PLAN INTERNATIONAL WORLWIDE

DIRECTORS' REPORT AND COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

CONTENTS

KEY ABBREVIATIONS AND DEFINITIONS:

Throughout this report, the organisations and operational groupings comprising Plan International are referred to as follows:

Plan International or Plan International Worldwide

- Plan International, Inc., its subsidiaries (including Plan Limited) and the corporate members of Plan International, Inc. and their subsidiaries combined

PI Inc - Plan International, Inc.

Plan Ltd - Plan Limited

National Organisations

- the corporate members of PI Inc, also referred to as NOs

Field - Development and humanitarian programme operations undertaken by PI Inc and the Indian and Colombian National Organisations in developing countries in Africa, Asia and Latin America

International Headquarters

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

The year ended 30 June 2018 is referred to as 2018 throughout this report and similarly for prior years.

Plan International Worldwide

Directors' report

The directors of PI Inc present their directors' report and the audited combined financial statements in respect of Plan International for the year ended 30 June 2018.

1. Activities

Plan International is an independent development and humanitarian organisation that strives for a just world that advances children's rights and equality for girls.
We engage people and partners to:

- Empower children, young people and communities to make vital changes that tackle the root causes of discrimination against girls, exclusion and vulnerability.
- Drive change in practice and policy at local, national and global levels through our reach, experience and knowledge of the realities children face.
- Work with children and communities to prepare for and respond to crises and to overcome adversity.
- Support the safe and successful progression of children from birth to adulthood.

Our aim is to contribute to children being able to enjoy their rights and to achieve equality for girls. This means working with children, their families, communities, governments, civil society organisations and partners across Asia, Africa and Latin America, and influencing decision-makers at national and international levels, to bring about sustainable change. Our work benefits from the support of millions of individuals, who sponsor children in the countries in which we work, support our campaigns or respond with assistance when disasters strike.

We have put gender equality and the persistent development challenges that girls are facing right at the heart of our organisational purpose. We have grown from being child-centered and community-focused to recognising that we must also impact young people over 18 years of age, work at multiple levels and be active across humanitarian development contexts. We know that we must partner with and influence a wide range of players to catalyse sustainable, transformative change at scale, from local to global levels.

Importantly, our programme and influence approach to development and humanitarian work addresses issues that have been identified by children and communities themselves as being violations of children's rights. Through this work, with partners and civil society, we support efforts at the local level to enable children to access their rights to equality, education, health, protection, clean water and sanitation, secure family income and participation in decision-making.

The grassroots work is complemented by work at local, national and international levels to influence policy decisions and behaviour, and by campaigning for equality for girls. We remain ready to respond immediately to disasters and crises and can adapt our programme work accordingly in order to secure the well-being and safety of girls, who are often the most vulnerable, other children and their families.

Our investment in country programmes is informed by a number of factors, including the number of children and communities that will benefit, the nature of the rights violations, the drivers of inequality in a country and our ability to contribute to how children and their families can claim enjoyment of their rights. There are other factors that affect our financial management and operations in a country, such as the local costs of operation, domestic laws and requirements and unforeseen events.

2. Membership and structure

Plan International has 20 NOs that are members of PI Inc, and two prospective members, Brazil and Indonesia. The Brazil entity is currently a subsidiary of PI Inc, and a local entity has been incorporated in Indonesia. As of 6 July 2018, there is no longer a prospective member in Italy. The 20 member NOs, together, fully control PI Inc and have agreed to comply with the standards of operation prescribed by 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, some programming and advocacy and those in India and Colombia also carry out development programmes and humanitarian operations 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 registered office in New York, USA. PI Inc operates in 53 programme countries, coordinated through four regional offices. Plan International's headquarters is located in the United Kingdom. PI Inc has four liaison offices. These include an office in New York, U.S.A. to liaise with the United Nations delegations, an office in Brussels, Belgium operating as Plan International

Membership and structure (cont'd)

Europe to liaise with the European Union, an office in Geneva, Switzerland to liaise with the United Nations and an office in Addis Ababa, 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 of PI Inc and receiving the combined financial statements for Plan International. The Members' Assembly also elects the Board of Directors 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 each NO. 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.

The new five-year global strategy *100 Million Reasons* was launched on 1 July 2017. Further details are available on Plan International's website www.plan-international.org.

On 1 July 2018, the National Organisation in Denmark amalgamated with Danish organisation Bornefonden and Bornefonden's assets in Burkina Faso, Benin, Mali and Togo were transferred to PI Inc.

4. Directors

The Board of Directors of PI Inc ("International Board") directs the activities of PI Inc and is responsible for ensuring that the management of PI Inc is consistent with the By-laws and with the strategic goals of Plan International as determined by the Members' Assembly to whom it is accountable. The Members' Assembly elect up to 11 non-executive directors to form the International Board.

As at 30 June 2018 there were 11 directors on the International Board, including seven directors who also sit on the Board of an NO and four directors who are independent of Plan International of whom three come from developing countries. 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.

The International Board oversaw the first year of implementation of Plan International's five-year Global Strategy 2017-2022, *100 Million Reasons,* which was approved by the Members' Assembly for launch on 1 July 2017.

Through its Programme and Financial Audit Committees, the International Board reviewed senior management's proposals and responses to the major programmatic and financial changes and challenges facing Plan International. The Financial Audit Committee has reviewed Plan International's financial performance and oversaw the external audit process.

The International Board of Directors as at 30 June 2018 comprised:

Joshua Liswood - Joshua is a retired Partner from Miller Thomson LLP. His practice had been dedicated to the health field. He has a number of major publications and articles related to this sector. Joshua is currently Vice Chair of Plan Canada and the Chair of the Members' Assembly and International Board.

Gunvor Kronman - Gunvor joined the International Board in November 2014 and is the Vice Chair of the International Board. She is currently the CEO of Hanasaari, the Swedish-Finnish Cultural Centre and during the past 20 years has held positions across the private, public and not for profit sectors in Finland, Denmark and several African countries.

Directors (cont'd)

Gunvor also holds membership on boards including Helsinki University, Crisis Management Initiative and the Finnish Red Cross Blood Service. She is the Vice-Chair of Finland's Development Policy Committee and a member of the Board of Plan International Finland.

Carlos Aparicio - Carlos has a master's degree in Higher Education Management and expertise in finance and administration. He has been involved in projects and activities for helping students coming from low-income families. Carlos has been involved with Plan International for over 46 years having previously been a sponsored child. Carlos is a board member of Fundación Plan (Colombia).

Axel Berger –Axel joined the Board in November 2017. He spent most of his professional career working for the German arm of the accounting firm KPMG, 14 of which was as managing partner of the Cologne and Munich offices. He is also the former Vice-President of the German Financial Reporting Enforcement Panel. He received an Honorary Doctorate from the University of Eichstätt. Axel has sat on the board of Plan International Germany since 2004.

Elbia Castillo Calderon – Elbia has served as Vice President of Audit, Security and Research of Scotiabank Peru S.A.A. since March 2015. Elbia holds a Bachelors degree in Economics from Universidad de Lima. She joined the International Board in November 2017.

Amanda Ellingworth – Amanda joined the Board in November 2017. Amanda's first career was in UK local government social work, specialising in children services and child protection. She has since held a 'portfolio' of chair or directorships, in the UK public sector and on not for profit boards, always working with vulnerable people, especially children. Amanda is currently on the boards of Plan International U.K., Barnardo's and Great Ormond Street Hospital among other organisations. She is the Chair of the Programme Committee.

Günter Haag – Günter worked for KPMG in Zurich, Geneva and San Francisco in a number of roles as an advisor, auditor and various management positions. He served as a member of the Executive Board of KPMG Switzerland initially as Head of Financial Advisory Services and later as Head of Audit. Günter specialises in audit, consulting, corporate governance, due diligence and capital market transactions. He is the Chair of the Financial Audit Committee and an independent board director.

Gerald Hueston – Gerry retired in 2010 as President of BP in Australasia after a 34 year career with them in Australia, New Zealand, United Kingdom and Europe. He is a past board member of the Business Council of Australia, a past Chair and board member of the Australian Institute of Petroleum, a former member of the Chairman's panel of the Australian Great Barrier Reef Foundation, and a former Commissioner with the Australian Climate Commission. Gerry is currently Chair of the Australian Climate Council and of Plan International Australia. Gerry was elected as Treasurer in November 2017.

Dorota Keverian - Dorota has extensive international experience in talent management, organisational change, strategy and performance improvement. She is a former director at the William J. Clinton Foundation's Climate Initiative overseeing carbon capture, utilization and storage projects in the US; a former Global Director of Consultant Human Resources at the Boston Consulting Group and a 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 International USA.

Sonali Khan - Sonali has over 20 years of extensive knowledge and experience in the development sector. As of October 2018, she is the Managing Director of Sesame Workshop India. She is the former Director, Knowledge Creation and Dissemination at Dasra and prior to that, she was the Country Director, India at Breakthrough and helped the organization achieve its goal of creating a violence-free world for women and girls. Sonali has also been awared the Skoll Award for Social Entrepreneurship (2016) and also received the Nan Shakti Puraskar from the President of India. Sonali also sits on the board of MenEngage Global Alliance. She is an independent board director.

Imeru Tamerat Yigezu - Imeru is an Ethiopian lawyer by training, a reputed academic, researcher and consultant. He has worked in the field of development and has specialised in human rights. He is also a member of the Advisory Committee of the United Nations Human Rights Council. Imeru is an independent board director.

