PLAN INTERNATIONAL

PLAN INTERNATIONAL WORLWIDE

DIRECTORS' REPORT AND COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Plan International Worldwide

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

The year ended 30 June 2019 is referred to as 2019 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 2019.

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. 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 global headquarters is primarily 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 Europe to liaise

Membership and structure (continued)

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 the high-level strategy and approving the budget of PI Inc and receiving the combined financial statements for Plan International and approving the financial statements for PI Inc. 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 current five-year global strategy *100 Million Reasons* has been in place since 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 the Danish organisation BØRNEfonden. BØRNEfonden merged with Plan Denmark and simultaneously transferred its operations in Burkina Faso, Benin, Mali and Togo 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 2019 there were nine directors on the International Board, including six directors who also sit on the Board of an NO and three directors who are independent of Plan International. 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 second 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 2019 comprised:

Joshua Liswood - Joshua is a retired partner of Miller Thomson LLP, a Canadian Law firm. His practice had been dedicated to the health field. He has a number of major publications and articles related to this sector. Joshua sits on the Board of Plan International Canada and is 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

Directors (continued)

held positions across the private, public and not for profit sectors in Finland, Denmark and several African countries.

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 years 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, as an independent director.

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 specialised 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.

Nyovani Madise – Nyovani was elected to the Board on 15 June 2019. She is Director of Research and Development Policy and head of the Malawi office at the African Institute of Development Policy. She holds a PhD from the University of Southampton in the UK and in 2016, received an honorary Doctor of Science degree from the University of Aberdeen in recognition of her services to research. Her research focuses on global health issues and she has over 100 publications in international journals on child survival, reproductive and maternal health, HIV/AIDS and child nutrition. She serves on many Boards and strategic advisory committees in the USA, Europe and Africa. She is an independent board director.

Dorota Keverian and Imeru Yigezu Tamerat retired from the International Board on 1 December 2018. Cristina Garcia-Peri was elected on 1 December 2018 and retired from the Board on 26 March 2019, and Sonali Khan on 15 June 2019.

5. Management team

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 2019 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	to 13 December 2018 and from 10 March 19
Gabriela Bucher	Acting Chief Executive Officer	from 13 December 2018 to 10 March 2019
Gabriela Bucher	Chief Operating Officer	to 12 December 2018 and from 11 March 2019
Maike Roettger	Interim Chief Operating Officer	from 3 December 2018 to 10 March 2019
Damien Queally	Interim Executive Director of International Programmes	to 30 November 2018
Damien Queally	Executive Director of Global Programme Operations	from 1 December 2018
Jon Winder	Interim Director of Business Resource Solutions	to 2 December 2018
Alison Currie	Interim Director of Finance and IT	from 3 December 2018 to 24 February 2019
Alison Currie	Executive Director of Finance and IT	from 25 February 2019
Tara Camm	Chief of Staff and General Counsel	
Belinda Portillo	Interim Executive Director of Human Resources and Organisational Development	to 21 September 2018
Jayanta Bora	Executive Director of Human Resources	from 5 October 2018
Sagar Dave	Director of Global Assurance	
Sean Maguire	Executive Director of Global Influence and Partnerships	
David Thomson	Executive Director of Strategy and Business Insights	
Ellen Wratten	Executive Director of Gender Equality and Girls' Rights	from 3 December 2018
Debora Cobar Urquizu	Regional Director, Central and South America	
Rotimy Djossaya	Regional Director, West Africa	
Roger Yates	Interim Regional Director, East and Southern Africa	to 31 August 2018
Roger Yates	Regional Director, East and Southern Africa	from 1 September 2018
Senait Gebregziabher	Regional Director, Asia	to 30 September 2018
Bhagyashri Dengle	Interim Regional Director, Asia	from 30 September 2018 to 28 February 2019
Bhagyashri Dengle	Regional Director, Asia	from 1 March 2019

National Directors

Director	National Organisation	
Susanne Legena	Australia	
Régine Debrabandere	Belgium	
Caroline Riseboro	Canada	
Alejandro Gamboa	Colombia	to 17 February 2019
Margarita Barraquer	Colombia	from 18 February 2019
Gwen Wisti	Denmark	
Ossi Heinänen	Finland	
Yvan Savy	France	
Maike Röttger	Germany	
Kanie Siu	Hong Kong	
Bhagyashri Dengle	India	to 5 June 2019
Anuja Bansal	India	from 6 June 2019
Paul O'Brien	Ireland	
Yuichi Tanada	Japan	
Sang-Joo Lee	Korea	
Monique van't Hek	Netherlands	
Marianne Stabell	Norway	to 31 July 2018
Kari Helene Partapuoli	Norway	from 1 August 2018
Concha López	Spain	
Mariann Eriksson	Sweden	
Jan Schneider	Switzerland	to 15 November 2018
Suba Umathevan	Switzerland	from 16 August 2018
Tanya Barron	United Kingdom	to 31 August 2019
Rose Caldwell	United Kingdom	from 1 September 2019
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 an 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 2019, 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. With consideration of both the internal and external context, risk management is a recognised part of Plan International's every day activities at all levels. The expectation is not to eliminate all risk, but to mitigate threats and maximise opportunities within our agreed appetites.

Risk assurance reports are received by the International Board of PI Inc and the Members' Assembly on the management of risk across the organisation. 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 annually measures its risk management maturity against four core statements laid out in the Global Policy on Risk Management:

1. Risks are identified, discussed and understood
2. Action is taken to manage risks
3. Risks are owned
4. Lessons are learnt from our risk-taking

Based on available data, the International Board of PI Inc assessed there to be an improved risk management performance in the year, as evidenced by the following:

- Increased compliance with the Global Policy on Risk Management
- Constructive global discussion and consensus around significant global risks
- Greater focus on the external landscape and opportunities
- Stronger ownership of risks across business units
- Clarified processes for global crisis management

In order for the organisation to further progress, management will be focussing on several specific risk management improvement activities in the year ended 30 June 2020.

8. Financial overview

8a Summary

Plan International's combined surpluses in 2019 equate to €26 million, compared to a €32 million surplus in 2018. Excluding foreign exchange gains and losses there was a surplus in 2019 of €27 million, compared to a surplus in 2018 of €39 million.

In the year to 30 June 2019 Plan International raised income of €895 million, which was €62 million higher than the previous year, an increase of 7%. Total expenditure was €869 million, which was €69 million higher than 2018, an increase of 9%.

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.

41% of Plan International's income in the year was derived from regular giving through child sponsorship. This income stream increased by €15 million or 4% to €368 million in the year, and increased by 4% at like for like exchange rates.

Grants income rose by €31 million, or 10%, to €329 million in the year and by 11% at like for like exchange rates.

Gifts in kind totalled €60 million in 2019, compared with €43 million in 2018 and are mainly attributable to hygiene kits, blankets and other non-food items.

Other sources of income amounting to €139 million the same as in 2018. These include other contributions, including disaster and other appeals.

