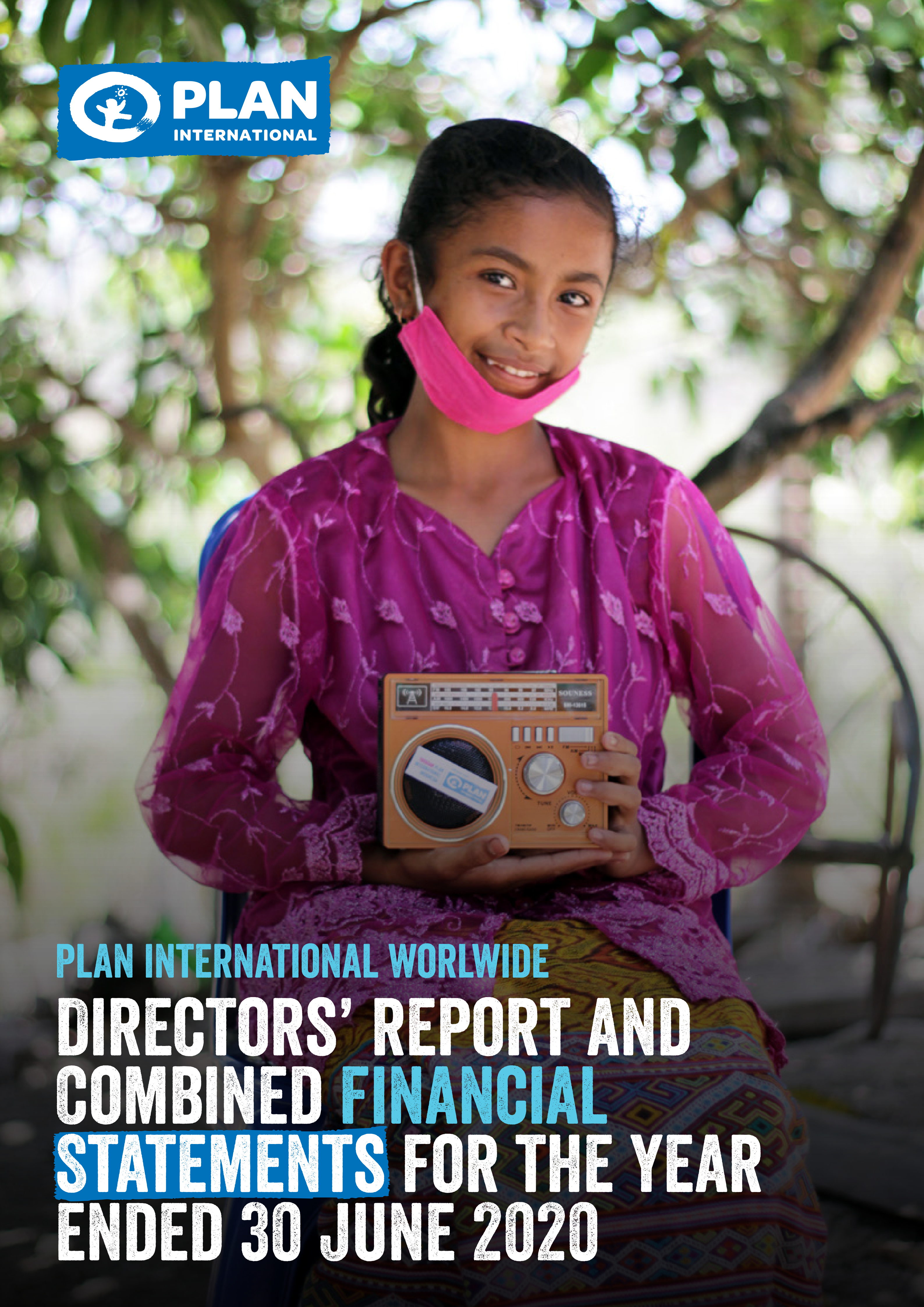

PLAN INTERNATIONAL WORLWIDE

DIRECTORS' REPORT AND COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

The year ended 30 June 2020 is referred to as 2020 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 2020.

1. Activities and impact of COVID-19

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-centred 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.

We recognise racism, and specifically anti-black racism, is experienced every day by millions across the world. Any form of racially based discrimination has no place in our work or within our organisation. Plan International stands in total solidarity with the Black Lives Matter movement and everyone around the world who has spoken out and acted against racism.