Mayu Avila, Anne Skipper and Werner Bauch retired from the International Board on 17 November 2017. At all times in 2018, the number of members on the International Board was 11.

5. Management team

In addition to the International Board, key management in Plan International includes the Senior Management of PI Inc and Plan Limited and the National Directors of the NOs. Members of these groups during the year to 30 June 2018 and up to the date of approval of this report, unless otherwise stated, are listed below:

International Senior Management

Director	Role	
Anne-Birgitte Albrectsen	Chief Executive Officer	
Gabriela Bucher	Chief Operating Officer	from 14 August 2017
Jonathan Mitchell	Executive Director of International Programmes	to 31 December 2017
Damien Queally	Interim Executive Director of International Programmes	from 1 January 2018
Hendrik Jan de Bruijn	Executive Director of Business Resources and Solutions	to 1 November 2017
Torben Due	Interim Executive Director of Business Resources and Solutions	from 2 November 2017 to 2 February 2018
Jon Winder	Interim Executive Director of Business Resources and Solutions	from 3 February 2018
Tara Camm	Chief of Staff and General Counsel	
Pamela Innes	Executive Director of Human Resources and Organisational Development	to 1 August 2017
Gabriela Bucher	Interim Executive Director of Human Resources and Organisational Development	from 14 August 2017 to 3 June 2018
Belinda Portillo	Interim Executive Director of Human Resources and Organisational Development	from 4 June 2018 to 21 September 2018
Jayanta Bora	Executive Director of Human Resources	from 17 September 2018
Gary Mitchell	Director of Global Assurance	to 13 October 2017
Emmah Mathu	Acting Director of Global Assurance	from 14 October 2017 to 7 January 2018
Sagar Dave	Director of Global Assurance	from 8 January 2018
Sean Maguire	Executive Director of Global Influence and Partnerships	
David Thomson	Executive Director of Strategy and Business Insights	
Corina Villacorta	Americas Regional Director	to 31 August 2017
Debra Cobar	Interim Americas Regional Director	from 1 September 2017 to 28 January 2018
Debra Cobar	Americas Regional Director	from 29 January 2018
Rotimy Djossaya	West Africa Regional Director	
Roland Angerer	East and Southern Africa Regional Director	to 14 June 2018
Roger Yates	Interim East and Southern Africa Regional Director	from 24 May 2018 to 31 August 2018
Roger Yates	East and Southern Africa Regional Director	from 1 September 2018
Senait Gebregziabher	Asia Regional Director	to 30 September 2018
Bhagyashiri Dengle	Acting Asia Regional Director	from 30 September 2018

National Directors

Director	National Organisation	
Ian Wishart	Australia	to 27 February 2018
Susanna Legena	Australia	from 28 February 2018
Régine Debrabandere	Belgium	
Caroline Riseboro	Canada	
Gabriela Bucher	Colombia	to 23 July 2017
Alejandro Gamboa	Colombia	from 24 July 2017
Gwen Wisti	Denmark	
Ossi Heinänen	Finland	
Yvan Savy	France	
Maike Röttger	Germany	
Kanie Siu	Hong Kong	
Bhagyashri Dengle	India	
Paul O'Brien	Ireland	
Tiziana Fattori	Italy	to 31 October 2017
Yuichi Tanada	Japan	
Sang-Joo Lee	Korea	
Monique van't Hek	Netherlands	
Kjell Erik Øie	Norway	to 28 February 2018

Management team (cont'd)

National Directors

Director	National Organisation	
Marianne Stabell	Norway	from 1 March 2018 to 31 July 2018
Kari Helene Partapuoli	Norway	from 1 August 2018
Concha López	Spain	
Mariann Eriksson	Sweden	
Jan Schneider	Switzerland	to 30 November 2018
Suba Umathevan	Switzerland	from 16 August 2018
Tanya Barron	United Kingdom	
Tessie San Martin	United States	

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 systems that support the achievement of Plan International's mission and objectives, and safeguards the donations received, assets and resources, which includes its staff.

Control processes provide for the prevention and timely detection of unauthorised transactions that could have a material effect on the financial statements. The controls over financial reporting include policies and procedures relating to the maintenance of records, authorisation of transactions and reporting standards. The Global Assurance (GA) function conducts audits of all operating areas within PI Inc based on a programme of work approved by the International Board. The function reports directly to the Financial Audit Committee and the Programme Committee of the International Board. GA also provides direct service to National Organisations when requested.

Global Assurance completed a range of audits during 2018, covering operational and financial activities within PI Inc, as well as follow up audits (to test the effectiveness of controls implemented following an initial audit). A significant number of the audits use a holistic Control Framework approach, based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework, and based on attainment of management standards. GA conducts reviews of project management processes focused on programme assurance. GA also completed a number of specific detailed functional reviews (covering Child Protection and Financial management), and reviews of the effectiveness of some key, global policies. A number of higher materiality institutional grants were audited, some on behalf of the specific NO managing the donor relationship. Overall, these audits are indicating that PI Inc continues to show some improvements in management controls, but that there is variation in application and consistency, and impact and effectiveness of management improvements has yet to be fully demonstrated. Plan International is committed to continue to raise the standard of its internal controls, applying operational procedures and global standards more consistently, as well as strengthening reporting and monitoring routines.

7. Risk management

As an international non-governmental organisation that operates in challenging environments, Plan International faces a number of significant risks and uncertainties which could impact on the delivery of its strategic and operational objectives. Risk management is a recognised part of Plan International's every day activities at all levels and the organisation takes a systematic approach to risk management that considers both external and internal factors. Plan International's risk management processes, based on the ISO 31000 standards, are designed to identify key and emerging risks and provide assurance that these risks are fully understood and appropriately managed with regular reporting and monitoring. The Members' Assembly and Plan International's respective Boards recognise that in order to achieve our Global Strategy, some risks must be accepted even when they remain reasonably high after mitigation.

Attention is given to risk ownership and monitoring at each level in the global structure in accordance with the Global Policy on Risk Management:

- Local management across the organisation are responsible for the management of their Entity's risks, and for reporting to PI Inc on risks which may impact other Entities
- Boards across the organisation are responsible for governance and oversight of risks in their Entity, with the International Board of PI Inc additionally responsible for governance and oversight of global risks

Risk management (cont'd)

- The Members' Assembly is responsible for governance and oversight of critical global risks and setting the global risk appetite for the organisation

In addition to the above, risk assurance reports are received by the International Board of PI Inc and the Members' Assembly on the management of risk across PI Inc. Plan International's reporting approach strengthens the understanding and discussion of the organisation's risks with greater scrutiny on management's compliance with mitigation plans.

Plan International's risk management processes are supported by a technology-based system that promotes consistency, accountability and the ability to report and monitor a dynamic risk environment. Continuous improvement of Plan International's risk management approach is driven forward by PI Inc's Global Risk & Insurance Team.

8. Financial overview

8a Summary

Plan International's combined surpluses in 2018 equate to a €32 million surplus, compared to a €12 million surplus in 2017. Excluding foreign exchange gains and losses there was a surplus in 2018 of €39 million, compared to a surplus in 2017 of €10 million.

In the year to 30 June 2018 Plan International raised income of €833 million, which was €18 million less than the previous year, a decrease of 2%. Total expenditure was €800 million, which was €38 million less than 2017, a decrease of 5%.

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.

8b Income

Plan International mainly raises funds in Europe, the Americas and the Asia-Pacific region.

42% of Plan International's income in the year was derived from regular giving through child sponsorship. This income stream decreased by €6 million or 2% to €352 million in the year, but increased by 1% at like for like exchange rates.

Grants income rose by €6 million, or 2%, to €298 million in the year and by 6% at like for like exchange rates, with slight increases in several NOs.

Gifts in kind totalled €43 million in 2018, compared with €71 million in 2017 and are mainly attributable to hygiene kits, tents and disaster packs.

Other sources of income amounting to €139 million were, in total, €10 million higher than in 2017. These include other contributions, including disaster and other appeals which increased by €4 million to €127 million for the year.

8c Expenditure

Total Plan International expenditure, before foreign exchange gains and losses, decreased by €47 million compared to 2017, to €793 million. Total programme expenditure was €593 million, which was a decrease of €46 million over 2017. 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 2018 the regional profile of expenditure excluding foreign exchange gains and losses has been less significantly affected by major disasters than in 2017. Africa accounts for the largest share of total programme and non-programme expenditure, representing 36% in 2018, compared to 36% in 2017. Expenditure in Asia, including NOs based in the region, represents 20% of total expenditure in 2018, compared with 21% in 2017. Central and South America accounted for 10% of total expenditure compared with 11% in 2017. The remaining 34% of expenditure in 2018 was incurred in Europe and North America, compared to 32% in 2017.

Expenditure (cont'd)

Programme expenditure represents 75% of total expenditure, excluding foreign exchange gains and losses. Fundraising, trading expenditure and other operating costs represent 25%. Approximately the same proportions as in 2017. Programme expenditure is categorised into the distinct areas in which Plan International works in accordance with Plan International's programme framework.

Expenditure relating to disaster risk management was Plan International's largest spending programme area in both 2018 and 2017. 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 €138 million or 23% of total programme expenditure, a 1% decrease on 2017.

Expenditure on early childhood care and development accounted for €95 million or 16% of programme expenditure in 2018. This programme area covers support to primary health care programmes, pre-school infrastructure, malaria prevention work and food security outside disaster programmes. The movement in the spend on early childhood care and development compared to the total programme spend in 2018 represents a 1% increase compared to 2017.