8c Expenditure

Total Plan International expenditure, before foreign exchange gains and losses, increased by €75 million compared to 2018, to €868 million. Total programme expenditure was €679 million, which was an increase of €86 million over 2018. 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 2019 the regional profile of expenditure excluding foreign exchange gains and losses has been less significantly affected by major disasters than in 2018. Africa accounts for the largest share of total programme and non-programme expenditure, representing 41% in 2019, compared to 36% in 2018. Expenditure in Asia, including NOs based in the region, represents 17% of total expenditure in 2019, compared with 20% in 2018. Central and South America accounted for 10% of total expenditure, the same as in 2018. The remaining 32% of expenditure in 2019 was incurred in Europe and North America, similar to 2018.

Programme expenditure represents 78% of total expenditure, excluding foreign exchange gains and losses. Fundraising, trading expenditure and other operating costs represent 22%. 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 2019 and 2018. 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 €156 million or 23% of total programme expenditure, the same proportion as in 2018.

Expenditure on early childhood care and development accounted for €114 million or 17% of programme expenditure in 2019. This programme area covers support to primary health care programmes, pre-school infrastructure, malaria prevention work and food security outside disaster programmes. There was a movement of 1% in the proportion of spend on early childhood care and development compared to the total programme spend in 2019 compared with 2018.

Financial Overview (continued)

Expenditure (continued)

Education accounted for €86 million or 13% of programme expenditure in 2019, 12% higher than 2018. Education, and particularly girls' education, was Plan International's third largest programme area in both 2019 and 2018.

Expenditure on sexual and reproductive health covers programmes related to family planning, HIV/AIDS and sex education. This expenditure represents €58 million, or 9%, of total programme expenditure. It is €13 million higher than 2018.

Water and sanitation programmes of €41 million represent 6% of programme expenditure, a 15% increase, compared to 2018.

Economic security which covers programmes relating to youth employment, family livelihoods and savings schemes and some food distribution, accounted for €62 million or 9% of programme expenditures with approximately the same percentage as 2018.

Programmes to protect children from exploitation, neglect, abuse and violence represent €79 million or 12% of total programme costs. The movement of €6million in the spend on these programmes compared to the total programme spend in 2018 increased by 9%.

Spending on participation programmes amounted to €60 million or 9% 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 2019 increased by 41%.

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 €23 million or 3% of programme expenditure and the movement in this spend of €6 million compared to total spend represents a 20% decrease.

Fundraising costs of €108 million, were in line with the previous year of €108 million.

Other operating costs of €78 million represents costs in NOs and at International Headquarters and is a decrease of €10 million from the previous year. Trading related expenditure, including online shops and a film production entity was marginally lower than 2018 at €3.3 million which represented less than 1% of expenditure in 2019.

Losses on foreign exchange of €1 million in 2019 following on from losses of €6.9 million in 2018 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 2019 were €388 million; €41 million higher than at 30 June 2018.

Of the €388 million fund balances at 30 June 2019, €29 million is represented by property, plant, equipment and intangibles and €19 million is permanently restricted. The remaining €340 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 €188 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 Directors' 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

J Liswood

Joshua Liswood
Chair
12 December 2019

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 2019 have been properly prepared, in all material respects, in accordance with the basis of preparation 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 2019; 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 the combined 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 of the 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

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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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

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

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.

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 set out on page 8, the directors are responsible for the preparation of the combined financial statements in accordance with the basis of preparation and accounting policies in note 1 to the combined financial statements and for determining that the basis of preparation 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 26 March 2019 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
12 December 2019

Plan International Worldwide

Combined income statement
for the year ended 30 June

	Note(s)	2019 €000	2018 €000
Income			
Child sponsorship income	2a	**367,504**	352,442
Grants	2a	**328,759**	297,900
Gifts in kind	2a	**59,533**	43,216
Other contributions	2a	**127,446**	126,977
Investment income	2a	**6,160**	2,873
Trading income	2a,b	**5,819**	9,395
Total income	2a,b	**895,221**	832,803
Expenditure			
Programme expenditure	3a	**678,973**	592,890
Fundraising costs	3a	**108,200**	108,448
Other operating costs	3a	**77,718**	88,191
Trading expenditure	3a	**3,314**	3,953
Total expenditure before foreign exchange		**868,205**	793,482
Net losses on foreign exchange	3a,c	**606**	6,863
Total expenditure	3a,c	**868,811**	800,345
Excess of income over expenditure		**26,410**	32,458

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

	Note	2019 €000	2018 €000
Excess of income over expenditure		**26,410**	32,458
Other comprehensive income		**15,242**	-
Items that will not be reclassified to the excess of income over expenditure:			
Remeasurements of post employment benefit obligations	11	**(426)**	(103)
Items that may be reclassified to the excess of income over expenditure:			
Change in value of investments held at fair value	6	**(1,061)**	516
Currency translation adjustment	6	**977**	(4,906)
		(84)	(4,390)
Total comprehensive income	6	**41,142**	27,965

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 45 form part of these financial statements.

Plan International Worldwide

Combined statement of financial position
at 30 June

	Note(s)	2019 €000	2018 €000
Current assets			
Cash and cash equivalents	7b	**342,715**	317,585
Investments held at fair value	7b,d	**48,635**	37,696
Investments held at amortised cost	7b	**1,952**	2,141
Receivables and advances	7g	**49,178**	40,554
Prepaid expenses		**9,894**	9,289
Inventory	8	**1,512**	1,385
		453,886	408,650
Non-current assets			
Investments held at fair value	7b,d	**10,090**	5,664
Investments held at amortised cost	7b	**600**	600
Other financial assets – interests in trusts	7e	**942**	946
Property, plant and equipment	9	**21,422**	18,771
Intangible assets	9	**8,064**	7,863
Other receivables	7g	**894**	792
		42,012	34,636
Total assets		**495,898**	443,286
Current liabilities			
Bank overdrafts	7c	**1,963**	1,276
Accounts payable		**28,324**	25,755
Accrued expenses		**37,324**	30,660
Deferred income		**14,816**	9,521
Accrued post employment benefits	10	**19,049**	22,866
		101,476	90,078
Non-current liabilities			
Bank loan	7c	**1,814**	1,630
Pension obligations	11b	**1,418**	958
Provisions for other liabilities and charges	12	**3,503**	4,075
		6,735	6,663
Total liabilities		**108,211**	96,741
Fund balances			
Unrestricted fund balances	6	**149,364**	130,445
Temporarily restricted fund balances	6	**219,167**	201,586
Permanently restricted fund balances	6	**19,156**	14,514
Total fund balances	6	**387,687**	346,545
Total liabilities and fund balances		**495,898**	443,286

The notes on pages 15 to 45 form part of these financial statements.

The financial statements on pages 11 to 45 have been approved by the Board of Directors of Plan International, Inc. and were signed on behalf of the Board on 12 December 2019.