Plan International is committed to becoming a truly anti-racist organisation. We have launched a comprehensive anti-racism action plan to improve a number of key areas internally, including recruitment systems and processes, governance, and increasing our support and training for staff and managers. This is the first step in a long process of structural and cultural change, and we intend to become a champion of change within our sector in the global fight against racism.

The year 2020 brought us COVID-19. This pandemic has set us all back in countless ways. For girls in crisis across the world, it has done more than just set them back. It is unravelling decades of progress - keeping girls from getting an education, from protecting themselves, from accessing basic sanitation and vital healthcare. It is keeping girls from choosing what happens to their own bodies and from enjoying equal rights. It is keeping girls from everything they've worked so hard for.

Some examples of where Plan International have responded to the COVID-19 pandemic include:

- Plan International Somalia conducting cash transfers to 600 targeted households for vulnerable families affected by COVID-19 lockdown in Hargeisa in May/June 2020.

Directors' report (continued)

Activities and impact of COVID-19 (continued)

- Child protection has been integrated into all existing projects and also as a standalone project by Plan International South Sudan. By June 2020 the team had engaged 44,991 beneficiaries with messages on child protection and COVID-19.
- By June 2020 Plan International Myanmar had distributed food to 46,000 Internally Displaced Persons in camps outside of Rakhine State.
- In West and Central Africa, as part of a cross border youth project against early marriage, a digital campaign was organised in June 2020 by Plan International bringing together more than 50 members from different youth organizations from Guinea, Mali and Senegal.
- Plan International Bolivia have supported 2,323 families from rural communities with food rations.
- Plan International Nicaragua have provided hygiene kits to 19,793 sponsored families in 232 communities.
- Education response interventions focused on supporting the re-opening of schools. In Kaolack, Senegal 173 handwashing basins, 24,600 masks and sanitary towels were provided to 553 schools which reopened on 25 June 2020 for students in examination classes.
- In Benin, 182 teachers and school principals were trained on the use of handwashing equipment and child protection and supplies for 12,126 students and teachers were acquired and distributed.

As the pandemic continues, so does the vital work we started early in 2020 - we are helping to get girls back into school, we are protecting vulnerable children from violence, we support the provision of essential health services to girls, and help the most vulnerable to access basic hygiene. We work with others to prevent girls being forced to marry as a result of poverty. We have committed to raising €100 million to stop the setback of vulnerable children worldwide, directly supporting 20 million people – especially girls and young women. Plan International's response will reach more than 50,000 communities across 53 countries through the years 2020 and 2021.

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.

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.

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 operating standards prescribed by the By-laws of PI Inc. Each is established as 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 Hub 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 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.

Directors' report (continued)

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.

4. Directors

The Board of Directors of PI Inc ("International Board") directs the activities of PI Inc, supervises its Chief Executive Officer 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 2020 there were eleven directors on the International Board, including seven directors who also sit on the Board of an NO and four directors who are independent of Plan International. All directors have fiduciary duties to act in the interests of PI Inc. Members of the International Board are appointed on the basis that they provide a range of skills and experiences of most importance to PI Inc as well as geographical, racial and gender diversity 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 third 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, including implementing programmes during the worldwide COVID-19 pandemic. 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 2020 comprised:

Joshua Liswood - Joshua is the Chair of the International Board and 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. Joshua's term as Chair of the Members' Assembly and International Board expired on 21 November 2020.

Gunvor Kronman - Gunvor joined the International Board as Vice Chair in November 2014. She has a wealth of experience in the field of international development, previously working for 16 years in the International Red Cross movement and serving on several humanitarian missions. She has chaired the Development Policy Committee for 10 years, advising three Finnish governments on global issues, and has experience in child rights. She is Vice Chair of Crisis Management Initiative, an independent organisation that works to prevent and resolve violent conflicts and holds Board Memberships with UN Live and Friends of the UN, amongst others. Gunvor is motivated by trying to make the world a better place by pushing for a better life for all children and especially girls, and for gender equality. In June 2020, Gunvor was elected by the Members' Assembly as its next Chair and Chair of the International Board, effective on 21 November 2020.

Directors' report (continued)

Directors (continued)

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 Bachelor's degree in Economics from Universidad de Lima. She is 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.

