mobilisation activities at the field level reduced by €2 million and other NO fundraising costs decreased by €4 million.

Other operating costs of €59 million represent an increase of €5 million over the previous year. This includes increased reserve fund investment for year two of the business operating model reform programme, reaching €1.5 million in FY14. Trading activities including online shops and a film production entity was marginally lower than FY13, but still represents €5 million or 1% of income and expenditure for both years.

Losses on foreign exchange of €8 million in 2014 following on from losses of €7 million in 2013 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, including non-cash balances at 30 June 2014 were €290 million, €10 million higher than at 30 June 2013. At 30 June 2014, fund balances included €9 million undistributed malaria bed nets, held in inventory, which will be distributed in 2015. The increase in fund balances is represented by an €8 million increase in inventory, a €3 million increase in fixed assets and a €2 million decrease in cash and other net assets.

Of the €290 million fund balances at 30 June 2014, €45 million is represented by property, plant, equipment and intangibles and €16 million is permanently restricted. The remaining €229 million fund balances globally is represented by €146 million of donations designated for specific projects by donors, (including the €11 million inventory), €13 million funds received from sponsors in advance and €70 million unrestricted fund balances, held across PI Inc and the NOs.

Fund balances held in the NOs account for €136 million of total fund balances, whilst PI Inc holds the balance of €154 million. PI Inc fund balances are in line with the policy set by the International Board (explained in note 1f to the combined financial statements), which takes into account the average fund balances over a year and consequently the differences in the timing of cash inflows and outflows.

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

J Liswood

Joshua Liswood
Chair
17 December 2014

Independent auditors' report on special purpose combined financial statements

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 2014, the 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 special purpose 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 preparation 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 combined 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 about whether these combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to Plan International Worldwide's preparation and fair presentation of the combined 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 Plan International Worldwide's 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 combined financial statements.

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

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of the entities set out in Note 1 of the combined financial statements as at 30 June 2014, and the combined results of its operations and combined cash flows for the year then ended in accordance with the basis of preparation set out in Note 1 to the combined financial statements.

Emphasis of matter – basis of preparation

Without modifying our opinion, 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. These combined financial statements are, therefore, not necessarily indicative of results that would have occurred if the businesses had operated as a single entity during the year presented or of future results of the combined entity.

Other matter

This report, including the opinion, has been prepared for and only for the Directors of Plan International, Inc. in order to enable Plan International, Inc. directors to discharge their fiduciary duties in accordance with our engagement letter dated 21 March 2014 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 including without limitation under any contractual obligations of Plan International Worldwide, save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
United Kingdom
18 December 2014

Combined income statement

for the year ended 30 June

	Note	2014 €000	2013 Restated €000
Income			
Child sponsorship income	2a	**354,262**	368,613
Grants	2a	**231,665**	184,347
Gifts in kind	2a	**30,462**	35,554
Other contributions	2a	**97,301**	83,071
Investment income	2a	**3,083**	1,794
Trading income	2a	**4,905**	5,394
Total income	2a,b	**721,678**	678,773
Expenditure			
Programme expenditure	3a	**535,950**	527,214
Fundraising costs	3a	**100,476**	110,113
Other operating costs	3a	**59,256**	54,409
Trading expenditure	3a	**4,647**	5,004
Total expenditure before foreign exchange		**700,329**	696,740
Net losses on foreign exchange	3a	**8,171**	6,545
Total expenditure	3a,b,c	**708,500**	703,285
Excess/(deficit) of income over expenditure		**13,178**	(24,512)

Combined statement of comprehensive income and expenditure

for the year ended 30 June

	Note	2014 €000	2013 Restated €000
Excess/(deficit) of income over expenditure		**13,178**	(24,512)
Other comprehensive income and expenditure			
Items that will not be reclassified to the excess/(deficit) of income over expenditure:			
Remeasurements of post employment benefit obligations	11b	102	(432)
Items that may be reclassified to the excess/(deficit) of income over expenditure:			
Change in value of investments available for sale		**(164)**	497
Currency translation adjustment		**(3,909)**	(7,812)
		(4,073)	(7,315)
Total comprehensive income and expenditure	6	**9,207**	(32,259)

There is no corporation taxation arising on the items set out above as explained in note 1q to these financial statements. The notes on pages 15 to 43 form part of these financial statements.

The restatement of the combined income statement and the combined statement of comprehensive income and expenditure for 2013, reflects the implementation of IAS 19 (Revised) Employee benefits. This results in a charge for remeasurements of post employment benefit obligations of €432k being reported through the combined statement of comprehensive income and expenditure, rather than being included in other operating costs in the combined income statement as explained in note 11b.

Combined statement of financial position

at 30 June

	Note	2014 €000	2013 €000
Current assets			
Cash and cash equivalents	7b,e	**242,641**	247,550
Investments available for sale	7b,e	**17,606**	17,303
Investments held to maturity	7b,e	**3,016**	141
Receivables and advances	7h	**26,283**	29,507
Prepaid expenses		**11,250**	10,011
Inventory	8	**10,829**	2,809
		311,625	307,321
Non-current assets			
Investments available for sale	7b,e	**5,948**	7,157
Investments held to maturity	7b,e	**1,461**	30
Other financial assets – interests in trusts	7f	**942**	936
Property, plant and equipment	9	**30,011**	27,559
Intangible assets	9	**15,271**	14,908
Other receivables	7h	**2,272**	932
		55,905	51,522
Total assets		**367,530**	358,843
Current liabilities			
Bank overdrafts	7c	**1,894**	345
Accounts payable	7g	**14,246**	17,860
Accrued expenses	7g	**31,915**	34,535
Accrued post employment benefits	10	**22,300**	20,774
		70,355	73,514
Non-current liabilities			
Bank loan	7c	**1,814**	-
Deferred income		**1,875**	-
Pension obligations	11	**1,400**	1,464
Provisions for other liabilities and charges	12	**2,531**	3,517
		7,620	4,981
Total liabilities		**77,975**	78,495
Fund balances			
Unrestricted fund balances	6	**115,182**	144,771
Temporarily restricted fund balances	6	**158,478**	119,841
Permanently restricted fund balances	6	**15,895**	15,736
	6	**289,555**	280,348
Total liabilities and fund balances		**367,530**	358,843

Accrued post employment benefits of €20,386k (€20,271k) reported as non-current liabilities in 2013 (2012) have been reclassified as current liabilities, since Plan does not have an unconditional entitlement to defer settlement beyond 12 months. Overall there was no impact on net assets.