J Liswood

Joshua Liswood
Chair

Günter Haag
Director

Combined statement of cash flows
for the year ended 30 June

	Note	2019 €000	2018 €000
Cash flows from operating activities			
Excess of income over expenditure		26,410	32,458
Depreciation and amortisation	9	9,527	9,343
Gain on sale of property, plant and equipment	2a	(511)	(58)
(Gain) / loss on investments	2a	(1,747)	136
Investment income	2a	(3,903)	(2,815)
(Increase) / decrease in receivables		(3,147)	7,563
(Increase) / decrease in inventory		(125)	288
Increase / (decrease) in payables		290	(2,773)
Effects of exchange rate changes		(239)	(2,253)
Net cash inflow from operating activities		26,555	41,889
Cash flows from investing activities			
Investment income received		3,903	2,815
Proceeds from sale of investments held at fair value		21,120	29,997
Purchase of investments held at fair value		(23,963)	(36,349)
Proceeds from settlement of investments held at amortised cost		194	2,190
Purchase of investments held at amortised cost		(6)	(500)
Net movement in interests in trusts		4	55
Proceeds from sale of property, plant and equipment		898	32
Purchase of property, plant and equipment		(7,915)	(3,621)
Purchase of intangible assets	9	(3,935)	(1,984)
BØRNEfonden cash acquired		6,770	-
Net cash inflow /(outflow) from investing activities		(2,930)	(7,365)
Cash flows from financing			
Increase / (decrease) of loans		184	(84)
Net cash inflow / (outflow) from financing activities		184	(84)
Increase in cash and cash equivalents		23,809	34,440
Effect of exchange rate changes		634	(2,744)
Net increase in cash and cash equivalents		24,443	31,696
Cash and cash equivalents at beginning of year		316,309	284,613
Cash and cash equivalents at end of year		340,752	316,309
Cash and cash equivalents at end of year comprise:			
Cash and cash equivalents		**342,715**	317,585
Bank overdrafts		**(1,963)**	(1,276)
		340,752	316,309

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 1 July 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 held at fair value	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**
Excess of income over expenditure	4,360	17,685	4,365	26,410
Unrealised losses on investments held at fair value	(1,061)	-	-	(1,061)
Remeasurements of post employment benefit obligations	(426)	-	-	(426)
Other movements in net assets*	15,242	-	-	15,242
Exchange rate movements	804	(104)	277	977
Total excess of comprehensive income over expenditure	**18,919**	**17,581**	**4,642**	**41,142**
Fund balances at 30 June 2019	**149,364**	**219,167**	**19,156**	**387,687**

The notes on pages 15 to 45 form part of these financial statements.

* On 1 July 2018, the National Organisation in Denmark amalgamated with the Danish organisation BØRNEfonden. BØRNEfonden merged with Plan Denmark and simultaneously transferred its operations in Burkina Faso, Benin, Mali and Togo to PI Inc. The total BØRNEfonden net assets of €15.2 million are included in Other movements in net assets.

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. International Public Sector Accounting Standard 23, has also been applied for income. The exceptions are that these financial statements have been prepared on a combined basis as explained in note 1c.

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 2018 except as applicable below.

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 2018. Plan International's combined financial statements have adopted these Standards and Amendments, where applicable, for the year ended 30 June 2019.

IFRS 15, Revenue from contracts with customers, has been considered in Plan International's combined financial statements for the year ending 30 June 2019. The standard applies to contracts with customers and aims to align revenue recognition with various stages of the contract, only recognising revenue once the performance obligations set out in the contract are met. Plan International receives income donations, which are not given in exchange for goods and services. IFRS 15 is not applicable at this time to Plan International as such non-exchange transactions are outside the scope of IFRS 15. Management will continue to assess if this standard may become applicable to Plan International in the future.

IFRS 9, Financial instruments, has been considered in Plan International's combined financial statements for the year ended 30 June 2019. The standard has introduced new requirements on the classification and measurement of financial assets and liabilities and includes an expected credit losses model that replaces the current incurred loss impairment model applicable to financial assets held at cost, including inter-company loans. Plan International has assessed the impact of the new guidance and deemed it inapplicable at this time as Plan International does not have any financial instruments that are subject to impairment or revaluation and no intercompany loans however the terminology for investments has changed. Investments available for sale under IAS 39 are now referred to as investments held at fair value and any changes in fair value are reflected in the Combined statement of comprehensive income and expenditure. Investments held to maturity under IAS 39 are now referred to as investments held at amortised cost. Management will continue to assess if this standard may become applicable to Plan International in the future.

IFRIC 22, Foreign currency transactions and advance consideration, has been adopted in Plan International's combined financial statements for the year ending 30 June 2019. The standard applies to foreign currency transactions when a non-monetary asset or liability arising from the payment or receipt of advance consideration is recognised, before the related asset or expense is recognised, unless recognition prior to the transaction is at fair value. Plan International's transactions are therefore outside the scope of this standard because all transactions are processed at fair value and are recognised at the point of the transaction and not before, and therefore there is no impact on the financial statements. Management will continue to assess if this standard may become applicable to Plan International in the future.

IFRS 16 Leases, will be adopted in Plan International's combined financial statements for the year ended 30 June 2020. Prior to the introduction of IFRS 16, IAS 17 requires operating lease rental costs to be expensed

b. Basis of preparation (continued)

on a straight-line basis. Plan International has not taken early adoption of IFRS 16 but has assessed the estimated impact that the initial application will have on the combined financial statements.

With the introduction of IFRS 16, lessees are required to recognise operating leases on the balance sheet, under the right of use ("ROU") model. The ROU asset is recognised on the balance sheet at the point of inception of the lease (or adoption of IFRS 16), at a value equal to the net present value of the right of use lease liability at inception of the lease. Intangible assets do not fall within IFRS 16 scope, and there are exemptions for short term leases (less than twelve months) and low value assets (with a 'new' value of less than €5,000).

The new standard stipulates that the accounting treatment of the lease component should be separated from the non-lease component. However, the standard gives the option to bypass this split for an underlying class of asset. In such cases, the whole contract is accounted for as a lease. Because the service charge or utilities element is not split out in all of Plan International's leases, Plan International has chosen not to make this separation and instead include the full value of the lease within the ROU asset value. The value of the ROU asset decreases in accordance with depreciation charged on the asset.

The lease liability to be recognised on the balance sheet, at the point of inception is calculated as the total lease payments over the term of the lease, discounted at an appropriate rate to ascertain a net present value of the outflows. An appropriate discount rate could be either the interest rate implicit in the lease, or an incremental borrowing rate. The interest rate implicit in the lease is difficult to determine, and therefore to apply an appropriate interest rate as the discount factor, a different interest rate has been applied to the main currencies of the outstanding lease commitments. For each currency, a one, five or long term (6-10 year) borrowing rate has been applied according to the remaining lease term.

The lease liability will be split on the balance sheet between current liability for those payments due within one year, and non-current liabilities for payments due beyond 12 months from the reporting date. The lease liability reduces in accordance with the cash payments made towards the lease, net of discounted interest. The expenditure for the discount interest is charged as an expense to the income and expenditure account.

IFRS 16 will be applied from 1 July 2019 using a modified approach, which will take the outstanding life left on all qualifying leases (primarily operating leases for properties) as from 1 July 2019 which means there will be no restatement for prior year comparatives.