Education accounted for €77 million or 13% of programme expenditure in 2018, 2% lower than 2017. Education, and particularly girls' education, was Plan International's third largest programme area in 2018.

Expenditure on sexual and reproductive health covers programmes related to family planning, HIV/AIDS and sex education. This expenditure represents €45 million, or 8%, of total programme expenditure. It is €0.1 million higher than 2017.

Water and sanitation programmes of €35 million represent 6% of programme expenditure, a 1% decrease, compared to 2017.

Economic security which covers programmes relating to youth employment, family livelihoods and savings schemes and some food distribution, accounted for €52 million or 9% of programme expenditures with approximately the same percentage as 2017.

Programmes to protect children from exploitation, neglect, abuse and violence represent €73 million or 12% of total programme costs. The movement of €18million in the spend on these programmes compared to the total programme spend in 2018 increased by 4%.

Spending on participation programmes amounted to €42 million or 7% of programme expenditure. Participation programmes include participatory budgeting and human rights monitoring programmes. Expenditure on this programme area compared to the total programme spend in 2018 decreased by 1%.

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 €35 million or 6% of programme expenditure and the movement in this spend of €10 million compared to total spend represents a 1% decrease.

Fundraising costs of €108 million, decreased by 8% or €10 million compared to the previous year, predominantly driven by decreased expenditure in the Field.

Other operating costs of €88 million represents costs in NOs and at International Headquarters and is an increase of €8 million from the previous year. Trading related expenditure, including online shops and a film production entity was marginally higher than 2017 at €3.9 million which represented less than 1% of expenditure in 2018.

Losses on foreign exchange of €6.9 million in 2018 following on from gains of €1.5 million in 2017 represent the movements of non-Euro balances and exchange differences on intragroup transactions and primarily reflects the movement of the Euro relative to the USD in each year.

8d Fund balances

Fund balances, including non-cash balances at 30 June 2018 were €347 million; €28 million higher than at 30 June 2017.

Fund balances (cont'd)

Of the €347 million fund balances at 30 June 2018, €27 million is represented by property, plant, equipment and intangibles and €15 million is permanently restricted. The remaining €305 million fund balances globally are represented by donations designated for specific projects by donors, funds received from sponsors in advance and unrestricted fund balances, held across PI Inc and the NOs.

Fund balances held in the NOs account for €167 million of total fund balances, whilst PI Inc holds the remaining balance.

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

The directors of PI Inc are responsible for the preparation of the annual report and the consolidated financial statements of PI Inc, and have taken responsibility for the preparation of this annual report and the combined financial statements in respect of Plan International.

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 have taken responsibility for ensuring that the combined financial statements present fairly, in all material respects, the combined statement of financial position of Plan International, and also its combined income statement, combined statement of comprehensive income and expenditure, combined statement of cash flows and combined statement of 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 adequate accounting records that are sufficient to show and explain Plan International's transactions and disclose with reasonable accuracy at any time the combined financial position of Plan International, 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 International's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors of Plan Limited are responsible for the maintenance and integrity of Plan International'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 Plan International'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 auditors of Plan International are aware of that information.

Approved by the International Board of PI Inc and signed on its behalf by

Joshua Liswood
Chair
30 November 2018

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

Report on the audit of the combined financial statements of Plan International Worldwide

Opinion

In our opinion, Plan International Worldwide's combined financial statements for the year ended 30 June 2018 have been properly prepared, in all material respects, in accordance with the basis of preparation, basis of combined financial statements and accounting policies in note 1 to the combined financial statements.

We have audited the combined financial statements, included within the Directors' report and Combined Financial Statements (the "Annual Report"), which comprise: the combined statement of financial position as at 30 June 2018; 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 the notes to the combined financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800, and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the combined financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of Plan International Worldwide in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the combined financial statements, which is not modified, we draw attention to note 1 of the combined financial statements which describes the basis of preparation and basis of combined financial statements, and in particular, the fact that the accounting policies used and disclosures made are not intended to, and do not, comply with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union. The combined financial statements are prepared in accordance with a special purpose framework for the directors of Plan International, Inc. (the "directors") for the specific purpose as described in the Use of this report paragraph below. As a result, the combined financial statements may not be suitable for another purpose.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the combined financial statements is not appropriate; or
- the directors have not disclosed in the combined financial statements any identified material uncertainties that may cast significant doubt about Plan International Worldwide's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the combined financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to Plan International Worldwide's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the combined financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the combined financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the combined financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Independent auditors' report to the directors of Plan International, Inc. (continued)

Report on the audit of the combined financial statements of Plan International Worldwide (continued)

Responsibilities for the combined financial statements and the audit

Responsibilities of the directors for the combined financial statements

As explained more fully in the Statement of directors' responsibilities in relation to the combined financial statements set out on page 8, the directors are responsible for the preparation of the combined financial statements in accordance with the basis of preparation, basis of combined financial statements and accounting policies in note 1 to the combined financial statements and for determining that the basis of preparation, basis of combined financial statements and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the directors are responsible for assessing Plan International Worldwide's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Plan International Worldwide or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

A further description of our responsibilities for the audit of the combined financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for Plan International, Inc.'s directors as a body in order to enable Plan International, Inc.'s directors to discharge their fiduciary duties in accordance with our engagement letter dated 27 March 2018 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, Inc., save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
3 December 2018

Plan International Worldwide

Combined income statement
for the year ended 30 June

	Note(s)	2018 €000	2017 €000
Income			
Child sponsorship income	2a	**352,442**	358,346
Grants	2a	**297,900**	291,907
Gifts in kind	2a	**43,216**	70,942
Other contributions	2a	**126,977**	122,653
Investment income	2a	**2,873**	2,889
Trading income	2a	**9,395**	3,786
Total income	2a,b	**832,803**	850,523
Expenditure			
Programme expenditure	3a	**592,890**	638,633
Fundraising costs	3a	**108,448**	118,128
Other operating costs	3a	**88,191**	79,992
Trading expenditure	3a	**3,953**	3,515
Total expenditure before foreign exchange		**793,482**	840,268
Net losses / (gains) on foreign exchange	3a	**6,863**	(1,526)
Total expenditure	3a,c	**800,345**	838,742
Excess of income over expenditure		**32,458**	11,781

Combined statement of comprehensive income and expenditure
for the year ended 30 June

	Note	2018 €000	2017 €000
Excess of income over expenditure		**32,458**	11,781
Other comprehensive income and expenditure			
Items that will not be reclassified to the excess of income over expenditure:			
Remeasurements of post employment benefit obligations	11	**(103)**	(177)
Items that may be reclassified to the excess of income over expenditure:			
Change in value of investments available for sale	6	**516**	555
Currency translation adjustment	6	**(4,906)**	(4,683)
		(4,390)	(4,128)
Total comprehensive income and expenditure	6	**27,965**	7,476

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

Plan International Worldwide

Combined statement of financial position
at 30 June

	Note(s)	2018 €000	2017 €000
Current assets			
Cash and cash equivalents	7b	**317,585**	285,270
Investments available for sale	7b,d	**37,696**	30,929
Investments held to maturity	7b	**2,141**	3,927
Receivables and advances	7g	**40,554**	45,498
Prepaid expenses		**9,289**	12,032
Inventory	8	**1,385**	1,673
		408,650	379,329
Non-current assets			
Investments available for sale	7b,d	**5,664**	6,214
Investments held to maturity	7b	**600**	600
Other financial assets – interests in trusts	7e	**946**	1,011
Property, plant and equipment	9	**18,771**	19,270
Intangible assets	9	**7,863**	11,042
Other receivables	7g	**792**	823
		34,636	38,960
Total assets		**443,286**	418,289
Current liabilities			
Bank overdrafts	7c	**1,276**	657
Accounts payable		**25,755**	28,256
Accrued expenses		**30,660**	32,847
Provisions for other liabilities and charges	12	**-**	5,152
Deferred income		**9,521**	3,680
Accrued post employment benefits	10	**22,866**	22,265
		90,078	92,857
Non-current liabilities			
Bank loan	7c	**1,630**	1,713
Pension obligations	11b	**958**	1,475
Provisions for other liabilities and charges	12	**4,075**	3,664
Deferred income		**-**	-
		6,663	6,852
Total liabilities		**96,741**	99,709
Fund balances			
Unrestricted fund balances	6	**130,445**	76,351
Temporarily restricted fund balances	6	**201,586**	227,549
Permanently restricted fund balances	6	**14,514**	14,680
Total fund balances	6	**346,545**	318,580
Total liabilities and fund balances		**443,286**	418,289

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 30 November 2018.