The notes on pages 15 to 43 form part of these financial statements.

The financial statements on pages 11 to 43 have been approved by the Board of Directors of Plan International, Inc. and were signed on behalf of the Board on 17 December 2014.

Joshua Liswood
Chair

Günter Haag
Director

Combined statement of cash flows

for the year ended 30 June

	Note	2014 €000	2013 Restated €000
Cash flows from operating activities			
Excess/(deficit) of income over expenditure		**13,178**	(24,512)
Depreciation and amortisation	9	**12,276**	9,972
Loss/(gain) on sale of property, plant and equipment		**455**	(64)
Investment income	2a	**(3,083)**	(1,794)
Decrease/(increase) in receivables		**607**	(863)
(Increase) in inventory		**(8,047)**	(163)
(Decrease)/increase in payables		**(1,031)**	10,559
Effects of exchange rate changes		**(5,655)**	6,410
Net cash inflow/(outflow) from operating activities		**8,700**	(455)
Cash flows from investing activities			
Investment income received		**3,081**	1,661
Proceeds from sale of investments available for sale		**15,162**	6,558
Purchase of investments available for sale		**(12,939)**	(9,788)
Proceeds from settlement of investments held to maturity		**109**	1,545
Purchase of investments held to maturity		**(2,328)**	(101)
Proceeds from sale of property, plant and equipment		**494**	412
Purchase of property, plant and equipment	9	**(9,991)**	(13,307)
Purchase of intangible assets	9	**(4,365)**	(7,088)
Net cash (outflow) from investing activities		**(10,777)**	(20,108)
Cash flows from financing			
Proceeds from borrowings		**1,814**	-
Net cash inflow from financing activities		**1,814**	-
Increase/(decrease) in cash and cash equivalents		**263**	(20,563)
Effect of exchange rate changes		**(6,195)**	(12,057)
Net (decrease) in cash and cash equivalents		**(6,458)**	(32,620)
Cash and cash equivalents at beginning of year		**247,205**	279,825
Cash and cash equivalents at end of year		**240,747**	247,205
Cash and cash equivalents at end of year comprise:			
Cash and cash equivalents		**242,641**	247,550
Bank overdrafts		**(1,894)**	(345)
		240,747	247,205

The restatement of the 2013 cash flow reflects the implementation of IAS 19 (Revised) employee benefits, which results in a charge for remeasurements of post employment benefit obligations of €432k being reported through the combined income statement, rather than being included in the deficit of income over expenditure for that year as explained in note 11b.

Combined statement of changes in fund balances

	Unrestricted	Temporarily restricted	Permanently restricted	**Total**
	€000	€000	€000	**€000**
Fund balances at 1 July 2012	**169,260**	**128,582**	**14,765**	**312,607**
(Deficit)/Excess of income over expenditure	(21,077)	(5,748)	2,313	**(24,512)**
Unrealised gains on investments available for sale	497	-	-	**497**
Remeasurements of post employment benefit obligations	(432)	-	-	**(432)**
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 1 July 2013	**144,771**	**119,841**	**15,736**	**280,348**
(Deficit)/Excess of income over expenditure	(28,069)	40,385	862	**13,178**
Unrealised losses on investments available for sale	(164)	-	-	**(164)**
Remeasurements of post employment benefit obligations	102	-	-	**102**
Exchange rate movements	(1,458)	(1,748)	(703)	**(3,909)**
Total (deficit) / excess of comprehensive income over expenditure	**(29,589)**	**38,637**	**159**	**9,207**
Fund balances at 30 June 2013	**115,182**	**158,478**	**15,895**	**289,555**

The notes on pages 15 to 43 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 2013, except that IAS 19 (Revised), Employee benefits has been adopted in 2014 and has had an impact and consequently the 2013 comparatives have been restated and the following standards have been adopted, but have no impact:

- Amendments to IAS 32 Financial instruments: Presentation, offsetting financial assets and financial liabilities
- 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
- Amendments to IFRS 10, 12 and IAS 27, Exception from consolidation for "investment entities"
- IFRS 13, Fair Value Measurement
- IFRIC 21, Levies
- IAS 27 Revised, Separate financial statements
- IAS 28 Revised, Associates and joint ventures
- Amendments to IAS 36, Recoverable amount disclosures for non-financial assets
- Amendments to IAS 39, Financial instruments; Recognition and measurement, novation of derivatives and continuation of hedge accounting

The following Standards and amendments to existing standards will be adopted in Plan's combined financial statements for the year ending 30 June 2015 or later years. The impact is being assessed.

- IFRS 9, Financial Instruments
- Additions to IFRS 9 for financial liability accounting
- Amendments to IFRS 9 on general hedge accounting
- IFRS 15, Revenue from contracts with customers
- Amendments to IFRS 7, Financial instruments: Disclosures
- Amendments to IFRS 10, Consolidated financial statements and IAS 28, Investments in associates and joint ventures, on sale or contribution of net assets
- Amendments to IFRS 11, Joint arrangements on acquisition of an interest in a joint operation
- Amendments to IAS 16, Property, plant and equipment and IAS 38, Intangible assets, on depreciation and amortisation
- Amendments to IAS 19, Employee benefits on defined benefit plans
- Amendments to IAS 27, Separate financial statements on equity accounting
- Annual improvements 2012 and 2013

c. Basis of combined financial statements

The financial statements of Plan are a combination of the consolidated accounts of the 20 Member NOs and the consolidated accounts of Plan International, Inc. (PI Inc), which include Plan Italy. 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 becoming a Member, 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 Brazil). All transactions and balances between entities included in the combined financial statements are eliminated.

d. Accounting for income

i) Child sponsorship contributions represent 49% of Plan's income in 2014 and 54% in 2013. 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 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. Income is deferred if cash is transferred to Plan by the donor prior to the requirements which entitle Plan to the income being met.

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, the price of the nearest equivalent goods in terms of quantity, quality, age, condition and branding or wholesale prices, taking into account normal commercial discounts and volume rebates. Valuations provided by institutional donors are used for food and food distributions.

v) Trading income is recognised at point of sale.

vi) Investment income represents both PI Inc's and the NOs' 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 fund balances 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 fund 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 fund balances of the NOs
- the child sponsorship and unrestricted funding working capital fund balance 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 NOs awaiting designation
- the contingency fund in PI Inc which is also equivalent to one month's average expenditure of child sponsorship and unrestricted funding
- free fund balances, meaning funds in excess of the total fund balance target level which comprises the sum of the specific fund balances. Free fund balances at 30 June 2013, included an investment fund for fundraising, programme development and organisational change of €6 million which was fully utilised in 2014.