Based on the information currently available, Plan International estimates that it will recognise a ROU asset on the balance sheet of €46.5m and associated liability of €46.5m at year ended 30 June 2019. This assumes that there is no change to the current lease contracts and no new leases.

Effect of IFRS 16 on financial statements
Balance sheet

Year end	Brought forward lease liability €000	Interest €000	Cash repayment €000	Carried forward lease liability €000	Current/ non-current liability
30 June 2020	47,900	982	(15,547)	33,335	Current
30 June 2021	33,335	676	(10,415)	23,596	Non-current
30 June 2022	23,596	474	(7,525)	16,545	Non-current
30 June 2023	16,545	326	(5,708)	11,163	Non-current
30 June 2024	11,163	214	(4,083)	7,294	Non-current
30 June 2025	7,294	144	(2,756)	4,682	Non-current
30 June 2026	4,682	97	(1,445)	3,334	Non-current
30 June 2027	3,334	69	(1,011)	2,392	Non-current
30 June 2028	2,392	49	(1,011)	1,430	Non-current
30 June 2029	1,430	30	(1,011)	449	Non-current
30 June 2030	449	9	(458)	-	-

b. Basis of preparation (continued)

Year end	Brought forward ROU asset €000	Depreciation €000	Carried ROU asset €000
30 June 2020	47,900	14,883	33,017
30 June 2021	33,017	9,867	23,150
30 June 2022	23,150	7,064	16,086
30 June 2023	16,086	5,323	10,763
30 June 2024	10,763	3,803	6,960
30 June 2025	6,960	2,548	4,412
30 June 2026	4,412	1,303	3,109
30 June 2027	3,109	900	2,209
30 June 2028	2,209	900	1,309
30 June 2029	1,309	900	409
30 June 2030	409	409	-

Income and expenditure account

This illustrates that the total expenditure to the income and expenditure account over the lease term is the same under IFRS 16 as it is currently under IAS 17. However, the categorisation and annual amount is different under IFRS 16; the expense is split between interest cost and depreciation of the ROU asset rather than the current classification as rental expense, and a greater portion of expenditure falls to the income and expenditure account in the early years of a lease as opposed to on a straight line basis over the lease term under IAS 17.

Year end	Rental expense under IAS 17 €000	Expense under IFRS 16: Interest €000	Expense under IFRS 16: Depreciation €000	Expense under IFRS 16: Total €000	IAS 17/IFRS 16 variance €000
30 June 2020	15,547	982	14,883	15,865	(318)
30 June 2021	10,415	676	9,867	10,543	(128)
30 June 2022	7,525	474	7,064	7,538	(13)
30 June 2023	5,708	326	5,323	5,649	59
30 June 2024	4,083	214	3,803	4,017	66
30 June 2025	2,756	144	2,548	2,692	64
30 June 2026	1,445	97	1,303	1,400	45
30 June 2027	1,011	69	900	969	42
30 June 2028	1,011	49	900	949	62
30 June 2029	1,011	30	900	930	81
30 June 2030	458	9	409	418	40
	50,970	3,070	47,900	50,970	-

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 two prospective NOs at year end. The entities 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.

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, Kenya and Ghana (until 15 July 2019) where it has established separately incorporated entities. In Ecuador and

c. Basis of combined financial statements (continued)

El Salvador and Indonesia, PI Inc operates through both a branch office and a subsidiary entity. 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. Plan International also receives project sponsorship and appeals income which is recognised when received.

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:

i) 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 and approved by the International Board in March 2019 and is outlined below. There were insufficient unrestricted funds to fully comply with PI Inc's reserves policy as at 30 June 2019.

f. Accounting for fund balances (continued)

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 held at fair value.

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 2019 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 2019 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 2019 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 2019, 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.

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.

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 investments held at amortised cost. These are included in either current or non-current assets as appropriate. All other investments held by Plan International are designated as investments held at fair value and are included in current assets unless it is anticipated that they will not be sold within 12 months of the balance sheet date.

Notes to combined financial statements (continued)

i. Investments (continued)

Investments held at fair value are carried at fair value, whilst investments held at amortised cost are carried at amortised cost. Realised gains and losses arising from changes in the fair value of assets held at fair value are included in the Combined statement of comprehensive income and expenditure 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 investments held at fair value, 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 including 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

During the year ended 30 June 2019 Plan International Netherlands maintained a defined benefit pension plan. During the year ended 30 June 2018 Plan International Netherlands and Plan International Norway maintained 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 years as applicable. 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 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:

q. Accounting estimates and judgements (continued)

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.

2. Income

a. Income by source

	2019 €000	2018 €000
Child sponsorship income	**367,504**	352,442
Grants	**328,759**	297,900
Gifts in kind	**59,533**	43,216
Bequests	**7,420**	10,742
Project sponsorship and appeals	**120,026**	116,235
Other contributions	**127,446**	126,977
Interest and dividend income	**3,903**	2,522
Gain on sale of investments and assets	**2,257**	351
Investment income	**6,160**	2,873
Trading income	**5,819**	9,395
Total income	**895,221**	832,803

b. Income by location

	2019 €000	2018 €000
Belgium	**19,325**	17,438
Denmark	**37,030**	8,542
Finland	**17,962**	17,700
France	**15,818**	15,722
Germany	**191,505**	172,842
Ireland	**18,637**	12,417
Italy*	**-**	653
Netherlands	**56,394**	51,940
Norway	**49,286**	53,128
Spain	**28,800**	22,952
Sweden	**53,107**	54,052
Switzerland	**5,005**	4,614
United Kingdom	**64,966**	66,202
Europe	**557,835**	498,202
Canada	**160,183**	153,395
Colombia	**2,859**	1,024
United States	**59,695**	64,087
Americas	**222,737**	218,506
Australia	**34,661**	39,291
Hong Kong	**11,267**	9,458
India	**10,843**	8,613
Japan	**25,708**	27,045
Korea	**11,277**	12,089
Australia & Asia	**93,756**	96,496
Other and intragroup elimination	**15,074**	10,204
	889,402	823,408
Trading income	**5,819**	9,395
Total income	**895,221**	832,803

* The prospective National Organisation in Italy, Plan Italia Onlus, was also a wholly owned subsidiary of PI Inc by virtue of control until 6 July 2018, when control of Plan Italia Onlus was transferred to the National Organisation in Spain (Fundacion Plan International España).

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Notes to combined financial statements (continued)

3. Expenditure

a. Expenditure by programme area

	National Organisations €000	Field €000	International Headquarters €000	Intra-group & exchange €000	Total 2019 €000
Early childhood care and development	15,635	98,208	333	-	114,176
Sexual and reproductive health	6,541	51,073	231	-	57,845
Education	13,315	72,466	436	-	86,217
Water and sanitation	6,279	34,048	233	-	40,560
Economic security	9,344	52,006	304	-	61,654
Protection	9,897	68,439	881	-	79,217
Participate as citizens	7,167	46,523	5,936	-	59,626
Disaster risk management	23,918	131,065	1,515	-	156,498
Development education	-	-	-	-	-
Sponsorship communications	-	22,740	440	-	23,180
Programme expenditure	92,096	576,568	10,309	-	678,973
Fundraising costs	105,596	2,604	-	-	108,200
Other operating costs	65,263	-	11,215	1,240	77,718
	262,955	579,172	21,524	1,240	864,891
Trading expenditure	3,314	-	-	-	3,314
Total expenditure before foreign exchange	266,269	579,172	21,524	1,240	868,205
Net losses on foreign exchange	-	-	-	606	606
Total expenditure	266,269	579,172	21,524	1,846	868,811

	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

3. Expenditure (continued)

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 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 which are allocated to functions as a proportion of direct costs incurred.