Joshua Liswood
Chair

Günter Haag
Director

Plan International Worldwide

Combined statement of cash flows
for the year ended 30 June

	Note	2018 €000	2017 €000
Cash flows from operating activities			
Excess of income over expenditure		**32,458**	11,781
Depreciation and amortisation	9	**9,343**	9,452
Gain on sale of property, plant and equipment	2a	**(58)**	(261)
Loss / (gain) on investments		**136**	(1,142)
Investment income	2a	**(2,815)**	(2,628)
Decrease / (increase) in receivables		**7,563**	(11,983)
Decrease / (increase) in inventory		**288**	(306)
(Decrease) / increase in payables		**(2,773)**	17,808
Effects of exchange rate changes		**(2,253)**	(999)
Net cash inflow from operating activities		**41,889**	21,722
Cash flows from investing activities			
Investment income received		**2,815**	2,628
Proceeds from sale of investments available for sale		**29,997**	19,115
Purchase of investments available for sale		**(36,349)**	(23,176)
Proceeds from settlement of investments held to maturity		**2,190**	1,103
Purchase of investments held to maturity		**(500)**	(862)
Acquired interests in trusts		**55**	31
Proceeds from sale of property, plant and equipment		**32**	1,037
Purchase of property, plant and equipment	9	**(3,621)**	(2,171)
Purchase of intangible assets	9	**(1,984)**	(2,770)
Net cash outflow from investing activities		**(7,365)**	(5,065)
Cash flows from financing			
Loan repayments		**(84)**	(84)
Net cash outflow from financing activities		**(84)**	(84)
Increase in cash and cash equivalents		**34,440**	16,573
Effect of exchange rate changes		**(2,744)**	(2,725)
Net increase in cash and cash equivalents		**31,696**	13,848
Cash and cash equivalents at beginning of year		**284,613**	270,765
Cash and cash equivalents at end of year		**316,309**	284,613
Cash and cash equivalents at end of year comprise:			
Cash and cash equivalents		**317,585**	285,270
Bank overdrafts		**(1,276)**	(657)
		316,309	284,613

Plan International Worldwide

Combined statement of changes in fund balances
for the year ended 30 June

	Unrestricted fund balances €000	Temporarily restricted fund balances €000	Permanently restricted fund balances €000	**Total fund balances €000**
Fund balances at 30 June 2016	**94,230**	**201,431**	**15,443**	**311,104**
(Deficit) / excess of income over expenditure	(14,084)	26,178	(313)	11,781
Unrealised gains on investments available for sale	555	-	-	555
Remeasurements of post employment benefit obligations	(177)	-	-	(177)
Exchange rate movements	(4,173)	(60)	(450)	(4,683)
Total (deficit) / excess of comprehensive income over expenditure	**(17,879)**	**26,118**	**(763)**	**7,476**
Fund balances at 30 June 2017	**76,351**	**227,549**	**14,680**	**318,580**
Excess / (deficit) of income over expenditure	46,582	(14,373)	249	32,458
Unrealised gains on investments available for sale	516	-	-	516
Remeasurements of post employment benefit obligations	(103)	-	-	(103)
Exchange rate movements	7,099	(11,590)	(415)	(4,906)
Total excess / (deficit) of comprehensive income over expenditure	**54,094**	**(25,963)**	**(166)**	**27,965**
Fund balances at 30 June 2018	**130,445**	**201,586**	**14,514**	**346,545**

The notes on pages 15 to 43 form part of these 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 preparation

The combined financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee (IFRS-IC) interpretations as adopted by the European Union (EU) 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 2 exceptions. The exceptions 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 preparation and the accounting policies adopted by Plan International in preparing these combined financial statements are consistent with those applied in the year ended 30 June 2017.

The following Standards and Amendments to existing standards have been endorsed by the EU and must be adopted for periods beginning on or after 1 January 2017. Plan International's combined financial statements have adopted these Standards and Amendments, where applicable, for the year ended 30 June 2018.

- Amendments to IAS 7, Statement of Cash Flows

IFRS 15, Revenue from contracts with customers, will be adopted in Plan International's combined financial statements for the year ending 30 June 2019.

IFRS 9, Financial instruments, will be adopted in Plan International's combined financial statements for the year ended 30 June 2019.

Plan International have considered the impact of IFRS 9 and IFRS 15 and concluded that they will not have a significant impact on the combined financial statements.

IFRS 16, Leases, will be adopted in Plan International's combined financial statements for the year ending 30 June 2020. The impact of adopting IFRS 16 has not yet been fully assessed, however it is expected to have a material impact on the balance sheet as both assets and liabilities will increase and it is also expected to impact on components within the income statement.

IFRIC 22, Foreign currency transactions and advance consideration, will be adopted in Plan International's combined financial statements for the year ending 30 June 2019. It is expected to have no significant impact on the combined financial statements.

c. Basis of combined financial statements

The financial statements of Plan International are a combination of the consolidated financial statements of each of the 20 Member NOs and the consolidated financial statements of PI Inc, which includes the three prospective NOs at year end. 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 International.

New entities have their consolidated assets and liabilities combined into Plan International 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 International. There is typically no consideration paid by Plan International 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.

Basis of combined financial statements (cont'd)

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, Nigeria, Sierra Leone, Kenya and Ghana where it has established separately incorporated associations. In Ecuador and El Salvador and Indonesia, PI Inc operates through both a branch office and a subsidiary entity. In 2018, a local entity in Indonesia was incorporated and transfer of the PI Inc country office assets to that entity, with the intention of it becoming a member of PI Inc in the future. All transactions and balances between entities included in the combined financial statements are eliminated.

d. Accounting for income

Income is recognised when there is an inflow of resources, when applicable, in accordance with International Public Sector Accounting Standard 23, Revenue from non-exchange contracts.

i) Child sponsorship 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 in the combined statement of financial position.

ii) Certain contributions receivable by Plan International, including the majority of the grants from Government bodies and other Non-Governmental Organisations (NGOs), are designated for specific purposes by the donors. These contributions are recognised when the relevant donor-stipulated conditions have been met and Plan International 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 in the combined statement of financial position. Income is deferred if cash is transferred to Plan International by the donor prior to the requirements being met which entitle Plan International to the income.

iii) Plan International 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 International 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 International 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 International 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 International, including payments to the communities and other NGOs with which Plan International 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 3 categories:

Unrestricted funds are those that are available to be spent on any of Plan International's activities and are held across the NOs and PI Inc. Each fiscal year, the Board of Directors of PI Inc designates from average fund balances held over a 12 month period, funds for specific purposes as set out in PI Inc's reserves policy, which was revised by the International Board in June 2013. There were insufficient unrestricted funds to fully comply with PI Inc's reserves policy as at 30 June 2018.

Unrestricted funds include balances 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 pre-financing fund is held by PI Inc for liquidity purposes, equivalent to 1 month's average expenditure of donor restricted funds (excluding gifts in kind). There were sufficient funds at 30 June 2018 to fully cover this reserve.

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 1 month's average expenditure of child sponsorship and unrestricted funding and funds received by PI Inc from NOs awaiting designation. At 30 June 2018 there were sufficient funds to cover this reserve
- the contingency fund in PI Inc which is also equivalent to 1 month's average expenditure of child sponsorship and unrestricted funding. At 30 June 2018 funds were available to provide part of this reserve
- free fund balances, meaning funds in excess of the total fund balance target level which comprises the sum of the specific fund balances. At 30 June 2018, there were no free fund balances.

The purposes of the PI Inc contingency fund are that in the event of certain operational and financial risks crystallising, Plan International 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 child 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.

Plan International's fund balances specified above are defined by the above reserves policy.

g. Operating leases

The costs relating to 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.

Notes to combined financial statements (cont'd)

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. 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 International has the intent and ability to hold to maturity are classified as held to maturity. These are included in either current or non-current assets as appropriate. All other investments held by Plan International are designated as available for sale and are included in current assets unless it is anticipated that they will not be sold within 12 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 International 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 International is a beneficiary of certain trusts administered and managed by third parties. Plan International'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 and leasehold improvements..........................	2 - 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 when 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 inventory 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. Inventory 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 recognised for post employment benefits represents Plan International'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 obligation recognised is calculated

separately for each country in which Plan International operates and considers the relevant local conditions, the service and salary of individual employees and expected changes in Plan International's workforce. Termination payments or statutory payments on resignation and the change in the net liability as a result of service rendered in the period are charged to expenditure in the year.

The obligation under these defined benefit plans is classified as current liabilities as it would be payable when an employee leaves and Plan International would not have the right to defer payment.

A number of Plan International 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 International in respect of the year.

n. Non-current liabilities – pension obligations

Plan International Netherlands and Plan International 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 benefit liability in the scheme and administration charges payable by Plan International Netherlands and Plan International 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. 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. The member NOs are exempt from corporation taxation.

q. Accounting estimates and judgements

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

Judgements

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 International 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 1 programme area and for support costs.

Estimates

iii) Post employment benefits - in many of the countries in which Plan International operates, employees have an unconditional legal entitlement to payments when their employment with Plan International 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.