PI Inc has a contingency fund 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
- unspent funds held by PI Inc that have been restricted to specific purposes by the NOs, including funds originally received by the NO as unrestricted
- 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 fund balances specified above are defined by the PI Inc reserves policy.

g. Operating leases

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

Inventory is held at the lower of cost and net realisable value, with obsolete stock written off. Inventory comprises both humanitarian supplies and inventory held for trading activities. Cost comprises the cost of purchase and is determined using the first-in, first-out method for both humanitarian supplies and trading inventory. The net realisable value of inventory held for humanitarian supplies is based on the service potential of the inventory. 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. Stock that is damaged or obsolete is written off as an expense. Humanitarian supplies are recognised in programme expenditure when distributed to beneficiaries. Inventory held for trading is recognised as trading expenditure when the goods are sold.

m. Current liabilities – post employment benefits and pension obligations

The amount accrued for post employment 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.

The accrual has been reclassified from non-current liabilities to current liabilities in 2014 and the prior year comparative has also been reclassified. The amounts were previously classified as non-current liabilities because Plan does not expect to make these payments in the next twelve months, but have been reclassified as current liabilities as they would be payable when an employee leaves and Plan would not have the right to defer payment.

A number of Plan entities maintain defined contribution pension plans or pay contributions to government schemes through social security payments. The amounts charged in the combined income statement in respect of such plans or social security contributions comprise the contributions payable by Plan in respect of the year.

n. Non-current liabilities – pension obligations

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 defined benefit obligations less the fair value of the plan assets. Pension obligations (and costs) are measured using the projected unit credit method. The amount charged in the combined income statement in respect of these plans comprises the current service cost, interest on the net defined liability to the scheme and administration charges payable by Plan Netherlands and Plan Norway in respect of the year. Changes in the defined benefit obligations due to remeasurements are charged to the combined statement of comprehensive income and expenditure.

o. 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.

p. Hedging transactions

PI Inc enters into forward foreign exchange contracts during each financial year 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, as PI Inc does not apply hedge accounting. There were no open hedges at either 30 June 2014 or 2013.

q. 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 NOs are exempt from corporation taxation.

r. 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, judgement is involved in assessing when Plan becomes unconditionally entitled to receive the income.

ii) 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.

iii) Post employment 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, which are included in the accrual for post employment benefits

2. Income

a. Income by source

	2014 €000	2013 €000
Child sponsorship income	**354,262**	368,613
Grants	**231,665**	184,347
Gifts in kind	**30,462**	35,554
Bequests	**7,418**	4,999
Project sponsorship and appeals	**89,883**	78,072
Other contributions	**97,301**	83,071
Interest and dividend income	**1,630**	1,731
Gain on sale of investments	**1,453**	63
Investment income	**3,083**	1,794
Trading income	**4,905**	5,394
Total income	**721,678**	678,773

b. Income by location

	2014 €000	2013 €000
Belgium	**13,632**	12,754
Denmark	**7,173**	6,105
Finland	**16,766**	16,330
France	**14,174**	12,344
Germany	**131,181**	117,527
Ireland	**12,240**	9,008
Italy	**472**	600
Netherlands	**48,937**	47,911
Norway	**53,021**	53,324
Spain	**12,425**	12,592
Sweden	**35,035**	35,224
Switzerland	**3,449**	4,258
United Kingdom	**75,652**	65,184
Europe	**424,157**	393,161
Canada	**117,334**	130,538
Colombia	**13,285**	8,987
United States	**73,735**	58,774
Americas	**204,354**	198,299
Australia	**41,621**	41,220
Hong Kong	**5,147**	4,294
India	**5,566**	3,465
Japan	**23,921**	26,662
Korea	**10,180**	8,826
Asia	**86,435**	84,467
Other	**7,953**	5,549
Intragroup elimination	**(6,126)**	(8,097)
	716,773	673,379
Trading income	**4,905**	5,394
Total income	**721,678**	678,773

3. Expenditure

a. Expenditure by programme area

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2014 €000
Early childhood care and development	**4,045**	**90,961**	**3,108**	**-**	**98,114**
Sexual and reproductive health	**5,532**	**15,198**	**519**	**-**	**21,249**
Education	**7,604**	**72,666**	**2,483**	**-**	**82,753**
Water and Sanitation	**3,774**	**37,384**	**1,277**	**-**	**42,435**
Economic security	**5,809**	**43,772**	**1,495**	**-**	**51,076**
Protection	**6,321**	**31,474**	**1,256**	**-**	**39,051**
Participate as citizens	**8,325**	**52,801**	**4,314**	**-**	**65,440**
Disaster risk management	**4,761**	**82,129**	**4,324**	**-**	**91,214**
Development education	**5,717**	**-**	**-**	**-**	**5,717**
Sponsorship communications	**-**	**35,940**	**2,961**	**-**	**38,901**
Programme expenditure	**51,888**	**462,325**	**21,737**	**-**	**535,950**
Fundraising costs	**95,420**	**4,511**	**3,103**	**(2,558)**	**100,476**
Other operating costs	**48,509**	**-**	**14,326**	**(3,579)**	**59,256**
	195,817	**466,836**	**39,166**	**(6,137)**	**695,682**
Trading expenditure	**4,647**	**-**	**-**	**-**	**4,647**
Total expenditure before foreign exchange	**200,464**	**466,836**	**39,166**	**(6,137)**	**700,329**
Net losses on foreign exchange	**-**	**-**	**-**	**8,171**	**8,171**
Total expenditure	**200,464**	**466,836**	**39,166**	**2,034**	**708,500**

	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
Development education	7,146	-	-	-	7,146
Sponsorship	-	35,825	2,890	-	38,715
Programme expenditure	45,445	462,183	19,586	-	527,214
Fundraising costs	103,128	6,098	7,071	(6,184)	110,113
Other operating costs	44,735	-	11,541	(1,867)	54,409
	193,308	468,281	38,198	(8,051)	691,736
Trading expenditure	5,004	-	-	-	5,004
Total expenditure before foreign exchange	198,312	468,281	38,198	(8,051)	696,740
Net losses on foreign exchange	-	-	-	6,545	6,545
Total expenditure	198,312	468,281	38,198	(1,506)	703,285

In 2014, management revised the categorisation of National Organisation costs associated with Child Sponsorship to reflect the separate development education, fundraising and administrative aspects. 2013 results have been reclassified on the same basis. This has the effect of decreasing programme expenditure for 2013 by €6 million and increasing fundraising costs by the same amount, compared to the figures reported last year.