Notes to combined financial statements (continued)

3. Expenditure (continued)

3b. Expenditure by National Organisation and Field

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

(i) National Organisations

	2019 €000	2018 €000
Belgium	**6,286**	5,791
Denmark	**10,546**	4,025
Finland	**7,746**	10,102
France	**4,631**	4,229
Germany	**44,010**	42,186
Ireland	**2,193**	1,927
Italy*	**-**	926
Netherlands	**24,083**	21,037
Norway	**12,218**	11,485
Spain	**8,991**	6,882
Sweden	**14,751**	15,210
Switzerland	**1,439**	1,597
United Kingdom	**23,998**	22,608
Europe	**160,892**	148,005
Canada	**45,509**	40,655
Colombia	**621**	636
United States	**25,519**	25,192
Americas	**71,649**	66,483
Australia	**14,681**	16,161
Hong Kong	**3,183**	2,865
India	**1,764**	1,366
Japan	**7,530**	6,807
Korea	**3,231**	3,431
Australia & Asia	**30,389**	30,630
Trading expenditure	**3,339**	3,953
Total National Organisation expenditure	**266,269**	249,071

* The prospective National Organisation in Italy, Plan Italia Onlus, was also a wholly owned subsidiary of PI Inc by virtue of control until 6 July 2018, when control of Plan Italia Onlus was transferred to the National Organisation in Spain (Fundacion Plan International España).

Plan International Worldwide

Notes to combined financial statements (continued)

3. Expenditure (continued)

(ii) Field

	2019 €000	2018 €000
Bangladesh	**21,458**	18,255
Cambodia	**10,554**	11,977
China	**5,031**	5,032
India	**16,840**	16,971
Indonesia	**12,347**	6,906
Laos	**6,494**	5,061
Myanmar	**9,677**	8,820
Nepal	**9,857**	13,660
Pakistan	**3,242**	12,466
Philippines	**15,694**	9,720
Sri Lanka	**2,585**	3,160
Thailand	**3,340**	3,767
Timor Leste	**4,003**	3,435
Vietnam	**9,287**	8,661
Asia regional office	**4,106**	3,530
Asia	**134,515**	131,421
Bolivia	**7,770**	5,746
Brazil	**4,072**	5,809
Colombia	**12,081**	13,043
Dominican Republic	**4,098**	3,984
Ecuador (incl. Foundation)	**7,357**	6,035
El Salvador	**11,831**	10,737
Guatemala	**9,180**	6,607
Haiti	**5,963**	6,620
Honduras	**9,134**	6,262
Nicaragua	**4,299**	4,318
Paraguay	**3,781**	4,083
Peru	**6,815**	5,411
Americas regional office	**3,277**	3,364
Central and South America	**89,658**	82,019
Egypt	**9,493**	10,303
Ethiopia	**18,114**	17,687
Kenya	**18,534**	23,038
Malawi	**17,188**	16,938
Mozambique	**7,709**	5,326
Rwanda	**5,000**	5,137
Sudan	**8,938**	3,908
South Sudan	**30,596**	17,427
Tanzania	**13,720**	13,902
Uganda	**14,463**	10,530
Zambia	**6,734**	7,163
Zimbabwe	**16,544**	15,458
Eastern and Southern Africa regional office	**5,062**	4,428
Eastern and Southern Africa	**172,095**	**151,245**
Benin	**9,851**	8,222
Burkina Faso	**13,819**	10,306
Cameroon	**17,630**	14,542
Central African Republic	**18,207**	14,224
Ghana	**9,344**	7,996
Guinea	**19,685**	10,343
Guinea Bissau	**3,034**	2,928
Liberia	**12,236**	9,375
Mali	**15,347**	10,432
Niger	**12,408**	10,503
Nigeria	**16,735**	13,141
Senegal	**11,037**	9,120
Sierra Leone	**4,091**	5,157
Togo	**11,877**	6,533
West Africa regional office	**3,872**	3,423
West Africa	**179,173**	136,245
Middle East sub region	**269**	728
Jordan	**2,122**	1,718
Lebanon	**1,340**	-
Middle East Sub region	**3,731**	2,446
Total field expenditure	**579,172**	503,376

3. Expenditure (continued)

3c. Expenditure by type

	Note	2019 €000	2018 €000
Project payments to partners, community groups and suppliers		**268,684**	245,340
Employee salary costs	4	**262,917**	232,387
Other staff costs		**37,379**	32,771
Consultants and other professional costs		**63,810**	57,105
Marketing and media		**70,246**	72,705
Travel and meetings		**67,211**	57,645
Communications		**20,146**	20,542
Rent and related costs		**25,387**	24,039
Depreciation and amortisation	9	**9,527**	9,343
Supplies, vehicles and other costs		**42,898**	41,605
Net losses/(gains) on foreign exchange		**606**	6,863
Total expenditure		**868,811**	800,345

4. Employee information

	Average number of employees		Salary costs	
	2019 Number	2018 Number	**2019 €000**	2018 €000
Field	**9,375**	8,942	**153,676**	136,903
National Organisations	**1,804**	1,683	**88,466**	77,875
International Headquarters	**306**	262	**20,775**	17,609
	11,485	10,887	**262,917**	232,387

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 2019 was 44 (2018: 44). This includes management of the 20 NOs (2018: 21) and the 11 (2018: 11) members of the International Board, who do not receive any remuneration for their services to PI Inc. This also includes 4 (2018: 4) Regional Directors and 9 (2018: 8) Directors at the International Headquarters.

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

	2019	2018
	€000	€000
Salaries	**4,190**	4,054
Other short term employee benefits	**528**	1,026
Total salaries and short-term employee benefits	**4,718**	5,080
Post employment benefits	**461**	443
Termination benefits	**-**	37
	5,179	5,560

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 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.