Plan International Worldwide

Notes to combined financial statements (cont'd)

2. Income

a. Income by source

	2018 €000	2017 €000
Child sponsorship income	**352,442**	358,346
Grants	**297,900**	291,907
Gifts in kind	**43,216**	70,942
Bequests	**10,742**	9,523
Project sponsorship and appeals	**116,235**	113,130
Other contributions	**126,977**	122,653
Interest and dividend income	**2,522**	1,743
Gain on sale of investments and assets	**351**	1,146
Investment income	**2,873**	2,889
Trading income	**9,395**	3,786
Total income	**832,803**	850,523

b. Income by location

	2018 €000	2017 €000
Belgium	**17,438**	15,599
Denmark	**8,542**	9,075
Finland	**17,700**	15,553
France	**15,722**	13,737
Germany	**172,842**	168,972
Ireland	**12,417**	13,201
Italy	**653**	629
Netherlands	**51,940**	53,176
Norway	**53,128**	52,618
Spain	**22,952**	26,136
Sweden	**54,052**	51,122
Switzerland	**4,614**	5,118
United Kingdom	**66,202**	71,176
Europe	**498,202**	496,112
Canada	**153,395**	162,590
Colombia	**1,024**	977
United States	**64,087**	70,830
Americas	**218,506**	234,397
Australia	**39,291**	46,746
Hong Kong	**9,458**	9,224
India	**8,613**	9,020
Japan	**27,045**	26,619
Korea	**12,089**	12,875
Asia	**96,496**	104,484
Other and intragroup elimination	**10,204**	11,744
	823,408	846,737
Trading income	**9,395**	3,786
Total income	**832,803**	850,523

Plan International Worldwide

Notes to combined financial statements (cont'd)

3. Expenditure

a. Expenditure by programme area

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2018 €000
Early childhood care and development	10,680	83,063	1,483	-	95,226
Sexual and reproductive health	7,579	36,546	709	-	44,834
Education	9,388	66,409	1,362	-	77,159
Water and sanitation	2,599	31,928	842	-	35,369
Economic security	6,649	44,678	1,065	-	52,392
Protection	17,880	53,653	1,296	-	72,829
Participate as citizens	6,414	32,081	3,835	-	42,330
Disaster risk management	12,208	123,679	1,822	-	137,709
Development education	6,046	-	-	-	6,046
Sponsorship communications	-	28,266	730	-	28,996
Programme expenditure	**79,443**	**500,303**	**13,144**	**-**	**592,890**
Fundraising costs	**105,024**	**3,073**	**513**	**(162)**	**108,448**
Other operating costs	**60,651**	**-**	**29,134**	**(1,594)**	**88,191**
	245,118	**503,376**	**42,791**	**(1,756)**	**789,529**
Trading expenditure	**3,953**	**-**	**-**	**-**	**3,953**
Total expenditure before foreign exchange	**249,071**	**503,376**	**42,791**	**(1,756)**	**793,482**
Net losses on foreign exchange	**-**	**-**	**-**	**6,863**	**6,863**
Total expenditure	**249,071**	**503,376**	**42,791**	**5,107**	**800,345**

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2017 €000
Early childhood care and development	8,813	82,378	2,156	-	93,347
Sexual and reproductive health	8,205	35,849	645	-	44,699
Education	15,734	79,634	2,460	-	97,828
Water and sanitation	5,300	40,495	1,103	-	46,898
Economic security	6,028	48,279	1,178	-	55,485
Protection	8,612	44,814	969	-	54,395
Participate as citizens	8,449	35,689	4,474	-	48,612
Disaster risk management	11,350	134,726	6,496	-	152,572
Development education	8,597	-	-	-	8,597
Sponsorship communications	-	34,827	1,373	-	36,200
Programme expenditure	81,088	536,691	20,854	-	638,633
Fundraising costs	108,927	9,207	1,025	(1,031)	118,128
Other operating costs	61,935	-	21,695	(3,638)	79,992
	251,950	545,898	43,574	(4,669)	836,753
Trading expenditure	3,515	-	-	-	3,515
Total expenditure before foreign exchange	255,465	545,898	43,574	(4,669)	840,268
Net gains on foreign exchange	-	-	-	(1,526)	(1,526)
Total expenditure	255,465	545,898	43,574	(6,195)	838,742

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

Early childhood care and development: building and equipping pre-school infrastructure and clinics; maternal, neo-natal and child health care programmes; prevention and control of malaria and early stimulation and childhood education.

Sexual and reproductive health: sex education and promotion of sexual and reproductive health services especially for young people.

Education: building and equipping classrooms, access and completion of basic education programmes and advocacy and improvement of quality education including the prevention of violence in schools.

Water and sanitation: community led sanitation programmes and hygiene promotion programmes.

Economic security: youth employment and livelihoods, promotion of savings and loans groups for women and youth.

Protection from exploitation, neglect, abuse and violence: promotion of community based child protection mechanisms and prevention of harmful traditional practices such as child marriage and female genital mutilation/cutting.

Participate as citizens: promotion of social accountability mechanisms involving young people such as participatory budgeting and school and community score-cards, work with civil society to monitor child, women and human rights.

Disaster risk management: promotion of disaster risk reduction through resilience programmes; providing protection and education in emergencies; child-centred climate change adaptation and disaster response activities including food distribution and the provision of shelter facilities, water and sanitation.

Development education: activities to raise awareness of development issues and advocate for policy changes and aid.

Sponsorship communications: 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 International and to Child Sponsorship, enrolling children in the scheme, monitoring the development of children within their communities and fulfilling our promise to children, families and communities. This is done through an annual questionnaire and other visits to the sponsored children and their communities as well as the delivery of programmes. We also facilitate 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 National Organisation and Field

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

(i) National Organisations

	2018 €000	2017 €000
Belgium	**5,791**	4,866
Denmark	**4,025**	3,601
Finland	**10,102**	7,448
France	**4,229**	4,262
Germany	**42,186**	41,403
Ireland	**1,927**	2,207
Italy	**926**	934
Netherlands	**21,037**	22,700
Norway	**11,485**	15,089
Spain	**6,882**	5,802
Sweden	**15,210**	15,073
Switzerland	**1,597**	1,760
United Kingdom	**22,608**	23,669
Europe	**148,005**	148,814
Canada	**40,655**	41,159
Colombia	**636**	609
United States	**25,192**	30,638
Americas	**66,483**	72,406
Australia	**16,161**	15,703
Hong Kong	**2,865**	2,874
India	**1,366**	1,388
Japan	**6,807**	7,380
Korea	**3,431**	3,385
Asia	**30,630**	30,730
Trading expenditure	**3,953**	3,515
Total National Organisation expenditure	**249,071**	255,465

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Notes to combined financial statements (cont'd)

(ii) Field

	2018 €000	2017 €000
Bangladesh	**18,255**	15,504
Cambodia	**11,977**	15,158
China	**5,032**	4,322
India	**16,971**	19,019
Indonesia	**6,906**	9,852
Laos	**5,061**	4,732
Myanmar	**8,820**	14,159
Nepal	**13,660**	14,315
Pakistan	**12,466**	14,191
Philippines	**9,720**	13,019
Sri Lanka	**3,160**	4,069
Thailand	**3,767**	3,147
Timor Leste	**3,435**	3,372
Vietnam	**8,661**	9,325
Asia regional office	**3,530**	4,023
Asia	**131,421**	148,207
Bolivia	**5,746**	8,011
Brazil	**5,809**	6,825
Colombia	**13,043**	12,025
Dominican Republic	**3,984**	4,665
Ecuador (incl. Foundation)	**6,035**	9,166
El Salvador	**10,737**	10,260
Guatemala	**6,607**	8,425
Haiti	**6,620**	8,329
Honduras	**6,262**	6,302
Nicaragua	**4,318**	5,092
Paraguay	**4,083**	4,071
Peru	**5,411**	4,528
Americas regional office	**3,364**	4,810
Central and South America	**82,019**	92,509
Egypt	**10,303**	9,357
Ethiopia	**17,687**	15,726
Kenya	**23,038**	22,158
Malawi	**16,938**	16,859
Mozambique	**5,326**	4,099
Rwanda	**5,137**	5,824
Sudan	**3,908**	6,157
South Sudan	**17,427**	17,112
Tanzania	**13,902**	12,316
Uganda	**10,530**	12,068
Zambia	**7,163**	6,792
Zimbabwe	**15,458**	34,419
Eastern and Southern Africa regional office	**4,428**	3,820
Eastern and Southern Africa	**151,245**	166,707
Benin	**8,222**	8,114
Burkina Faso	**10,306**	9,737
Cameroon	**14,542**	11,590
Central African Republic	**14,224**	12,163
Ghana	**7,996**	8,676
Guinea	**10,343**	11,613
Guinea Bissau	**2,928**	3,804
Liberia	**9,375**	8,329
Mali	**10,432**	11,473
Niger	**10,503**	15,614
Nigeria	**13,141**	6,248
Senegal	**9,120**	7,578
Sierra Leone	**5,157**	10,365
Togo	**6,533**	9,420
West Africa regional office	**3,423**	3,572
West Africa	**136,245**	138,296
Middle East sub region	**728**	-
Jordan	**1,718**	179
Total field expenditure	**503,376**	545,898

3c. Expenditure by type

	Note	2018 €000	2017 €000
Project payments to partners, community groups and suppliers		**245,340**	279,637
Employee salary costs	4	**232,387**	232,094
Other staff costs		**32,771**	34,260
Consultants and other professional costs		**57,105**	61,812
Marketing and media		**72,705**	76,734
Project travel and meetings		**57,645**	54,592
Other travel and meetings		**-**	591
Communications		**20,542**	17,324
Rent and related costs		**24,039**	27,908
Depreciation and amortisation	9	**9,343**	9,452
Supplies, vehicles and other costs		**41,605**	45,864
Net losses/(gains) on foreign exchange		**6,863**	(1,526)
Total expenditure		**800,345**	838,742

4. Employee information

	Average number of employees		Salary costs	
	2018 Number	2017 Number	**2018 €000**	2017 €000
Field	**8,942**	8,869	**136,903**	140,957
National Organisations	**1,683**	1,487	**77,875**	74,849
International Headquarters	**262**	225	**17,609**	16,288
	10,887	10,581	**232,387**	232,094

5. Remuneration of key management

a. Total key management remuneration

The average number of people designated as key management of Plan International for the year ended 30 June 2018 was 44 (2017: 44). This includes management of the 20 NOs and the formerly prospective NO in Italy (which no longer has that status as of July 2018) and the 11 (2017: 11) members of the International Board, who do not receive any remuneration for their services to PI Inc. This also includes 4 (2017: 4) Regional Directors and 8 (2017: 8) Directors at the International Headquarters.