In addition, the adoption of IAS 19 (Revised) Employee benefits, results in a reduction to the operating costs originally reported in 2013, as a charge for remeasurements of post employment benefit obligations of €432k is reported through the combined statement of comprehensive income and expenditure, rather than being included in other operating costs in the combined income statement. Further details, including the charge to expenditure in each year are set out in note 11b.

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 Count Every Child (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 educational 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.

Development education: Costs of providing print and online publications, films and events to raise awareness of development issues and advocate for policy changes and aid.

Sponsorship: The full cycle of field activities, including central and regional management and logistical costs related to Child Sponsorship. The cycle starts with planning and then introducing communities to Plan and to Child Sponsorship, enrolling children in the scheme, monitoring the development of children within their communities, through an annual questionnaire and other visits and facilitating communications by letter or email between sponsored children and their sponsors. A sponsorship ends when the child reaches 18, or when the child leaves the scheme for another reason. Sponsorship costs also include phasing out from communities.

Fundraising costs: account management of institutional and corporate donors, resource mobilisation planning and marketing costs associated with attracting new individual 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, supervision and monitoring and evaluation. 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

	2014	2013 Restated
	€000	€000
Belgium	**4,311**	4,393
Denmark	**3,385**	3,002
Finland	**6,416**	5,835
France	**4,162**	3,807
Germany	**29,552**	27,663
Ireland	**1,765**	1,909
Italy	**516**	608
Netherlands	**17,804**	16,094
Norway	**11,851**	11,889
Spain	**4,634**	4,736
Sweden	**10,636**	9,605
Switzerland	**1,405**	1,439
United Kingdom	**19,188**	18,038
Europe	**115,625**	109,018
Canada	**33,359**	33,655
Colombia	**445**	967
United States	**19,182**	20,084
Americas	**52,986**	54,706
Australia	**14,883**	16,726
Hong Kong	**1,967**	1,795
India	**1,607**	1,174
Japan	**6,107**	7,412
Korea	**2,642**	2,477
Asia	**27,206**	29,584
Trading expenditure	**4,647**	5,004
Total National Organisation expenditure	**200,464**	198,312

(ii) Field

	2014	2013
	€000	€000
Bangladesh	**12,685**	11,928
Cambodia	**12,350**	11,296
China	**4,895**	5,237
India	**13,069**	12,454
Indonesia	**9,397**	9,276
Laos	**2,806**	2,722
Myanmar	**2,243**	733
Nepal	**7,629**	7,336
Pakistan	**8,306**	13,188
Philippines	**30,955**	10,665
Sri Lanka	**3,335**	3,550
Thailand	**3,168**	3,220
Timor Leste	**2,316**	2,172
Vietnam	**10,558**	10,598
Bangkok regional office	**4,331**	4,033
Asia	**128,043**	108,408
Bolivia	**10,376**	11,946
Brazil	**5,353**	4,317
Colombia	**22,621**	20,046
Dominican Republic	**3,536**	4,567
Ecuador	**7,865**	7,990
El Salvador	**9,034**	10,324
Guatemala	**8,256**	8,541
Haiti	**6,661**	10,323
Honduras	**5,719**	5,998
Nicaragua	**4,746**	5,361
Paraguay	**3,058**	4,065
Peru	**4,221**	5,444
Panama regional office	**4,289**	4,761
Central and South America	**95,735**	103,683
Albania	**-**	366
Egypt	**6,938**	5,929
Ethiopia	**8,416**	15,276
Kenya	**12,747**	15,701
Malawi	**12,638**	6,082
Mozambique	**2,989**	3,158
Rwanda	**5,201**	5,962
Sudan	**8,410**	7,768
South Sudan	**8,942**	7,652
Tanzania	**10,130**	8,946
Uganda	**23,272**	14,392
Zambia	**7,149**	7,646
Zimbabwe	**19,293**	18,451
Nairobi regional office	**4,980**	5,937
Eastern and Southern Africa	**131,105**	123,266
Benin	**10,115**	9,746
Burkina Faso	**15,157**	15,908
Cameroon	**9,892**	6,432
Ghana	**6,853**	10,435
Guinea	**5,802**	11,715
Guinea Bissau	**3,762**	4,161
Liberia	**4,199**	10,943
Mali	**11,619**	9,769
Niger	**8,898**	11,290
Nigeria	**786**	577
Senegal	**9,597**	9,800
Sierra Leone	**11,045**	16,760
Togo	**8,266**	7,295
Dakar regional office	**5,962**	4,778
West Africa	**111,953**	129,609
Interact worldwide expenditure	**-**	3,315
Total field expenditure	**466,836**	468,281

3c. Expenditure by type

	Note	2014 €000	2013 Restated €000
Project payments to partners, community groups and suppliers		**219,430**	219,364
Employee salary costs	4	**190,531**	182,396
Other staff costs		**28,249**	30,464
Consultants and other professional costs		**48,003**	47,402
Marketing and media		**69,616**	73,483
Project travel and meetings		**49,056**	48,451
Other travel and meetings		**3,904**	4,215
Communications		**19,721**	15,373
Rent and related costs		**20,932**	20,437
Depreciation and amortisation	9	**12,276**	9,972
Supplies, vehicles and other costs		**38,611**	45,183
Net losses on foreign exchange		**8,171**	6,545
Total expenditure		**708,500**	703,285

In 2014, costs of workshops held for children and their communities and travel and other meetings in the field, which are part of the direct programme activities are reported as "Project travel and meetings" separately from "Other travel and meetings" costs for supervision, operations management and governance. Travel and meetings costs reported in 2013 of €53 million are reclassified in the 2013 costs above into €49 million Project and €4 million Other travel and meetings costs.