5. Remuneration of key management (continued)

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 2019 and/or 30 June 2018 is set out below. Unless otherwise indicated, individuals held key international management positions for full years in both financial years:

	2019			2018		
	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	247	-	**247**	242	25	267
Gabriella Bucher (from Aug 2017)	160	-	**160**	124	60	184
Jonathan Mitchell (to Dec 2017)	-	-	**-**	58	9	67
Torben Due (Nov 17 to Feb 18)	-	-	**-**	37	16	53
Hendrik Jan de Bruijn (to Nov 2017)	-	-	**-**	118	17	135
Alison Currie (from Dec 2018)	87	-	**87**	-	-	-
Jon Winder (from Feb 2018 to Dec 2018)	43	-	**43**	34	4	38
Tara Camm	112	-	**112**	105	13	118
Pamela Innes (to Aug 2017)	-	-	**-**	10	1	11
Belinda Portillo (from Jun 2018 to Sept 2018)	23	14	**37**	11	1	12
Jayanta Bora (from Oct 2018)	97	-	**97**	-	-	-
Gary Mitchell (to Oct 2017)	-	-	**-**	29	4	33
Emmah Mathu (Oct 2017 to Jan 2018)	-	-	**-**	21	-	21
Sagar Dave (from Jan 2018)	89	-	**89**	45	6	51
Sean Maguire	132	-	**132**	126	16	142
Damien Queally (from Jan 2018)	109	-	**109**	52	7	59
Ellen Wratten (from Dec 2018)	68	-	**68**	-	-	-
David Thomson	113	-	**113**	107	13	120
Corina Villacorta (to August 2017)	-	-	**-**	31	7	38
Debora Cobar Urquiza (from Sept 2017)	125	12	**137**	84	17	101
Raymond Rodrigues (Oct 2016 to Mar 2017)	-	-	**-**	-	39	39
Rotimy Djossaya (From Mar 2017)	127	113	**240**	123	144	267
Roland Angerer (to May 2018)	-	36	**36**	118	23	141
Roger Yates (from May 2018)	126	21	**147**	10	6	16
Haider Yaqub (Jul 2016 to Oct 2016)	-	-	**-**	-	6	6
Senait Gebregziabher (from Oct 2016 to Sept 2018)	64	44	**108**	106	86	192
Bhagyashri Dengle (from 1 Oct 2018)	51	5	**56**	-	-	-
Total salaries and short term employee benefits	1,773	245	**2,018**	1,591	520	2,111
Post employment benefits			**174**			172
			2,192			2,283

5. Remuneration of key management (continued)

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 20 NOs (including prospective NO, Italy in 2018) is set out below:

	2019	2018
	€000	€000
Salaries	**2,417**	2,463
Other short term employee benefits	**283**	506
Total salaries and short-term employee benefits	**2,700**	2,969
Post employment benefits	**287**	271
Termination benefits	**-**	37
	2,987	3,277

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 2019	Year to 30 June 2018
			Number	Number
Up to		€75,000	**1**	2
€75,001	-	€100,000	**8**	7
€100,001	-	€125,000	**5**	5
€125,001	-	€150,000	**2**	2
€150,001	-	€175,000	**1**	1
€175,001	-	€200,000	**1**	2
€200,001	-	€225,000	**-**	-
€225,001	-	€250,000	**-**	1
€250,001	-	€275,000	**-**	-
€275,001	-	€300,000	**2**	1

6. Fund balances

	1 July 2018 €000	Additions/ (reductions) €000	Translation Differences €000	**30 June 2019 €000**
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets	26,634	2,741	111	**29,486**
Unrealised gains / (losses) on investments held at fair value	1,665	(1,061)	34	**638**
Remeasurements of post employment benefit obligations	(1)	(426)	-	**(427)**
Funds available for future expenditure	102,147	16,861	659	**119,667**
Total unrestricted fund balances*	130,445	18,115	804	**149,364**
Temporarily restricted fund balances				
Advance payments by sponsors	16,650	242	(11)	**16,881**
Donor-restricted contributions not yet spent	180,617	7,955	414	**188,986**
Other restricted funds	4,319	9,488	(507)	**13,300**
Total temporarily restricted fund balances	201,586	17,685	(104)	**219,167**
Permanently restricted fund balances				
Donor-restricted fund balances	11,440	769	317	**12,526**
Statutory fund balances	3,074	3,596	(40)	**6,630**
Total permanently restricted fund balances	14,514	4,365	277	**19,156**
Total fund balances	**346,545**	**40,165**	**977**	**387,687**
Cumulative foreign exchange differences included within fund balances	(3,438)	-	977	**(2,461)**

	1 July 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 held at fair value	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)

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

* On 1 July 2018, the National Organisation in Denmark amalgamated with the Danish organisation BØRNEfonden. BØRNEfonden merged with Plan Denmark and simultaneously transferred its operations in Burkina Faso, Benin, Mali and Togo to PI Inc. The total BØRNEfonden net assets of €15.2 million are included in Funds available for future expenditure.

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 2019 were held in the following currencies:

	Cash and cash equivalents €000	Current asset investments held at fair value €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	95,639	6,154	-	-	600	**102,393**
Canadian dollar	34,685	1,364	-	4,140	-	**40,189**
US dollar	103,456	16,561	-	1,151	-	**121,168**
Yen	5,276	9,556	-	-	-	**14,832**
Norwegian krone	6,133	-	-	-	-	**6,133**
Swedish krona	8,833	-	-	-	-	**8,833**
Australian dollar	941	752	616	4,799	-	**7,108**
Sterling	24,138	-	-	-	-	**24,138**
Other	63,614	14,248	1,336	-	-	**79,198**
	342,715	**48,635**	**1,952**	**10,090**	**600**	**403,992**

Cash and investments at 30 June 2018 were held in the following currencies:

	Cash and cash equivalents €000	Current asset investments held at fair value €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	-	630	-	-	8,676
Australian dollar	2,879	5,242	-	-	-	8,121
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

There were no impairment provisions on investments held at fair value in 2019 or 2018.

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.

7. Financial risk management (continued)

At 30 June 2019, 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 € 10 / €10 million lower / higher.

(ii) Price risk

Plan International is exposed to equity and debt security price risks because of investments held at amortised cost or investments held at fair value. 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 €2 million (2018: €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 2019 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 2019, 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 2019 would have been €1.6million (2018: €1.5 million) higher / lower. Cash and investments are held in many currencies and yields in the year to 30 June 2019 ranged from 0% to 6.5% (2018: from 0% to 4%).

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 2019 €000**
Cash and cash equivalents	342,715	-	-	**342,715**
Current asset investments held at fair value	11,017	-	-	**11,017**
Current asset investments held at amortised cost	1,952	-	-	**1,952**
Non-current asset investments held at fair value	-	1,306	3,422	**4,728**
Non-current asset investments held at amortised cost	-	100	500	**600**
Total at 30 June 2019	**355,684**	**1,406**	**3,922**	**361,012**

	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 held at fair value	9,709	-	-	9,709
Current asset investments held at amortised cost	2,141	-	-	2,141
Non-current asset investments held at fair value	-	3,077	2,094	5,171
Non-current asset investments held at amortised cost	-	100	500	600
Total at 30 June 2018	329,435	3,177	2,594	335,206

7. Financial risk management (continued)

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 2019 and 2018, 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 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 2019		30 June 2018	
	Rating	**Balance €000**	Rating	Balance €000
Counterparty A	A1	42,019	A1	43,751
Counterparty B	A1	31,849	A1	32,971
Counterparty C	A1	29,179	A1	29,997
Counterparty D	A1	22,388	A1	28,085
Counterparty E	A1	16,000	A1	27,227