Rabia Garib - Rabia joined the International Board in November 2019. She has been an entrepreneur in the area of technology media since 1999 and produces business-technology content for web, television and radio. In 2007, she brought the world's largest business-technology magazine, CIO, to Pakistan. She co-founded ToffeeTV in 2010 which develops local language content, making learning fun through animated songs and stories and producing e-learning content for several companies. ToffeeTV is now expanding into curriculum-aligned educational content. In 2017, Rabia co-established The New Spaces, a website dedicated to AI, Fintech, IOT and Infosec content. Rabia heads the Pakistan chapter of Eisenhower Fellows and was appointed to the Global Network Council, representing Pakistan on the international forum. She is an independent board director.

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 British Petroleum 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 Treasurer from November 2017 until 21 November 2020 .

Madhukar Kamath - Madhukar joined the International Board in June 2020. He is a marketing services professional, with over four decades of experience. Madhukar is currently the Chair Emeritus of the DDB Mudra Group, the Mentor for Interbrand India and the Chair of Multiplier Brand Solutions. He has served as Chair across several advertising organisations and is currently Chair of the Audit Bureau of Circulation. Madhukar helped to build MICA into India's foremost Strategic Marketing and Communication Management Business School and has also been conferred the Lifetime Achievement Award by the Advertising Association of India. He serves on the Board of Plan India and is committed to the goal of impacting the lives of 10 million girl children.

Nyovani Madise - Nyovani has been a member of the International Board since 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.

Plan International Worldwide

Directors' report (continued)

5. Management team

Key management in Plan International includes the Senior Management of PI Inc and Plan Ltd and the National Directors of the NOs. Members of these groups during the year to 30 June 2020 and up to the date of approval of this report, unless otherwise stated, are listed below:

International Senior Management

Director	**Role**	
Anne-Birgitte Albrectsen	Chief Executive Officer	
Gabriela Bucher	Chief Operating Officer	to 11 September 2020
Damien Queally	Executive Director of Global Programme Operations	to 11 October 2020
Damien Queally	Executive Director Delivery, Performance and Accountability	from 12 October 2020
Alison Currie	Executive Director Finance and IT	
Tara Camm	Chief of Staff and General Counsel	to 11 October 2020
Tara Camm	Executive Director Resources	from 12 October 2020
Jayanta Bora	Executive Director of Human Resources and Organisational Development	to 30 June 2020
Graham Watson	Acting Director of Human Resources and Organisational Development	from 1 July 2020 to 31 October 2020
Bessie Vaneris	Interim Executive Director of People and Culture	from 11 November 2020
Sagar Dave	Director Global Assurance	
Sean Maguire	Executive Director of Global Influence and Partnerships	to 11 October 2020
David Thomson	Executive Director of Strategy and Business Insights	to 11 October 2020
David Thomson	Executive Director Strategy and Collaboration	from 12 October 2020
Ellen Wratten	Executive Director of Gender Equality and Girls' Rights	to 9 October 2020
Debora Cobar Urquizu	Regional Director, Central and South America	to 11 October 2020
Debora Cobar Urquizu	Executive Director Region of the Americas and Sponsorship	from 12 October 2020
Rotimy Djossaya	Regional Director, West Africa	to 11 October 2020
Rotimy Djossaya	Executive Director West and Central Africa and Youth Movements and Campaigns	from 12 October 2020
Roger Yates	Regional Director, East and Southern Africa	to 11 October 2020
Roger Yates	Executive Director Middle East, Eastern and Southern Africa and Monitoring, Evaluation, Research and Learning	from 12 October 2020
Bhagyashri Dengle	Regional Director, Asia	to 11 October 2020
Bhagyashri Dengle	Executive Director Asia-Pacific and Policy and Practice	from 12 October 2020
Laila El Baradei	General Counsel	from 12 October 2020
Carla Jones	Head of External Communications/Brand	from 12 October 2020
Maria Comerford	Director of Governance and Executive	from 12 October 2020