4. Employee information

	Average number of employees		Salary costs	
	2014 Number	2013 Number	2014 €000	2013 Restated €000
Field	**8,666**	8,529	**114,538**	108,804
National Organisations	**1,204**	1,192	**60,419**	60,226
International Headquarters	**222**	187	**15,574**	13,366
	10,092	9,908	**190,531**	182,396

The restatement of salary costs reported in 2013 arises due to the adoption of IAS 19 (Revised) Employee benefits, which results in a reduction to the salary costs originally reported in 2013 of €0.4 million, as remeasurements of post employment benefit obligations are reported through the combined statement of comprehensive income and expenditure, rather than being included in salary costs.

5. Remuneration of key management

a. Total key management remuneration

The average number of people designated as key management of Plan, including the 20 Member NOs and Plan Italy (2013: 20 Member NOs), for the year ended 30 June 2014 was 43 (2013: 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:

	2014 €000	2013 €000
Salaries	**3,649**	3,498
Other short term employee benefits	**1,119**	954
Total Salaries and short-term employee benefits	**4,768**	4,452
Post-employment benefits	**444**	368
Termination benefits	**-**	30
	5,212	4,850

The majority of key management are paid in currencies other than the euro, particularly sterling and the US dollar and therefore year on year changes in the remuneration reported includes currency movements. Other short term employee benefits include employers' social security contributions and, for staff based outside their home country, additional living allowances and benefits which relate to their overseas posting. The post-employment benefits principally comprise contributions payable to defined contribution pension schemes. There are no long-term incentive schemes for key management.

b. International management

Remuneration of key international management is determined by PI Inc and Plan Ltd salary policies which apply pay scales in accordance with market surveys and personal performance and, where relevant, sector norms for staff based outside their home country.

The remuneration of individuals holding key international management positions during the years to 30 June 2014 or 30 June 2013 is set out below. Unless otherwise indicated, individuals held key international management positions for full years in both financial periods:

	Salaries	Other Short term employee benefits	**2014 Total salaries and short term employee benefits**	Salaries	Other Short term employee benefits	2013 Total salaries and short term employee benefits
	€'000	€'000	**€'000**	€'000	€'000	€'000
Nigel Chapman	236	23	259	207	20	227
Tjipke Bergsma	179	10	189	172	10	182
Ann Firth	120	15	135	102	14	116
Tara Camm	121	15	136	96	12	108
Gary Mitchell	97	12	109	89	11	100
Mark Banbury	160	21	181	156	20	176
Pamela Innes (Oct 2013 – Jun 2014)	84	11	95	-	-	-
Harriet Dodd (Jul – Dec 2012)	-	-	-	45	10	55
Jorn Johansen (Jan – Jun 2014)	54	7	61	-	-	-
Patty O'Hayer (Jan - Oct 2013)	37	5	42	51	6	57
Adama Coulibaly	102	64	166	87	70	157
Mark Pierce	94	79	173	82	82	164
Roland Angerer	96	80	176	82	50	132
Matthew Carlson (Jan - Jun 2014)	39	39	78	-	-	-
Gezahegn Kebede(Jul 2012–Oct 2013)	31	24	55	90	38	128
	1,450	405	1,855	1,259	343	1,602
Post employment benefits			171			143
Termination benefits			-			30
			2,026			1,775

c. National Directors

NO boards either assess and approve the remuneration of National Directors directly, or delegate part or all of the remuneration review to a Board Committee. 10 of the NOs apply a pay policy, which may be an external standard for the sector in that market. In the majority of cases the National Director's remuneration takes into account the local salary market and performance, though the weighting given to each of these two factors varies across the NOs.

The salary levels of National Directors are not comparable due to the different sizes of operations and varying cost of living.

The combined remuneration of the National Directors of the 20 Member NOs and Plan Italy is set out below:

	2014	2013
	€000	€000
Salaries	**2,199**	2,239
Other short term employee benefits	**714**	611
Total Salaries and short-term employee benefits	**2,913**	2,850
Post-employment benefits	**273**	225
	3,186	3,075

The table below shows the number of National Directors with salaries (remuneration excluding non-salary short term benefits, post employment and termination benefits), falling in the following ranges:

		Year to 30 June 2014	Year to 30 June 2013
		Number	Number
Up to	€75,000	**3**	2
€75,001 -	€100,000	**8**	8
€100,001 -	€125,000	**5**	6
€125,001	€150,000	**3**	3
€150,001 -	€175,000	**-**	-
€175,001 -	€200,000	**2**	1
€200,001 -	€225,000	**-**	1

6. Fund balances

	30 June 2013 €000	Additions/ (reductions) €000	Translation differences €000	**30 June 2014 €000**
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	42,467	2,519	296	**45,282**
Unrealised gains/(losses) on investments available for sale	1,531	(164)	(82)	**1,285**
Remeasurements of post employment benefit obligations	(432)	102	-	**(330)**
Funds available for future expenditure	79,170	(28,802)	(1,672)	**48,696**
Prefinancing fund	22,035	(1,786)	-	**20,249**
Total unrestricted fund balances	144,771	(28,131)	(1,458)	**115,182**
Temporarily restricted fund balances				
Advance payments by sponsors	13,741	(583)	(380)	**12,778**
Donor-restricted contributions not yet spent	77,822	51,478	(1,368)	**127,932**
Other restricted funds	28,278	(10,510)	-	**17,768**
Total temporarily restricted fund balances	119,841	40,385	(1,748)	**158,478**
Permanently restricted fund balances				
Donor-restricted fund balances	13,537	862	(608)	**13,791**
Statutory fund balances	2,199	-	(95)	**2,104**
Total permanently restricted fund balances	15,736	862	(703)	**15,895**
Total fund balances	280,348	13,116	(3,909)	**289,555**
Cumulative foreign exchange differences included within fund balances	3,320	-	(3,909)	**(589)**

	30 June 2012 €000	Additions/ (reductions) Restated €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
Remeasurements of post employment benefit obligations	-	(432)	-	(432)
Funds available for future expenditure	103,302	(19,755)	(4,377)	79,170
Prefinancing fund	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

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

With the implementation of IAS 19 (Revised) Employee benefits, fund balances at 30 June 2013 have been reclassified to show a deficit balance of €432k relating to remeasurements of post employment benefit obligations separately from funds available for future expenditure.

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 2014 and 30 June 2013 there were no open forward contracts.