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 at amortised cost 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 2019 €000**
Rated A or better				
Cash and cash equivalents	290,976	-	-	**290,976**
Current asset investments held at fair value	-	10,720	20,292	**31,012**
Current asset investments held at amortised cost	-	1,952	-	**1,952**
Non-current asset investments held at fair value	-	3,216	4,799	**8,015**
Non-current asset investments held at amortised cost	-	600	-	**600**
Total rated A or better	**290,976**	**16,488**	**25,091**	**332,555**
Other				
Cash and cash equivalents	51,739	-	-	**51,739**
Current asset investments held at fair value	-	297	17,326	**17,623**
Current asset investments held at amortised cost	-	-	-	**-**
Non-current asset investments held at fair value	-	1,512	563	**2,075**
Total other	**51,739**	**1,809**	**17,889**	**71,437**
Total				
Cash and cash equivalents	342,715	-	-	**342,715**
Current asset investments held at fair value	-	11,017	37,618	**48,635**
Current asset investments held at amortised cost	-	1,952	-	**1,952**
Non-current asset investments held at fair value	-	4,728	5,362	**10,090**
Non-current asset investments held at amortised cost	-	600	-	**600**
Total cash and investments	**342,715**	**18,297**	**42,980**	**403,992**

Notes to combined financial statements (continued)

7. Financial risk management (continued)

	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 held at fair value	-	9,709	11,849	21,558
Current asset investments held at amortised cost	-	2,141	-	2,141
Non-current asset investments held at fair value	-	5,171	-	5,171
Non-current asset investments held at amortised cost	-	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 held at fair value	-	-	16,138	16,138
Current asset investments held at amortised cost	-	-	-	-
Non-current asset investments held at fair value	-	-	493	493
Total other	44,534	-	16,631	61,165
Total				
Cash and cash equivalents	317,585	-	-	317,585
Current asset investments held at fair value	-	9,709	27,987	37,696
Current asset investments held at amortised cost	-	2,141	-	2,141
Non-current asset investments held at fair value	-	5,171	493	5,664
Non-current asset investments held at amortised cost	-	600	-	600
Total cash and investments	317,585	17,621	28,480	363,686

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 €454 million are 4.5 times larger than current liabilities of €101 million although a significant proportion is restricted. Plan International uses bank overdrafts to meet short term financing requirements. As at 30 June 2019, the aggregate value of these bank overdrafts was €2 million (2018: €1 million). In addition, at 30 June 2019, Plan Korea had a long term bank loan of €2 million (2018: €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 2019:

7. Financial risk management (continued)

	Level 1 €000	Level 2 €000	Level 3 €000	**30 June 2019 €000**
Investments held at fair value:				
- Current asset investments	37,533	11,102	-	**48,635**
- Non-current asset investments	10,090	-	-	**10,090**
Total assets	**47,623**	**11,102**	**-**	**58,725**

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
Investments held at fair value:				
- 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 value of investments held at amortised cost at 30 June 2019 was €2.6 million (2018: €2.7 million). In 2019 and 2018 there were no realised or unrealised gains or losses on investments held at amortised cost.

On investments held at fair value the unrealised gain as at 30 June 2019 was €0.6 million (2018: €1.6 million). The realised loss on investments held at fair value in 2019 was €1.0 million (2018: gain of €0.2 million).

The fair value of the investments held at fair value 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 2019, the fair value of these interests amounted to €0.9 million (2018: €0.9 million).

f. Financial liabilities

Financial liabilities are held at amortised cost.

7. Financial risk management (continued)

g. Receivables and advances

Receivables and advances were held in the following currencies:

	Current Assets		Non-current assets	
	2019	2018	**2019**	2018
	€000	€000	**€000**	€000
US dollar	16,317	13,765	-	-
Euro	10,628	3,137	(1)	12
Sterling	13,343	9,712	489	502
Canadian dollar	3,544	4,213	-	-
Norwegian krone	325	314	-	-
Other	5,021	9,413	406	278
	49,178	40,554	894	792

Receivables and advances consist of current receivables in National Organisations and the Field together with accrued income and receivables less estates in probate and stated net of provisions amounting to €1.2 million (2018: €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 2019 and 2018 and the movements for the year are set out in note 6. Total fund balances of €388 million (2018: €347 million) include €7 million (2018: €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:

	2019	2018
	€000	€000
Inventory for trading activities	**465**	449
Inventory for distribution to beneficiaries	**1,047**	936
Total inventory	**1,512**	1,385

The inventory for distribution to beneficiaries comprises hygiene kits, blankets and other non-food items in 2019 and tents, hygiene kits and tarpaulins in 2018, purchased with donor contributions or received as gifts in kind, but not distributed to beneficiaries before 30 June.

9. Property, plant and equipment and intangible assets

	Land and Buildings €000	Equipment €000	Tangible Assets €000	Intangible Assets €000	Total €000
Cost					
Prior year					
1 July 2017	21,119	46,964	68,083	43,115	111,198
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**
Current year movements					
Additions	1,768	6,712	8,480	3,934	12,414
Disposals	(545)	(3,154)	(3,699)	(827)	(4,526)
Reclassification	-	-	-	-	-
Exchange adjustments	1,513	(861)	652	(243)	409
30 June 2019	**25,029**	**51,018**	**76,047**	**46,624**	**122,671**
Accumulated depreciation and amortisation					
Prior year					
1 July 2017	9,226	39,587	48,813	32,073	80,886
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 2018	**10,546**	**41,297**	**51,843**	**35,897**	**87,740**
Current year movements					
Charge for the year	1,723	3,991	5,714	3,813	9,527
Disposals	(253)	(3,059)	(3,312)	(827)	(4,139)
Reclassification	-	-	-	-	-
Exchange adjustments	121	259	380	(323)	57
30 June 2019	**12,137**	**42,488**	**54,625**	**38,560**	**93,185**
Net book value:					
30 June 2019	**12,892**	**8,530**	**21,422**	**8,064**	**29,486**
30 June 2018	11,747	7,024	18,771	7,863	26,634

Included in intangible assets is €1.7 million (2018: €1.9 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 2019 and 2018 is as follows:

	2019 €000	2018 €000
At 1 July	**22,866**	22,265
Total expense	**9,734**	7,927
Benefits paid	**(13,551)**	(7,326)
At 30 June	**19,049**	22,866

11. Pension obligations

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 2019, 19 (2018: 16) defined contribution schemes exist in 16 (2018: 13) countries in which PI Inc or its subsidiaries operate. In addition, 12 (2018: 11) of Plan International's NOs operate defined contribution schemes.

Contributions to defined contribution pension plans in 2019 totalled €9.2 million (2018: €6.0 million) which are charged to expenditure as contributions fall due.

b. Defined benefit pension plans

1 member NO, Plan International Netherlands (2018: also Plan International Norway) operates a defined benefit pension plan. Funding of the defined benefit pension plan 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 in 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 defined benefit pension plan of Plan Norway was closed on 1 April 2018 and therefore Plan had no liability in respect of this at 30 June 2018. The defined benefit pension plan of Plan Netherlands is open to new employees.