National Directors

Director	**National Organisation**	
Susanne Legena	Australia	
Régine Debrabandere	Belgium	to 22 March 2020
Fiona Ang	Belgium	from 23 March to 31 August 2020
Heidy Rombouts	Belgium	from 1 September 2020
Caroline Riseboro	Canada	to 17 February 2020
Sarah Kramer (co-ND)	Canada	from 18 February 2020 to 30 June 2020
Tanjina Mirzwa (co-ND)	Canada	from 18 February 2020 to 30 June 2020
Lindsay Glassco	Canada	from 1 July 2020
Margarita Barraquer	Colombia	to 31 December 2019
Olga Trujillo	Colombia	from 1 January 2020 to 14 April 2020
Angela Anzola de Toro	Colombia	from 15 April 2020
Gwen Wisti	Denmark	to 14 May 2020
Dorthe Pedersen	Denmark	from 15 May 2020
Ossi Heinänen	Finland	
Yvan Savy	France	
Maike Röttger	Germany	
Kanie Siu	Hong Kong	
Anuja Bansal	India	to 16 December 2019

Directors' report (continued)

Management team (continued)

Mohammed Asif	India	from 17 December 2019
Paul O'Brien	Ireland	
Yuichi Tanada	Japan	
Sang-Joo Lee	Korea	
Monique van't Hek	Netherlands	to 31 May 2020
Garance Reus-Deelder	Netherlands	from 1 June 2020
Kari Helene Partapuoli	Norway	
Concha López	Spain	
Mariann Eriksson	Sweden	
Suba Umathevan	Switzerland	to 18 October 2020
Andreas Buergue	Switzerland	from 19 October 2020
Rose Caldwell	United Kingdom	
Tessie San Martin	United States	

6. Statement on internal control

The International Board of PI Inc and the boards of the NOs are accountable for the internal controls within the entities which they govern. Management of the organisations are responsible for maintaining a sound system of internal control. This includes risk management systems that support the achievement of Plan International's mission and objectives, and safeguards the donations received, assets and resources, which includes its staff.

Control processes provide for the prevention and timely detection of unauthorised transactions that could have 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 2020, 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 steady improvement in the application of management controls. There are still some recurring issues that require improvement, for example, more consistent application of partner management standards. Senior management continues to monitor these areas and will be developing in 2021, a systemised approach to resolving these issues.

In response to the challenges presented by COVID-19, a number of additional control mechanisms have been put in place. These range from updated business continuity plans for each Plan office, additional oversight mechanisms, training on fraud prevention and the development and implementation of a remote audit methodology.

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 risks, 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.

Directors' report (continued)

Risk management (continued)

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

The COVID-19 pandemic has affected the context of key global risks, with some risks increasing due to the altered operating environment, for example the inherent fraud risk and the delivery of global IT projects. Further, the operational constraints caused by the COVID-19 pandemic have delayed progress in the mitigation of several global risks, including where travel restrictions have prevented planned activities such as training, monitoring and research within offices and communities. Where possible, such activities are being adapted for virtual delivery, with the success of this approach being closely monitored across all risk areas. Management and the directors continue to receive increased assurance around the management of major projects and inherent risks (including Fraud, Safety and Security, Safeguarding).

Where significant risks have materialised, such as the global COVID-19 pandemic, management have endeavoured to respond in line with crisis management protocols, ensuring that lessons are learnt and remediations implemented where necessary.

Based on available information, the International Board of PI Inc assessed there to be a consistent year-on-year risk management performance in the year ended 30 June 2020, acknowledging the extensive challenges posed by the external environment, particularly the global COVID-19 pandemic. Throughout the pandemic, management and staff have collaborated to mitigate the threats of the pandemic, steered by a number of cross-organisational response teams covering areas including humanitarian response, operations and business continuity, and fundraising. It is acknowledged that the COVID-19 pandemic is a protracted crisis, and a sustainable approach to long-term risk management is critical as the organisation shifts from immediate response to extended recovery.

Despite challenges, a reduction of risk was still reported in key strategic areas at the end of the financial year, particularly within the People & Culture function where demonstrable progress had been made in the embedding of existing controls around values, upskilling and leadership coaching, amongst other areas.

In order for the organisation to further progress, management will be focusing on several specific risk management improvement activities in the year ended 30 June 2021. These activities include the provision of revised training tools, the continuing operationalisation of risk appetites and the review of our risk, incident and crisis management processes to ensure they remain fit-for-purpose given the fast-changing external landscape. In addition to the above, a revised set of Management Standards will be embedded in PI Inc, driving an enhanced organisational performance and strengthening management's view on challenges, risks and opportunities within the control environment. These refined management standards provide additional clarity to country offices in how to apply key controls to manage operational risk. Country offices have also been provided with detailed guidance on how to record and evidence that key controls have been implemented. In FY21 each country office will be required to self assess their conformance to each management standard. This will enable management to better understand key issues that require attention so that these can be resolved in a timely manner.