At 30 June 2014, 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 €2 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 €0.8 million (2013: €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 2014 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 2014, 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 2014 would have been €1.2 million (2013: €1.3 million) higher/lower. Cash and investments are held in many currencies and yields in the year to 30 June 2014 ranged from 0% to 8.3% (2013: from 0.02% to 9.00%).

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

	0 – 1 year	1 – 3 years	Over 3 years	**30 June 2014**
	€000	€000	€000	**€000**
Cash and cash equivalents	242,641	-	-	**242,641**
Current asset investments available for sale	2,810	-	-	**2,810**
Current asset investments held to maturity	2,844	-	-	**2,844**
Non current asset investments available for sale	3,572	92	734	**4,398**
Non current asset investments held to maturity	-	-	1,431	**1,431**
Total at 30 June 2014	**251,867**	**92**	**2,165**	**254,124**

	0 – 1 year	1 – 3 years	Over 3 years	30 June 2013
	€000	€000	€000	€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**

b. Credit risk

Credit risk arises mainly on cash and cash equivalents. Receivables and advances include small loans advanced under microfinance schemes, which are almost fully provided for in both 2014 and 2013, as these carry a high risk of default. 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 2014 was €282 million (2013: €288 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 2014		30 June 2013	
	Rating	**Balance**	Rating	Balance
		€000		€000
Counterparty A	A1	31,706	A1	34,972
Counterparty B	A1	30,798	A1	23,210
Counterparty C	A1	20,771	A1	21,924
Counterparty D	A1	19,319	A1	18,035
Counterparty E	A1	17,091	A1	10,478

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	Debt securities	Equities	**30 June 2014**
	€000	€000	€000	**€000**
Rated A or better				
Cash and cash equivalents	211,861	-	-	**211,861**
Current asset investments available for sale	-	2,810	3,130	**5,940**
Current asset investments held to maturity	-	2,844	-	**2,844**
Non-current asset investments available for sale	-	4,108	-	**4,108**
Non-current asset investments held to maturity	-	1,431	30	**1,461**
Total rated A or better	**211,861**	**11,193**	**3,160**	**226,214**
Other				
Cash and cash equivalents	30,780	-	-	**30,780**
Current asset investments available for sale	-	-	11,666	**11,666**
Current asset investments held to maturity	-	-	172	**172**
Non-current asset investments available for sale	-	290	1,550	**1,840**
Total other	**30,780**	**290**	**13,388**	**44,458**
Total				
Cash and cash equivalents	242,641	-	-	**242,641**
Current asset investments available for sale	-	2,810	14,796	**17,606**
Current asset investments held to maturity	-	2,844	172	**3,016**
Non-current asset investments available for sale	-	4,398	1,550	**5,948**
Non-current asset investments held to maturity	-	1,431	30	**1,461**
Total cash and investments	**242,641**	**11,483**	**16,548**	**270,672**

	Bank deposits & cash	Debt securities	Equities	30 June 2013
	€000	€000	€000	€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

c. Liquidity risk

Plan commits to expenditure only when funds are available and seeks to maintain cash required for liquidity 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 €311 million are 4 times larger than current liabilities of €70 million. Plan uses bank overdrafts to meet short term financing requirements. As at 30 June 2014, the aggregate value of these bank overdrafts was €1.9 million (2013: €0.3 million). In addition, at 30 June 2014, Plan Korea had a long term bank loan of €1.8 million (2013: nil) used to purchase the land and buildings it occupies.

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 2014:

	Level 1 €000	Level 2 €000	Level 3 €000	**30 June 2014 €000**
Available for sale financial assets:				
- Current asset investments	17,606	-	-	**17,606**
- Non current asset investments	5,948	-	-	**5,948**
Total assets	**23,554**	**-**	**-**	**23,554**

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	7,157	-	-	7,157
Total assets	24,460	-	-	24,460

The fair value of the 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 2014 was €4.5 million (2013: €0.2 million). In 2014 and 2013 there were no realised or unrealised gains or losses on investments held to maturity. On investments available for sale the unrealised gain as at 30 June 2014 was €1.3 million (2013: €1.6 million) and the realised gain was €1.5 million (2013: €0.4 million). There were no unrealised or realised losses (2013: 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 2014 were held in the following currencies:

	Cash and cash equivalents €000	Current asset investments available for sale €000	Current asset investments held to maturity €000	Non current asset investments available for sale €000	Non current asset investments held to maturity €000	**Total €000**
Euro	79,255	3,834	-	-	-	**83,089**
Canadian dollar	35,169	-	-	4,454	-	**39,623**
US dollar	33,276	10,962	-	759	-	**44,997**
Yen	8,109	2,810	-	734	1,431	**13,084**
Norwegian krone	19,155	-	-	-	-	**19,155**
Swedish krona	9,064	-	-	-	-	**9,064**
Australian dollar	11,422	-	984	-	-	**12,406**
Sterling	19,390	-	-	-	-	**19,390**
Other	27,801	-	2,032	1	30	**29,864**
	242,641	**17,606**	**3,016**	**5,948**	**1,461**	**270,672**

Cash and investments at 30 June 2013 were held in the following currencies:

	Cash and cash equivalents €000	Current asset investments available for sale €000	Current asset investments held to maturity €000	Non current asset investments available for sale €000	Non current asset investments held to maturity €000	Total €000
Euro	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 krone	27,262	-	-	-	-	27,262
Swedish krona	14,967	-	-	-	-	14,967
Australian dollar	6,702	-	141	-	-	6,843
Sterling	14,948	-	-	-	-	14,948
Other	33,981	276	-	-	30	34,287
	247,550	17,303	141	7,157	30	272,181

There were no impairment provisions on available for sale financial assets in 2014 or 2013.

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 2014, the fair value of these interests amounted to €0.9 million (2013: €0.9 million)

g. Financial liabilities

Forward foreign exchange contracts are held at fair value as set out in note 7a(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	
	2014	2013	**2014**	2013
	€000	€000	**€000**	€000
US dollar	**6,434**	6,945	**-**	-
Euro	**3,478**	4,627	**1,931**	54
Sterling	**6,710**	6,447	**-**	257
Canadian dollar	**974**	1,364	**-**	-
Norwegian krone	**1,984**	1,635	**-**	-
Swedish krona	**709**	897	**-**	-
Other	**5,994**	7,592	**341**	621
	26,283	29,507	**2,272**	932

Receivables and advances are stated net of provisions amounting to €2.3 million (2013: €2.5 million).

i. Capital management

The capital held by Plan is categorised in fund balances, for which the amounts for the years ended 30 June 2014 and 2013 and the movements for the year are set out in note 6. Total fund balances of €287 million (2013: €280 million) include €2 million (2013: €2 million) of statutory reserves which are held to meet regulatory requirements for not for profit organisations in some of the countries in which NOs operate. Other fund balances are held by PI Inc in accordance with the PI Inc reserve policy or by NOs in accordance with their own reserve policy or as otherwise approved by their Boards. These purposes are explained in note 1f.