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

	2019	2018
	€000	€000
Service cost	**664**	914
Interest cost on net defined liability	**11**	19
Management fees	**51**	66
Amendments / curtailments / settlements	**-**	(79)
Total	**726**	920

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:

	2019	2018
	€000	€000
Remeasurements of the defined benefit obligation:		
Loss due to changes in demographic assumptions	**164**	(22)
Loss due to changes in financial assumptions	**(4,232)**	(887)
Gain due to experience	**19**	508
Return on plan assets excluding amounts included in interest income	**3,623**	313
Investment management cost	**-**	(15)
Total (loss)	**(426)**	(103)

Notes to combined financial statements (continued)

11. Pension obligations (continued)

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

	2019 €000	2018 €000
At 1 July	**(958)**	(1,475)
Total expense	**(726)**	(463)
Contributions paid	**692**	1,084
Remeasurements	**(426)**	(103)
Currency translation effect	**-**	(1)
At 30 June	**(1,418)**	(958)

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

	2019 €000	2018 €000
Defined benefit obligation		
At 1 July	**(19,930)**	(20,632)
Service cost	**(664)**	(835)
Interest cost	**(377)**	(430)
Transfers out	**-**	2,288
Payroll tax	**-**	57
Employee contributions	**(212)**	(183)
Remeasurements:		
Experience/ gains	**19**	508
Gain / loss due to changes in demographic assumptions	**164**	(22)
Loss due to changes in financial assumptions	**(4,232)**	(887)
Benefits paid	**217**	204
Currency translation effect	**-**	2
At 30 June	**(25,015)**	(19,930)

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

	2019 €000	2018 €000
Defined benefit pension plan assets		
At 1 July	**18,972**	19,157
Interest income	**366**	411
Transfers out	**-**	(1,831)
Employer contributions	**692**	1,084
Payroll tax on employer contributions	**-**	(57)
Employee contributions	**212**	183
Benefits paid	**(217)**	(204)
Management fees	**(51)**	(66)
Remeasurement gain / (loss):		
Return on plan assets excluding amounts included in interest income	**3,623**	298
Currency translation effect	**-**	(3)
At 30 June	**23,597**	18,972

Notes to combined financial statements (continued)

11. Pension obligations (continued)

The Plan International Netherlands pension funds were invested in an insurance policy at both 30 June 2019 and 2018.

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:

	2019	2018
Plan International Netherlands pension plan		
Used to determine defined benefit obligations at year end:		
Discount rate for obligations	**1.1%**	1.9%
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	**404**	420
Used to determine pension expense for the current year:		
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%

The following table illustrates the sensitivity of the defined benefit obligation and the projected expense to changes in discount rate assumptions in 2019 and 2018:

Plan International Netherlands pension plan - 2019 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	1.10%	25,015	10	953
Discount rate + 0.5%	0.60%	22,246	7	1,151
Discount rate – 0.5%	1.60%	28,258	11	790

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

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

Impact on Defined Benefit Obligation (DBO) of a change in life expectancy - in 2019	Change in DBO Plan Netherlands
Increase by 1 year	Increase by 4.04%
Decrease by 1 year	Decrease by 4.08%

Impact on Defined Benefit Obligation (DBO) of a change in life expectancy - in 2018	Change in DBO Plan Netherlands
Increase by 1 year	Increase by 4.35%
Decrease by 1 year	Decrease by 4.22%

The sensitivity analyses for the defined benefit pension plan above is 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

Notes to combined financial statements (continued)

11. Pension obligations (continued)

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 1 NO defined benefit scheme 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 (2018: 35) PI Inc countries and a further 6 (2018: 6) NO countries. Including these, there is some level of post retirement benefit to which Plan International contributes in all of the countries in which Plan International operates.

12. Provisions for other liabilities and charges

Provisions for other liabilities and charges are as follows:

	2019 €000	2018 €000
Split interest trusts	**309**	252
Building lease incentive	**1,681**	1,694
Other	**1,513**	2,129
Total provisions for other liabilities and charges	**3,503**	4,075

	Split interest trust €000	**Lease incentive €000**	**Other €000**	**Total €000**
At 1 July 2018	252	1,694	2,129	4,075
Additional provisions	49	-	323	372
Used during the year	-	(57)	(210)	(267)
Reversed during the year	-	-	(733)	(733)
Currency translation effects	8	44	4	56
At 30 June 2019	**309**	**1,681**	**1,513**	**3,503**

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.

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 €7.0 million (2018: €6.5 million) in aggregate.

b. Capital commitments

Contracts for capital expenditure not provided in the financial statements amount to approximately €2.9 million (2018: €0.3 million).

Notes to combined financial statements (continued)

13. Contingencies and commitments (continued)

c. Operating leases

Plan International's combined rent expense for the year was €17.6 million (2018: €17.6 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:

	At 30 June 2019			At 30 June 2018		
	Rent €000	Other operating leases €000	**Total €000**	Rent €000	Other operating leases €000	Total €000
Within 1 year	13,805	244	**14,049**	10,254	1,044	11,298
Between 1 and 5 years	29,448	302	**29,750**	20,860	3,469	24,329
After 5 years	15,516	-	**15,516**	8,794	673	9,467

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 (2018: €0.5 million) to Hilfe mit Plan.

During the year Plan International Germany donated €2.2 million (2018: €0.4 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. An amount of €1.0 million was owed to Hilfe mit Plan at 30 June 2019 (2018: €nil).

Plan International Germany received donations of €3.3 million (2018: €2.8 million) from Hilfe mit Plan and its independent trusts for development programmes. There were no amounts outstanding at 30 June 2019 (2018: €nil).

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 €0.063 million (2018: €0.058 million) to the DEC. Plan International UK's income in the year included €3.0 million (2018: €0.6 million) receivable from DEC appeals. Of this €2.1 million was outstanding at 30 June 2019 (2018: €0.5 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 the year €78,260 (2018: €66,986) was invoiced by ICSC to PI Inc to cover annual membership and support costs; these transactions were made at arm's length. The CEO of PI Inc is also a director of the Poul Due Jensen Foundation which is therefore considered to be a related party. During the year €633,012 (2018: €nil) was received in grant income from this organisation.

One of the directors of PI Inc is also a director of Hanasaari Swedish-Finnish Cultural Foundation also called Hanaholmen Swedish-Finnish Cultural Foundation. During the year €408 was paid by PI Inc to the Cultural Foundation reimbursing expenses incurred by the director for PI Inc purposes. During 2018 €20,621 was paid by PI Inc to the Cultural Foundation 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.

Notes to combined financial statements (continued)

14. Related parties (continued)

The CEO of Plan International Canada is a director of the Canadian Partnership for Women and Children's Health which is therefore considered to be a related party. During the year €1,591 (2018: €nil) was invoiced to Plan International for conference costs; this transaction was made at arm's length. The CEO of Plan International Canada is also a director of the Humanitarian Coalition which is therefore considered to be a related party. During the year €160,789 (2018: €nil) was received in grant income from this organisation.

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.