8. Financial overview

8a Summary and impact of COVID-19

Plan International's combined deficits in 2020 equate to €0.4 million, compared to a €26 million surplus in 2019. The net deficit in 2020 was a result of expenditure in the year which had been budgeted to be spent in the prior year. Excluding foreign exchange gains and losses there was a surplus in 2020 of €6 million, compared to a surplus in 2019 of €27 million.

In the year to 30 June 2020 Plan International raised income of €910 million, which was €15 million higher than the previous year, an increase of 2%. Total expenditure was €910 million, which was €41 million higher than 2019, an increase of 5%.

Directors' report (continued)

Financial overview (continued)

Summary and impact of COVID-19 (continued)

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.

The spread of COVID-19 globally began at the start of 2020 reaching different countries at different times and was combined with differing government responses. Towards the end of the period to 30 June 2020 our ability to provide an emergency response and programmatic activities was increasingly challenged by increased volatility of cash levels, income and expenditure flows. In response, Plan International has implemented a more frequent cash reporting and forecasting regime to better reflect the implementation realities of our budget assumptions and to ensure that future budget assumptions reflect current information, matching our expenditure to expected income. These are supported by the Financial Audit Committee of PI Inc and subject to review in order to maintain relevant and accurate assessments of our operating environment. From an initial FY21 budgeted income and expenditure of €894 million completed in the early stages of the COVID-19 Pandemic our latest forecast now reflects a modest reduction in sponsorship income of €7 million or 2% and Grant income of €15 million or 3% to €872 million income and expenditure.

A significant amount of Plan International's expenditure is programme related which is flexible and can be reduced should income fall. As discussed above, income streams have only been marginally affected in the year to date for the financial year ending 30 June 2021. Grant income is from institutional donors (primarily central governments) and is normally for long term projects awarded over multiple financial years. There has been no indication that funders will withdraw or cancel any grant funding in a manner that will have a material impact on Plan International.

The level of cash and cash equivalents within the combined financial statements was €342 million as at 30 June 2020 and this has remained stable since the balance sheet date. Current asset investments of €60 million could also be liquidated to support Plan International if required. Additionally, as discussed further in section 8d below, there is €152 million of unrestricted funds that could be used to support Plan International in the short term if required.

Based on the above information, the Directors and Management have considered the consequences of COVID-19 and other events and conditions, and have determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

Plan International has taken advantage of certain government schemes in relation to assistance due to the COVID-19 pandemic (primarily support offered by governments within some National Organisation countries), however amounts received are immaterial to the financial statements.

8b Income

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

40% of Plan International's income in the year was derived from regular giving through child sponsorship. This income stream decreased by €7 million or 2% to €361 million in the year and decreased by 2% at like for like exchange rates.

Grants income rose by €17 million, or 5%, to €346 million in the year and by 3% at like for like exchange rates.

Gifts in kind totalled €48 million in 2020, compared with €60 million in 2019 and are mainly attributable to food donations with smaller donations of hygiene kits, blankets and other non-food items.

Other sources of income amounted to €155 million compared to €139 million in 2019. These include other contributions, including disaster and other appeals.

Directors' report (continued)

Financial overview (continued)

8c Expenditure

Total Plan International expenditure, before foreign exchange gains and losses, increased by €36 million compared to 2019, to €904 million. Total programme expenditure was €697 million, which was an increase of €18 million over 2019. 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.

Spend on the response to COVID-19 has not been separately identified and is included within the relevant Areas of Global Distinctiveness (AOGDs) that are explained further below. Examples of spend on COVID-19 response can be found in section 1 above.

In 2020 the regional profile of expenditure excluding foreign exchange gains and losses has remained consistent with the profile seen in 2019. Africa accounts for the largest share of total programme and non-programme expenditure, representing 39% in 2020, compared to 41% in 2019. Expenditure in Asia, including NOs based in the region, represents 17% of total expenditure in 2020, the same as 2019. Central and South America accounted for 10% of total expenditure, the same as in 2019. The remaining 34% of expenditure in 2020 was incurred in Europe and North America, compared with 32% in 2019.