The remuneration payable to members of key management was as follows:

	2018	2017
	€000	€000
Salaries	**4,054**	4,008
Other short term employee benefits	**1,026**	934
Total salaries and short-term employee benefits	**5,080**	4,942
Post-employment benefits	**443**	503
Termination benefits	**37**	12
	5,560	5,457

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 and tax costs 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.

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Notes to combined financial statements (cont'd)

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 whilst holding key international management positions during the years to 30 June 2018 and/or 30 June 2017 is set out below. Unless otherwise indicated, individuals held key international management positions for full years in both financial years:

	2018			2017		
	Salaries €'000	Short term employee benefits €'000	**Total salaries and short term employee benefits €'000**	Salaries €'000	Other Short term employee benefits €'000	Total salaries and short term employee benefits €'000
Anne-Birgitte Albrectsen	242	25	**267**	253	30	283
Gabriella Bucher (from Aug 2017)	124	60	**184**	-	-	-
Jonathan Mitchell (to Dec 2017)	58	9	**67**	108	20	128
Torben Due (Nov 17 to Feb 18)	37	16	**53**	-	-	-
Hendrik Jan de Bruijn (to Nov 2017)	118	17	**135**	117	31	148
Jon Winder (from Feb 2018)	34	4	**38**	-	-	-
Tara Camm	105	13	**118**	116	15	131
Pamela Innes (to Aug 2017)	10	1	**11**	125	16	141
Belinda Portillo (from Jun 2018)	11	1	**12**	-	-	-
Gary Mitchell (to Oct 2017)	29	4	**33**	95	12	107
Emmah Mathu (Oct 2017 to Jan 2018)	21	-	**21**	-	-	-
Sagar Dave (from Jan 2018)	45	6	**51**	-	-	-
Sean Maguire	126	16	**142**	127	16	143
Damien Queally (from Jan 2018)	52	7	**59**	-	-	-
David Thomson	107	13	**120**	109	14	123
Corina Villacorta (to August 2017)	31	7	**38**	123	45	168
Debora Cobar (from Sept 2017)	84	17	**101**	-	-	-
Adama Coulibaly (to Sept 2016)	-	-	**-**	34	44	78
Raymond Rodrigues (Oct 2016 to Mar 2017)	-	39	**39**	40	9	49
Rotimy Djossaya (From Mar 2017)	123	144	**267**	48	17	65
Roland Angerer	118	23	**141**	130	57	187
Roger Yates (from May 2018)	10	6	**16**	-	-	-
Mark Pierce (to June 2016)	-	-	**-**	9	1	10
Haider Yaqub (Jul 2016 to Oct 2016)	-	6	**6**	33	56	89
Senait Gebregziabher (from Oct 2016)	106	86	**192**	91	49	140
Total salaries and short term employee benefits	1,591	520	**2,111**	1,558	432	1,990
Post employment benefits			**172**			164
			2,283			2,154

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. 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 2 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 21 NOs (including prospective NO, Italy) is set out below:

	2018 €000	2017 €000
Salaries	**2,463**	2,450
Other short term employee benefits	**506**	502
Total salaries and short-term employee benefits	**2,969**	2,952
Post-employment benefits	**271**	339
Termination benefits	**37**	12
	3,277	3,303

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

			Year to 30 June 2018 **Number**	Year to 30 June 2017 Number
Up to		€75,000	**2**	4
€75,001	-	€100,000	**7**	5
€100,001	-	€125,000	**5**	4
€125,001	-	€150,000	**2**	2
€150,001	-	€175,000	**1**	2
€175,001	-	€200,000	**2**	2
€200,001	-	€225,000	**-**	1
€225,001	-	€250,000	**1**	-
€250,001	-	€275,000	**-**	-
€275,001	-	€300,000	**1**	1

6. Fund balances

	30 June 2017 €000	Additions/ (reductions) €000	Translation Differences €000	**30 June 2018 €000**
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	30,312	(1,830)	(1,848)	**26,634**
Unrealised gains / (losses) on investments available for sale	1,192	516	(43)	**1,665**
Remeasurements of post employment benefit obligations	(781)	(103)	883	**(1)**
Funds available for future expenditure	45,628	48,412	8,107	**102,147**
Total unrestricted fund balances	76,351	46,995	7,099	**130,445**
Temporarily restricted fund balances				
Advance payments by sponsors	13,762	3,249	(361)	**16,650**
Donor-restricted contributions not yet spent	210,553	(18,494)	(11,442)	**180,617**
Other restricted funds	3,234	872	213	**4,319**
Total temporarily restricted fund balances	227,549	(14,373)	(11,590)	**201,586**
Permanently restricted fund balances				
Donor-restricted fund balances	11,655	181	(396)	**11,440**
Statutory fund balances	3,025	68	(19)	**3,074**
Total permanently restricted fund balances	14,680	249	(415)	**14,514**
Total fund balances	**318,580**	**32,871**	**(4,906)**	**346,545**
Cumulative foreign exchange differences included within fund balances	1,468	-	(4,906)	**(3,438)**

	30 June 2016 €000	Additions/ (reductions) €000	Translation Differences €000	30 June 2017 €000
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	35,237	(4,510)	(415)	30,312
Unrealised gains / (losses) on investments available for sale	637	555	-	1,192
Remeasurements of post employment benefit obligations	(604)	(177)	-	(781)
Funds available for future expenditure	58,960	(9,574)	(3,758)	45,628
Total unrestricted fund balances	94,230	(13,706)	(4,173)	76,351
Temporarily restricted fund balances				
Advance payments by sponsors	12,894	1,188	(320)	13,762
Donor-restricted contributions not yet spent	183,328	26,965	260	210,553
Other restricted funds	5,209	(1,975)	-	3,234
Total temporarily restricted fund balances	201,431	26,178	(60)	227,549
Permanently restricted fund balances				
Donor-restricted fund balances	13,013	(1,088)	(270)	11,655
Statutory fund balances	2,430	775	(180)	3,025
Total permanently restricted fund balances	15,443	(313)	(450)	14,680
Total fund balances	311,104	12,159	(4,683)	318,580
Cumulative foreign exchange differences included within fund balances	6,151	-	(4,683)	1,468

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

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Notes to combined financial statements (cont'd)

7. Financial risk management

Plan International's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. Plan International 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 International's policy is to be risk averse and not to take speculative positions in foreign exchange contracts or any derivative financial instruments.

Cash and investments at 30 June 2018 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	78,126	6,836	-	-	600	**85,562**
Canadian dollar	26,580	1,670	-	2,950	-	**31,200**
US dollar	124,989	14,975	-	998	-	**140,962**
Yen	6,196	7,318	-	1,716	-	**15,230**
Norwegian krone	1,320	-	-	-	-	**1,320**
Swedish krona	8,046	-	-	-	-	**8,046**
Australian dollar	2,879	5,242	630	-	-	**8,751**
Sterling	25,314	-	-	-	-	**25,314**
Other	44,135	1,655	1,511	-	-	**47,301**
	317,585	**37,696**	**2,141**	**5,664**	**600**	**363,686**

Cash and investments at 30 June 2017 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	73,863	6,992	-	-	600	81,455
Canadian dollar	25,553	394	-	3,966	-	29,913
US dollar	102,326	13,065	-	1,062	-	116,453
Yen	4,733	4,428	1,567	1,186	-	11,914
Norwegian krone	8,682	30	-	-	-	8,712
Swedish krona	8,604	4,887	579	-	-	14,070
Australian dollar	1,669	-	-	-	-	1,669
Sterling	21,263	-	-	-	-	21,263
Other	38,577	1,133	1,781	-	-	41,491
	285,270	30,929	3,927	6,214	600	326,940

There were no impairment provisions on available for sale financial assets in 2018 or 2017.

a. Market risk

(i) Foreign exchange risk

Plan International'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 Treasury Currency Management 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.

Notes to combined financial statements (cont'd)

At 30 June 2018, if the Euro had weakened / strengthened against all other currencies by 10% with all other variables held constant, then comprehensive income and fund balances would have been € 12 / €11 million lower / higher.

(ii) Price risk

Plan International 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. 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 International's equity investments moved in line with the index, then comprehensive income and fund balances would have been €1 million (2017: €1 million) higher/lower.

(iii) Interest rate risk

All bank deposits had a maturity date of less than 1 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 2018 and the prior 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 International. At 30 June 2018, 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 2018 would have been €1.5million (2017: €1 million) higher / lower. Cash and investments are held in many currencies and yields in the year to 30 June 2018 ranged from 0% to 4% (2017: from 0% to 6%).

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

	0 - 1 year €000	1 - 3 years €000	Over 3 years €000	**30 June 2018 €000**
Cash and cash equivalents	317,585			**317,585**
Current asset investments available for sale	9,709	-	-	**9,709**
Current asset investments held to maturity	2,141	-	-	**2,141**
Non-current asset investments available for sale	-	3,077	2,094	**5,171**
Non-current asset investments held to maturity	-	100	500	**600**
Total at 30 June 2018	**329,435**	**3,177**	**2,594**	**335,206**

	0 - 1 year €000	1 - 3 years €000	Over 3 years €000	**30 June 2017 €000**
Cash and cash equivalents	285,270	-	-	285,270
Current asset investments available for sale	6,723	-	-	6,723
Current asset investments held to maturity	2,145	-	1,782	3,927
Non-current asset investments available for sale	-	1,774	2,439	4,213
Non-current asset investments held to maturity	-	-	600	600
Total at 30 June 2017	294,138	1,774	4,821	300,733

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Notes to combined financial statements (cont'd)

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 2018 and 2017, as these carry a high risk of default. Other receivables and advances are spread across all the countries in which Plan International 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 2018 was €389 million (2017: €347 million). The table below shows the combined cash balances held by PI Inc, its subsidiaries and the NOs with the 5 largest bank counterparties at the balance sheet date.