8. Inventory

Inventory is as follows:

	2014	2013
	€000	€000
Inventory for trading activities	**408**	342
Inventory for distribution to beneficiaries	**10,421**	2,467
Total inventory	**10,829**	2,809

The inventory for distribution to beneficiaries comprises malaria bed nets and disaster packs in 2014 and food and disaster packs in 2013, purchased with donor contributions or received as gifts in kind, 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 2012	6,376	50,439	56,815	34,070	90,885
Additions	2,971	10,336	13,307	7,088	20,395
Disposals	(283)	(3,783)	(4,066)	(593)	(4,659)
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**
Current year movements					
Additions	4,594	5,397	9,991	4,365	14,356
Disposals	(303)	(1,879)	(2,182)	(3,782)	(5,964)
Impairment	-	-	-	(193)	(193)
Reclassification	-	172	172	(172)	-
Exchange adjustments	95	(621)	(526)	984	458
30 June 2014	**13,212**	**59,216**	**72,428**	**40,070**	**112,498**
Accumulated depreciation and amortisation					
Prior year					
1 July 2012	2,599	32,182	34,781	22,845	57,626
Charge for the year	373	6,573	6,946	3,026	9,972
Disposals	(2)	(3,715)	(3,717)	(593)	(4,310)
Exchange adjustments	(52)	(544)	(596)	(1,318)	(1,914)
30 June 2013	**2,918**	**34,496**	**37,414**	**23,960**	**61,374**
Current year movements					
Charge for the year	830	7,211	8,041	4,235	12,276
Disposals	-	(2,383)	(2,383)	(3,899)	(6,282)
Exchange adjustments	(62)	(593)	(655)	503	(152)
30 June 2014	**3,686**	**38,731**	**42,417**	**24,799**	**67,216**
Net book value:					
30 June 2014	**9,526**	**20,485**	**30,011**	**15,271**	**45,282**
30 June 2013	5,908	21,651	27,559	14,908	42,467

Included in intangible assets is €1.1 million (2013: €5.6 million) relating to internally generated software for internal use which is in the course of construction.

10. Accrued post employment benefits

Accrued post employment benefits represent 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 nature of these arrangements and the key assumptions used to estimate the obligation are explained in note 1m. The movement in the accrual during 2014 and 2013 is as follows:

	2014 €000	2013 €000
At 1 July	**20,774**	20,735
Total expense	**6,306**	6,064
Benefits paid	**(4,780)**	(6,025)
At 30 June	**22,300**	20,774

11. Pension plans

a. Defined contribution pension plans

The majority of Plan's pension arrangements for staff are defined contribution schemes. These schemes are governed by local statutory regulations and pension fund assets are held independently of Plan's assets.

16 defined contribution schemes exist in 12 countries in which PI Inc or its subsidiaries operate. These include two defined contribution pension plans for expatriate employees, one for US citizens and one for non-US citizens. In addition, 14 of Plan's NOs operate defined contribution schemes.

Contributions to defined contribution pension plans in 2014 totalled €5.6 million (2013: €5.7 million) which are charged to expense as contributions fall due.

In addition to Plan's defined benefit contribution schemes and the two NO defined contribution schemes explained in note 11b, Plan pays social security contributions to statutory government pension or social security schemes, which provide varying levels of post retirement benefit, in a further 31 PI Inc countries and a further 4 NO countries. Including these, there is some level of post retirement benefit to which Plan contributes in 90% of the countries in which Plan operates.

b. Defined benefit pension plans

Two member NOs, Plan Netherlands and Plan Norway operate defined benefit pension plans. 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 - post employment benefits and pension obligations" by independent actuaries.

IAS 19 (Revised) prescribes the accounting and disclosure by employers for employee benefits. Actuarial gains and losses (remeasurements) arising from the valuation of defined benefit pension schemes are no longer permitted to be recognised in the combined income statement and must be recognised immediately in other comprehensive income. In addition, IAS 19 (Revised) also replaces interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). IAS 19 (Revised) has been applied retrospectively and comparative figures restated accordingly. Details of the impact of these restatements are detailed below. The impact of the implementation of IAS 19 (Revised) on the Group's results for the 2014 has been to increase other operating costs by €102k (2013: decrease by €432k) and reduce / increase the excess / (deficit) of income over expenditure by the same amount in each period. There has been no impact on the net retirement benefit liability or total fund balances for the years ended 30 June 2014, 30 June 2013 or 30 June 2012.

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

	2014 €000	2013 Restated €000
Current Service cost	**614**	718
Interest cost on net defined liability	**52**	36
Administration expenses	**96**	114
Total	**762**	868

Expected contributions to the plans for the year ending 30 June 2015 are €1.0 million.

The amounts recognised in the combined statement of comprehensive income and expenditure are as follows:

	2014 €000	2013 Restated €000
Remeasurements of the Defined Benefit Obligation:		
Loss due to changes in demographic assumption	**(115)**	(85)
(Loss) / gain due to changes in financial assumptions	**(1,112)**	505
Gain / (loss) due to experience	**11**	(368)
Return on Plan assets excluding amounts included in interest income	**1,338**	(484)
Investment management cost	**(20)**	-
Total gain / (loss)	**102**	(432)

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

	2014 €000	2013 Restated €000
At 1 July	**(1,464)**	(869)
Total expense	**(762)**	(868)
Contributions paid	**698**	666
Remeasurements	**102**	(432)
Currency translation effect	**26**	39
At 30 June	**(1,400)**	(1,464)