Programme expenditure represents 77% of total expenditure, excluding foreign exchange gains and losses. Fundraising, trading expenditure and other operating costs represent 23%. Programme expenditure is categorised into the distinct areas in which Plan International works in accordance with Plan International's AOGDs.

Expenditure relating to disaster risk management was Plan International's largest spending programme area in both 2020 and 2019. 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 €175 million or 25% of total programme expenditure (2019: €146 million or 22% of total programme expenditure).

Expenditure on early childhood development accounted for €90 million or 13% of programme expenditure in 2020. 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 5% in the proportion of spend on early childhood care and development compared to the total programme spend in 2020 compared with 2019.

Inclusive quality education accounted for €108 million or 15% of programme expenditure in 2020, 1% higher than 2019. Education, and particularly girls' education, was Plan International's second largest programme area in 2020.

Expenditure on girls, boys and youth as active drivers of change accounted for €93 million or 13% of programme expenditure, 3% higher than 2019. This programme area includes programmes on capacity building for youth to be active citizens and to engage in collective action.

Programmes on protection from violence represent €101 million or 14% of total programme costs. The movement of €11 million in the spend on these programmes compared to the total programme spend in 2019 decreased by 9%.

Expenditure on skills and opportunities for youth employment and entrepreneurship related to training in life, vocational and business skill and community engagement. This expenditure represents €41 million, or 6% of programme expenditure.

Expenditure on sexual and reproductive health and rights covers programmes related to family planning, HIV/AIDS and sex education. This expenditure represents €68 million, or 10%, of total programme expenditure.

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 €21 million or 3% of programme expenditure and the movement in this spend of €2 million compared to total spend represents an 8% decrease.

Fundraising costs were €115 million compared to €108 million in 2019.

Directors' report (continued)

Financial overview (continued)

Expenditure (continued)

Other operating costs of €85 million represents costs in NOs and at the Global Hub and is an increase of €7 million from the previous year. Trading related expenditure, including online shops and a film production entity was marginally higher than 2019 at €6 million which represented less than 1% of expenditure in 2020.

Losses on foreign exchange of €6.0 million in 2020 following on from losses of €1 million in 2019 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 2020 were €385 million; €3 million lower than at 30 June 2019.

Of the €385 million fund balances at 30 June 2020, €84 million is represented by property, plant, equipment and intangibles and €20 million is permanently restricted. The remaining €281 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.

NOs manage their fund balances separately. Fund balances held in the NOs account for €220 million of total fund balances, whilst PI Inc, including Plan Ltd, holds the remaining balance.

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 2020 as detailed below. However, this is not deemed to be an operational or going concern issue and does not impact the activities of the organisation. Please see section 8a for further discussion on going concern.

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). At the balance sheet date of 30 June 2020, PI Inc's pre-financing reserve for donor restricted funds has only been partly replenished.

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 2020 there were insufficient 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 2020 insufficient funds were available to provide 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 2020, 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.

Directors' report (continued)

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. 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 Ltd 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 and authorised for issue by the International Board of PI Inc and signed on its behalf by

Gunvor Kronman Chair
18 January 2021

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 non-statutory combined financial statements for the year ended 30 June 2020 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 2020; 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 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 financial statements may not be suitable for another purpose.

Conclusions relating to going concern

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

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

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

Reporting on other information

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

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

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities set out on page 11, 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 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 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 for in order to enable Plan International Inc.'s directors to discharge their fiduciary duties in accordance with our engagement letter dated 24 June 2020 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
18 January 2021

Plan International Worldwide

Combined income statement
for the year ended 30 June

	Note(s)	**2020 €000**	2019 €000
Income			
Child sponsorship income	2a	**360,913**	367,504
Grants	2a	**345,761**	328,759
Gifts in kind	2a	**47,898**	59,533
Other contributions	2a	**140,089**	127,446
Investment income	2a	**3,818**	6,160
Trading income	2a,b	**11,410**	5,819
Total income	2a,b	**909,889**	895,221
Expenditure			
Programme expenditure	3a	**696,778**	678,973
Fundraising costs	3a	**115,445**	108,200
Other operating costs	3a	**84,790**	77,624
Finance costs	3a	**1,428**	94
Trading expenditure	3a	**5,846**	3,314
Total expenditure before foreign exchange		**904,287**	868,205
Net losses on foreign exchange	3a,c	**5,983**	606
Total expenditure	3a.c	**910,270**	868,811
(Deficit) / excess of income over expenditure		**(381)**	26,410