	30 June 2018		30 June 2017	
	Rating	**Balance €000**	Rating	Balance €000
Counterparty A	A1	43,751	A2	35,681
Counterparty B	A1	32,971	A1	30,945
Counterparty C	A1	29,997	A1	30,796
Counterparty D	A1	28,085	A1	29,117
Counterparty E	A1	27,227	A1	27,877

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 International 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 Deposit & Cash €000	Debt securities €000	Equities €000	**30 June 2018 €000**
Rated A or better				
Cash and cash equivalents	273,051	-	-	273,051
Current asset investments available for sale	-	9,709	11,849	21,558
Current asset investments held to maturity	-	2,141	-	2,141
Non-current asset investments available for sale	-	5,171	-	5,171
Non-current asset investments held to maturity	-	600	-	600
Total rated A or better	**273,051**	**17,621**	**11,849**	**302,521**
Other				
Cash and cash equivalents	44,534	-	-	44,534
Current asset investments available for sale	-	-	16,138	16,138
Current asset investments held to maturity	-	-	-	-
Non-current asset investments available for sale	-	-	493	493
Total other	**44,534**	**-**	**16,631**	**61,165**
Total				
Cash and cash equivalents	317,585	-	-	317,585
Current asset investments available for sale	-	9,709	27,987	37,696
Current asset investments held to maturity	-	2,141	-	2,141
Non-current asset investments available for sale	-	5,171	493	5,664
Non-current asset investments held to maturity	-	600	-	600
Total cash and investments	**317,585**	**17,621**	**28,480**	**363,686**

	Bank Deposit & Cash €000	Debt securities €000	Equities €000	30 June 2017 €000
Rated A or better				
Cash and cash equivalents	247,281	-	-	247,281
Current asset investments available for sale	-	6,723	11,141	17,864
Current asset investments held to maturity	-	3,927	-	3,927
Non-current asset investments available for sale	-	4,213	473	4,686
Non-current asset investments held to maturity	-	600	-	600
Total rated A or better	247,281	15,463	11,614	274,358
Other				
Cash and cash equivalents	37,989	-	-	37,989
Current asset investments available for sale	-	-	13,065	13,065
Current asset investments held to maturity	-	-	-	-
Non-current asset investments available for sale	-	-	1,528	1,528
Total other	37,989	-	14,593	52,582
Total				
Cash and cash equivalents	285,270	-	-	285,270
Current asset investments available for sale	-	6,723	24,206	30,929
Current asset investments held to maturity	-	3,927	-	3,927
Non-current asset investments available for sale	-	4,213	2,001	6,214
Non-current asset investments held to maturity	-	600	-	600
Total cash and investments	285,270	15,463	26,207	326,940

c. Liquidity risk

Plan International 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 €409 million are 4.5 times larger than current liabilities of €90 million although a significant proportion is restricted. Plan International uses bank overdrafts to meet short term financing requirements. As at 30 June 2018, the aggregate value of these bank overdrafts was €1 million (2017: €1 million). In addition, at 30 June 2018, Plan Korea had a long term bank loan of €2 million (2017: €2 million) 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 were measured at fair value at 30 June 2018:

	Level 1 €000	Level 2 €000	Level 3 €000	**30 June 2018 €000**
Available for sale financial assets:				
- Current asset investments	30,388	6,537	771	**37,696**
- Non-current asset investments	3,948	1,716	-	**5,664**
Total assets	**34,336**	**8,253**	**771**	**43,360**

The following table presents the financial instruments that were measured at fair value at 30 June 2017:

	Level 1 €000	Level 2 €000	Level 3 €000	30 June 2017 €000
Available for sale financial assets:				
- Current asset investments	25,750	4,428	751	30,929
- Non-current asset investments	5,819	395	-	6,214
Total assets	31,569	4,823	751	37,143

The fair value of investments held to maturity at 30 June 2018 was €2.7 million (2017: €4.5 million). In 2018 and 2017 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 2018 was €1.6 million (2017: €1.2 million). The realised gain on investments available for sale in 2018 was €0.2 million (2017: €0.9 million).

The fair value of the investments available for sale is based on market prices obtained from financial institutions at the balance sheet date.

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. Interests in trusts

Plan International 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 International 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 International'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 2018, the fair value of these interests amounted to €1 million (2017: €1 million).

f. Financial liabilities

Financial liabilities are held at amortised cost.

g. Receivables and advances

Receivables and advances were held in the following currencies:

	Current Assets		Non-current assets	
	2018 €000	2017 €000	**2018 €000**	2017 €000
US dollar	**13,765**	15,410	**-**	-
Euro	**3,137**	9,326	**12**	48
Sterling	**9,712**	7,639	**502**	501
Canadian dollar	**4,213**	3,485	**-**	-
Norwegian krone	**314**	376	**-**	-
Other	**9,413**	9,262	**278**	274
	40,554	45,498	**792**	823

Receivables and advances consist of current receivables in National Organistations and the Field together with accrued income and receivables less estates in probate and stated net of provisions amounting to €1.1 million (2017: €1.1 million).

h. Capital management

The capital held by Plan International is categorised in fund balances, for which the amounts for the years ended 30 June 2018 and 2017 and the movements for the year are set out in note 6. Total fund balances of €347 million (2017: €319 million) include €3 million (2017: €3 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:

	2018 €000	2017 €000
Inventory for trading activities	**449**	389
Inventory for distribution to beneficiaries	**936**	1,284
Total inventory	**1,385**	1,673

The inventory for distribution to beneficiaries comprises hygiene kits, tarpaulins and other non-food items in 2018 and tents, hygiene kits and tarpaulins in 2017, purchased with donor contributions or received as gifts in kind, but not distributed to beneficiaries before 30 June.

Plan International Worldwide

Notes to combined financial statements (cont'd)

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 2016	21,022	48,122	69,144	43,855	112,999
Additions	275	1,896	2,171	2,770	4,941
Disposals	(95)	(2,728)	(2,823)	(1,804)	(4,627)
Reclassification	108	(24)	84	(84)	-
Exchange adjustments	(191)	(302)	(493)	(1,622)	(2,115)
30 June 2017	**21,119**	**46,964**	**68,083**	**43,115**	**111,198**
Current year movements					
Additions	1,432	2,189	3,621	1,984	5,605
Disposals	-	(1,025)	(1,025)	(390)	(1,415)
Reclassification	-	394	394	(394)	-
Exchange adjustments	(258)	(201)	(459)	(555)	(1,014)
30 June 2018	**22,293**	**48,321**	**70,614**	**43,760**	**114,374**
Accumulated depreciation and amortisation					
Prior year					
1 July 2016	7,988	39,255	47,243	30,517	77,760
Charge for the year	1,501	3,378	4,879	4,573	9,452
Disposals	(29)	(2,018)	(2,047)	(1,803)	(3,850)
Reclassification	-	-	-	-	-
Exchange adjustments	(234)	(1,028)	(1,262)	(1,214)	(2,476)
30 June 2017	**9,226**	**39,587**	**48,813**	**32,073**	**80,886**
Current year movements					
Charge for the year	1,570	3,271	4,841	4,502	9,343
Disposals	(101)	(952)	(1,053)	(460)	(1,513)
Reclassification	-	(18)	(18)	18	-
Exchange adjustments	(149)	(591)	(740)	(236)	(976)
30 June 2017	**10,546**	**41,297**	**51,843**	**35,897**	**87,740**
Net book value:					
30 June 2018	**11,747**	**7,024**	**18,771**	**7,863**	**26,634**
30 June 2017	11,893	7,377	19,270	11,042	30,312

Included in intangible assets is €1.9 million (2017: €2.7 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 International'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 movement in the accrual during 2018 and 2017 is as follows:

	2018 €000	2017 €000
At 1 July	**22,265**	25,489
Total expense	**7,927**	6,696
Benefits paid	**(7,326)**	(9,920)
At 30 June	**22,866**	22,265

11. Pension plans

a. Defined contribution pension plans

The majority of Plan International'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 International's assets.

In 2018, 16 (2017: 18) defined contribution schemes exist in 13 (2017: 15) countries in which PI Inc or its subsidiaries operate. In addition, 11 (2017: 12) of Plan International's NOs operate defined contribution schemes.

Contributions to defined contribution pension plans in 2018 totalled €6.0 million (2017: €6.9 million) which are charged to expense as contributions fall due.

b. Defined benefit pension plans

2 member NOs, Plan International Netherlands and Plan International 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 "1n. Non-current liabilities – pension obligations" by independent actuaries.

The Plan Norway defined benefit pension plan was closed on 1 April 2018 and therefore Plan has no liability in respect of this at 30 June 2018.

The amounts recognised in expenditure for the 2 defined benefit pension plans are as follows:

	2018 €000	2017 €000
Service cost	**914**	1,122
Interest cost on net defined liability	**19**	16
Management fees	**66**	57
Amendments / curtailments / settlements	**(79)**	-
Total	**920**	1,195

Expected contributions to the plan for the year ending 30 June 2019 are €0.7 million.