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

	2014 €000	2013 Restated €000
Defined benefit obligation		
At 1 July	**(13,236)**	(12,926)
Current service cost	**(702)**	(780)
Interest cost	**(467)**	(417)
Payroll tax	**41**	5
Employee contributions	**(121)**	(115)
Remeasurements:		
Experience (losses) / gains	**(259)**	190
Loss due to changes in demographic assumption	**(25)**	(85)
(Loss) / gain due to changes in financial measurements	**(1,085)**	506
Benefits paid	**187**	164
Past service cost	**88**	118
Currency translation effect	**119**	104
At 30 June	**(15,460)**	(13,236)
Of which:		
Plan Netherlands pension plan	**(13,289)**	(11,293)
Plan Norway pension plan	**(2,171)**	(1,943)

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

	2014 €000	2013 Restated €000
Defined benefit pension plan assets		
At 1 July	**11,768**	11,495
Interest income	**402**	384
Employer contributions	**657**	623
Employee contributions	**121**	115
Benefits paid	**(187)**	(164)
Management fees	**(83)**	(111)
Remeasurement gain / (loss):		
Return on plan assets excluding amounts included in interest income	**1,471**	(501)
Currency translation effect	**(89)**	(73)
At 30 June	**14,060**	11,768
Of which:		
Plan Netherlands pension plan	**12,372**	10,426
Plan Norway pension plan	**1,688**	1,342

The Plan Netherlands pension funds were invested in an insurance policy at both 30 June 2014 and 2013. The percentage of the fair value of the Plan Norway pension fund assets invested, by asset category at each year end was as follows:

Plan Norway pension fund assets	2014	2013
Equities	4.2%	10.2%
Alternative investments	4.3%	-
Bonds	16.2%	12.6%
Money market	24.7%	25.8%
Hold to maturity bonds	35.3%	35.3%
Real estate	13.9%	14.8%
Other	1.4%	1.3%
	100.0%	100.0%

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.

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

Plan Netherlands pension plan	2014	2013
Used to determine defined benefit obligations at year end:		
Discount rate for obligations	**3.0%**	3.4%
Rate of future salary increases	**1.5%**	1.5%
Rate of pension increase	**1.4%**	2.0%
Rate of consumer price inflation	**2.0%**	2.0%
Number of members	**331**	327
Used to determine pension expense for the current year:		
Discount rate for obligations	**3.4%**	3.2%
Rate of future salary increases	**1.5%**	1.5%
Rate of pension increase	**2.0%**	2.0%
Rate of consumer price inflation	**2.0%**	2.0%

Plan Norway pension plan	2014	2013
Used to determine defined benefit obligations at year end:		
Discount rate for obligations	**4.0%**	3.9%
Rate of future salary increases	**3.8%**	3.5%
Rate of pension increase	**1.6%**	1.4%
Payroll tax rate	**14.1%**	14.1%
Increase of social security base amount	**3.5%**	3.3%
Number of members	**63**	61
Used to determine pension expense for the current year:		
Discount rate for obligations	**3.9%**	3.9%
Rate of future salary increases	**3.5%**	3.5%
Rate of pension increase	**1.4%**	1.4%
Payroll tax rate	**14.1%**	14.1%
Increase of social security base amount	**3.5%**	3.3%

The following table illustrates the sensitivity of the defined benefit obligation and the projected expense to changes in discount rate assumptions:

Plan Netherlands pension plan Discount rate sensitivity	**Assumption**	**Defined Benefit Obligation at year end €000**	**Net Interest on Net Defined Benefit Liability at 1 July €000**	**Service Cost including Administration cost €000**
Discount rate	3.0%	13,289	21	453
Discount rate + 0.5%	3.5%	11,905	19	389
Discount rate – 0.5%	2.5%	14,895	22	529

Plan Norway pension plan Discount rate sensitivity	**Assumption**	**Defined Benefit Obligation at year end €000**	**Net Interest on Net Defined Benefit Liability at 1 July €000**	**Service Cost including Administration cost €000**
Discount rate	4.0%	2,171	87	480
Discount rate + 0.5%	4.5%	1,889	85	422
Discount rate – 0.5%	3.5%	2,505	88	548

The following table illustrates the sensitivity of the defined benefit obligation to changes in life expectancy assumptions:

Impact on Defined Benefit Obligation (DBO) of a change in life expectancy	**Change in DBO Plan Netherlands**	**Change in DBO Plan Norway**
Increase by 1 year	Increase by 3.0%	Increase by 2.28%
Decrease by 1 year	Decrease by 3.1%	Decrease by 2.1%

The sensitivity analyses for the defined benefit pension plans above are based on a change in assumption whilst holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may occur together. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation, calculated using the projected unit credit method at the end of the reporting period) has been applied, as is used to calculate the pension liability recognised within the combined statement of financial position.

2014 is the first reporting period for which the sensitivity analyses have been prepared, due to adopting IAS 19 (Revised) Employee benefits.

12. Provisions for other liabilities and charges

Provisions for other liabilities and charges are as follows:

	2014	2013
	€000	€000
Split interest trusts	**225**	188
Building lease incentive	**2,094**	2,379
Other	**212**	950
Total provisions for other liabilities and charges	**2,531**	3,517

	Split interest trust	Lease incentive	Other	Total
	€000	€000	€000	€000
At 1 July 2013	188	2,379	950	3,517
Additional provisions	47	107	-	154
Used during the year	-	(432)	(772)	(1,204)
Currency translation effects	(10)	40	34	64
At 30 June 2014	**225**	**2,094**	**212**	**2,531**

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.

13. Contingencies and commitments

a. Contingent liabilities

Plan is involved in various legal and employment taxation disputes, the outcome of which is uncertain. The best current estimation of the maximum potential impact on Plan's financial position is €5.3 million (2013: €5.5 million) in aggregate.

b. Capital commitments

Contracts for capital expenditure not provided in the financial statements amount to approximately €0.03 million (2013: €1.0 million).

c. Operating leases

Plan's combined rent expense for the year was €14.1 million (2013: €13.6 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 2014			At 30 June 2013		
	Rent	Other operating leases	Total	Rent	Other operating leases	Total
	€000	€000	€000	€000	€000	€000
Within one year	11,048	500	**11,548**	10,177	460	10,637
Between one and five years	24,343	1,433	**25,776**	23,945	1,064	25,009
After 5 years	14,884	152	**15,036**	14,032	20	14,052

14. 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 €0.1 million (2013: €2.7 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 is providing a steady source of income for Hilfe mit Plan. Space is also rented occasionally 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 €0.5million (2013: €0.1million) to Hilfe mit Plan.

Plan Germany received donations of €1.6 million (2013: €1.5 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 2014 or 30 June 2013.

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