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

	Note	**2020 €000**	2019 €000
(Deficit) / excess of income over expenditure		**(381)**	26,410
Other comprehensive income *		**-**	15,242
Items that will not be reclassified to the (deficit) / excess of income over expenditure:			
Remeasurements of post employment benefit obligations	11	**(530)**	(426)
Change in fair value of equity instruments at fair value through other comprehensive income	6	**1,072**	(1,061)
		542	(1,487)
Items that may be reclassified to the (deficit) / excess of income			
Currency translation adjustment	6	**(2,755)**	977
Total comprehensive income		**(2,594)**	41,142

There is no corporation taxation arising on the items set out above as explained in note 1q to these financial statements. The notes on pages 18 to 49 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.

Plan International Worldwide

Combined statement of financial position
at 30 June

	Note(s)	**2020 €000**	2019 €000
Current assets			
Cash and cash equivalents	7b	**341,728**	342,715
Investments held at fair value	7b,d	**39,660**	48,635
Investments held at amortised cost	7b	**17,182**	1,952
Receivables and advances	7g	**49,776**	49,178
Prepaid expenses		**11,315**	9,894
Inventory	8	**1,435**	1,512
		461,096	453,886
Non-current assets			
Investments held at fair value	7b,d	**9,322**	10,090
Investments held at amortised cost	7b	**3,159**	600
Other financial assets – interests in trusts	7e	**892**	942
Property, plant and equipment	9	**70,764**	21,422
Intangible assets	9	**12,896**	8,064
Other receivables	7g	**2,798**	894
		99,831	42,012
Total assets		**560,927**	495,898
Current liabilities			
Bank overdrafts	7c	**505**	1,963
Accounts payable		**30,647**	28,324
Accrued expenses		**42,934**	37,324
Deferred income		**14,061**	14,816
Accrued post employment benefits	10	**20,780**	19,049
Other current liabilities	14	**14,163**	-
		123,090	101,476
Non-current liabilities			
Bank loan	7c	**1,660**	1,814
Pension obligations	11b	**2,202**	1,418
Other non-current liabilities	12	**46,843**	-
Provisions for other liabilities and charges	13	**2,039**	3,503
		52,744	6,735
Total liabilities		**175,834**	108,211
Fund balances			
Unrestricted fund balances	6	**151,589**	149,364
Temporarily restricted fund balances	6	**213,709**	219,167
Permanently restricted fund balances	6	**19,795**	19,156
Total fund balances	6	**385,093**	387,687
Total liabilities and fund balances		**560,927**	495,898

The notes on pages 18 to 49 form part of these financial statements.

The financial statements on pages 14 to 49 have been approved by the Board of Directors of Plan International, Inc. and were signed on behalf of the Board on 18 January 2021.

Gunvor Kronman

Gunvor Kronman
Chair

Günter Haag
Director

Combined statement of cash flows
for the year ended 30 June

	Note	2020 €000	2019 €000
Cash flows from operating activities			
(Deficit) / excess of income over expenditure		(381)	26,410
Depreciation and amortisation	9	21,395	9,527
Gain on sale of property, plant and equipment	2a	(306)	(511)
Gain on investments	2a	(590)	(1,747)
Investment income	2a	(2,922)	(3,903)
Increase in receivables *		(3,361)	(3,147)
Decrease / (increase) in inventory		234	(125)
Increase in payables **		16,331	290
Finance costs – net		1,428	-
Effects of exchange rate changes		-	(239)
Net cash inflow from operating activities		31,828	26,555
Cash flows from investing activities			
Investment income received		2,922	3,903
Proceeds from sale of investments held at fair value		16,245	21,120
Purchase of investments held at fair value		(5,322)	(23,963)
Proceeds from sale of investments held at amortised cost		1,542	194
Purchase of investments held at amortised cost		(19,437)	(6)
Net movement in interests in trusts		50	4
Proceeds from sale of property, plant and equipment		358	898
Purchase of property, plant and equipment		(5,824)	(7,915)
Purchase of intangible assets	9	(6,073)	(3,935)
Payment for acquisition of Social Development Direct, net of cash acquired		(1,593)	-
BØRNEfonden cash acquired		-	6,770
Net cash outflow from investing activities		(17,132)	(2,930)
Cash flows from financing			
(Decrease) / increase of loans		(154)	184
Repayment of lease liabilities		(10,633)	-
Net cash (outflow) / inflow from financing activities		(10,787)	184
Increase in cash and cash equivalents		3,909	23,809
Effect of exchange rate changes		(3,438)	634
Net increase in cash and cash equivalents		471	24,443
Cash and cash equivalents at beginning of year		340,752	316,309
Cash and cash equivalents at end of year		341,223	340,752