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

	2018 €000	2017 €000
Remeasurements of the defined benefit obligation:		
Loss due to changes in demographic assumptions	**(22)**	(117)
Loss due to changes in financial assumptions	**(887)**	3,065
Gain due to experience	**508**	610
Return on plan assets excluding amounts included in interest income	**313**	(3,720)
Investment management cost	**(15)**	(15)
Total (loss)	**(103)**	(177)

Notes to combined financial statements (cont'd)

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

	2018 €000	2017 €000
At 1 July	(1,475)	(1,290)
Total expense	(464)	(1,195)
Contributions paid	1,084	1,179
Remeasurements	(103)	(177)
Currency translation effect	-	8
At 30 June	(958)	(1,475)

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

	2018 €000	2017 €000
Defined benefit obligation		
At 1 July	(20,632)	(22,852)
Service cost	(835)	(1,122)
Interest cost	(430)	(348)
Transfers out	2,288	-
Payroll tax	57	63
Employee contributions	(183)	(169)
Remeasurements:		
Experience/ gains	508	610
Loss due to changes in demographic assumptions	(22)	(117)
(Loss) / gain due to changes in financial assumptions	(887)	3,065
Benefits paid	204	203
Currency translation effect	2	35
At 30 June	(19,930)	(20,632)
Of which:		
Plan Netherlands pension plan	(19,930)	(18,267)
Plan Norway pension plan	-	(2,365)

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

	2018 €000	2017 €000
Defined benefit pension plan assets		
At 1 July	19,157	21,562
Interest income	411	332
Transfers out	(1,831)	-
Employer contributions	1,084	1,179
Payroll tax on employer contributions	(57)	(63)
Employee contributions	183	169
Benefits paid	(204)	(203)
Management fees	(66)	(57)
Remeasurement gain / (loss):		
Return on plan assets excluding amounts included in interest income	298	(3,735)
Currency translation effect	(3)	(27)
At 30 June	18,972	19,157
Of which:		
Plan Netherlands pension plan	18,972	17,365
Plan Norway pension plan	-	1,792

The Plan International Netherlands pension funds were invested in an insurance policy at both 30 June 2018 and 2017. The percentage of the fair value of the Plan International Norway pension fund assets invested, by asset category at each year end was as follows:

Plan International Norway pension fund assets	**2018**	2017
Equities	-	9.8%
Alternative investments	-	-
Bonds	-	14.1%
Money market	-	12%
Hold to maturity bonds	-	39.6%
Loans and receivables	-	14.1%
Real estate	-	9.5%
Other	-	0.9%
	-	100.0%

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:

	2018	2017
Plan International Netherlands pension plan		
Used to determine defined benefit obligations at year end:		
Discount rate for obligations	**1.9%**	2.1%
Rate of future salary increases	**1.5%**	1.5%
Rate of pension increase	-	-
Rate of consumer price inflation	**1.9%**	1.9%
Number of members	**420**	382
Used to determine pension expense for the current year:		
Discount rate for obligations	**2.1%**	1.4%
Rate of future salary increases	**1.5%**	1.5%
Rate of pension increase	-	-
Rate of consumer price inflation	**1.9%**	1.9%
Plan International Norway pension plan		
Used to determine defined benefit obligations at year end:		
Discount rate for obligations	-	2.4%
Rate of future salary increases	-	2.5%
Rate of pension increase	-	1.2%
Payroll tax rate	-	14.1%
Increase of social security base amount	-	2.3%
Number of members	-	65
Used to determine pension expense for the current year:		
Discount rate for obligations	-	2.7%
Rate of future salary increases	-	2.5%
Rate of pension increase	-	1.2%
Payroll tax rate	-	14.1%
Increase of social security base amount	-	2.3%

The following table illustrates the sensitivity of the defined benefit obligation and the projected expense to changes in discount rate assumptions in 2018 and 2017:

Plan International Netherlands pension plan - 2018 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	1.9%	19,930	11	715
Discount rate + 0.5%	2.4%	17,810	9	592
Discount rate – 0.5%	1.4%	22,403	11	863

Plan International Netherlands pension plan - 2017 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	2.1%	18,268	10	608
Discount rate + 0.5%	2.6%	16,319	9	504
Discount rate – 0.5%	1.6%	20,539	10	733

Plan International Norway pension plan - 2018 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	2.4%	-	-	-
Discount rate + 0.5%	2.9%	-	-	-
Discount rate – 0.5%	1.9%	-	-	-

Plan International Norway pension plan - 2017 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	2.4%	2,365	58	463
Discount rate + 0.5%	2.9%	2,022	59	403
Discount rate – 0.5%	1.9%	2,774	54	536

The following tables illustrate 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 - in 2018	Change in DBO Plan Netherlands	Change in DBO Plan Norway
Increase by 1 year	Increase by 4.35%	-
Decrease by 1 year	Decrease by 4.22%	-

Impact on Defined Benefit Obligation (DBO) of a change in life expectancy - in 2017	Change in DBO Plan Netherlands	Change in DBO Plan Norway
Increase by 1 year	Increase by 3.37%	Increase by 4.49%
Decrease by 1 year	Decrease by 3.45%	Decrease by 4.04%

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.

c. Other pension plans

In addition to Plan International's defined contribution schemes explained in note 11a and the 2 NO defined benefit schemes explained in note 11b, Plan International pays social security contributions to statutory government pension or social security schemes, which provide varying levels of post retirement benefit, in a further 35 (2017: 32) PI Inc countries and a further 6 (2017: 5) NO countries. Including these, there is some level of post retirement benefit to which Plan International contributes in 96% of the countries in which Plan International operates.

12. Provisions for other liabilities and charges

Provisions for other liabilities and charges are as follows:

	2018	2017
	€000	€000
Split interest trusts	**252**	288
Building lease incentive	**1,694**	2,166
Other	**2,129**	6,362
Total provisions for other liabilities and charges	**4,075**	8,816

	Split interest trust €000	Lease incentive €000	Other €000	Total €000
At 1 July 2017	288	2,166	6,362	8,816
Additional provisions	-	-	1,808	1,808
Used during the year	(36)	(379)	(1,115)	(1,530)
Reversed during the year	-	-	(4,909)	(4,909)
Currency translation effects	-	(93)	(17)	(110)
At 30 June 2018	**252**	**1,694**	**2,129**	**4,075**

The split interest trust is an arrangement whereby a donor contributes assets in exchange for a promise from Plan International 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. Other provisions includes estimated amounts for payroll taxes and for funds returnable to donors including losses incurred from fraud and disallowances at country office level.

13. Contingencies and commitments

a. Contingent liabilities

Plan International 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 International's financial position is €6.5 million (2017: €8.5 million) in aggregate.

b. Capital commitments

Contracts for capital expenditure not provided in the financial statements amount to approximately €0.3 million (2017: €nil million).

c. Operating leases

Plan International's combined rent expense for the year was €17.6 million (2017: €17.9 million). Plan International 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:

13. Contingencies and commitments (cont'd)

c. Operating leases

	At 30 June 2018			At 30 June 2017		
	Rent €000	Other operating leases €000	**Total €000**	Rent €000	Other operating leases €000	Total €000
Within 1 year	10,254	1,044	**11,298**	12,077	268	12,345
Between 1 and 5 years	20,860	3,469	**24,329**	24,150	711	24,861
After 5 years	8,794	673	**9,467**	10,261	-	10,261

14. Related parties

Hilfe mit Plan is an independent foundation, registered in Germany that administers a number of trust foundations that are not part of Plan International. As one of its directors is also on the Board of Plan Germany, Hilfe mit Plan is considered to be a related party of Plan International Germany.

In 2012, Hilfe mit Plan purchased the building that was partly occupied by Plan International Germany and completed its refurbishment in 2013. Rent income from Plan International 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 International Germany has secured rent predictability and cost stability for future years through the arrangement. Plan International Germany paid rentals of €0.5 million (2017: €0.5 million) to Hilfe mit Plan.

During the year Plan International Germany donated €0.4 million (2017: €1.2 million) to Hilfe mit Plan. In 2015, Hilfe mit Plan purchased land and during the year ended 30 June 2018 commenced building an office on the site with the intention to rent it out to Plan International Germany once completed.

Plan International Germany received donations of €2.8 million (2017: €2.6 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 2018 or 30 June 2017.

Plan International UK is a member of the Disasters Emergency Committee (DEC) and Plan International UK's Chief Executive is a trustee of the DEC. In the year Plan International UK paid a membership donation of €0.058 million (2017: €0.08 million) to the DEC. Plan International UK's income in the year included €0.6 million (2017: €2.3 million) receivable from DEC appeals. Of this €0.5 million was outstanding at 30 June 2018 (2017: €2 million).

The CEO of PI Inc is a director of the International Civil Society Centre (ICSC), and the ICSC is therefore considered to be a related party. During FY18 €66,986 was paid by PI Inc to ICSC to cover annual memebership and support costs; these transactions were made at arm's length.

One of the directors of PI Inc is also a director of Hanaholmen Swedish-Finnish Cultural Foundation. During FY18 €20,621 was paid by PI Inc to Hanaholmen for a meeting of the International Board that was held at this location. PI Inc's conflict of interest policy was followed and this transaction was approved in advance by the Board.

15. Subsequent events

Subsequent events have been evaluated and there are no further matters to disclose not reported in these combined financial statements through to the date of signing.