Cash and cash equivalents at end of year comprise:

	2020	2019
Cash and cash equivalents	**341,728**	342,715
Bank overdrafts	**(505)**	(1,963)
	341,223	340,752

* Includes movement in receivables and advances, prepaid expenses and other non-current receivables.

** Includes movement in accounts payable, accrued expenses, deferred income, other current liabilities, non-current pension obligations, other non-current liabilities and provisions for other liabilities and charges.

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 2018	**130,445**	**201,586**	**14,514**	**346,545**
Excess of income over expenditure	4,360	17,685	4,365	26,410
Losses on equity instruments at fair value through other comprehensive income	(1,061)	-	-	(1,061)
Remeasurements of pension 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**
(Deficit) / excess of income over expenditure	3,406	(4,280)	493	(381)
Gains on equity instruments at fair value through other comprehensive income	1,072	-	-	1,072
Remeasurements of pension obligations	(530)	-	-	(530)
Exchange rate movements	(1,723)	(1,178)	146	(2,755)
Total excess / (deficit) of comprehensive income over expenditure	**2,225**	**(5,458)**	**639**	**(2,594)**
Fund balances at 30 June 2020	**151,589**	**213,709**	**19,795**	**385,093**

The notes on pages 18 to 49 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.

Notes to combined financial statements

1. Principal accounting policies

a. Presentation and functional currency

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

b. Basis of 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 historic cost convention with 2 exceptions. The exceptions are that these financial statements have been prepared on a combined basis as explained in note 1c and that International Public Sector Accounting Standard 23, has also been applied for income.

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 2019 except for in relation to IFRS 16 as detailed below.

IFRS 15, Revenue from contracts with customers, was applied in 2019 and has been considered in Plan International's combined financial statements for the year ending 30 June 2020. 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 has had no impact on these income streams, as such non-exchange transactions are outside the scope of IFRS 15. IFRS 15 is applicable to trading income, however IFRS 15 has not had a material impact on this revenue stream.

IFRS 9, Financial instruments, was applied in 2019 and has been considered in Plan International's combined financial statements for the year ended 30 June 2020. 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 taken necessary steps in line with the standard guidelines to assess if there was evidence of possible impairment of assets (i.e., receivables - refer to note 7g), held by Plan. The adoption of IFRS 9 has not had a material impact on the financial statements.

IAS 19, Employee benefits: Plan amendments, curtailment or settlement is applicable prospectively for accounting periods beginning after 1 January 2019. The amendments specify that current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement are determined based on updated actuarial assumptions. There has not been any amendment, curtailment and settlement for the Defined benefit plan operated by Plan Netherlands in the year ended 30 June 2020.

IFRS 16 Leases has been applied for Plan International using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. Prior to the introduction of IFRS 16, IAS 17 requires operating lease rental costs to be expensed on a straight-line basis.

As at 1 July 2019, the Group has elected to measure the right-of-use (ROU) assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of transition. The lease liability is measured at the present value of the remaining minimum lease payments. The approach to the use of an appropriate discount rate has been discussed in note 1g.

For contracts in place at the date of initial application, Plan International has elected to apply the definition of a lease from IAS 17 and IFRIC 4 and has not applied IFRS 16 to arrangements that were previously not identified as lease under IAS 17 and IFRIC 4.

Plan International has elected not to include initial direct costs in the measurement of the right-of-use asset for operating leases in existence at the date of initial application of IFRS 16, being 1 July 2019.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

b. Basis of preparation (continued)

Plan International has benefited from the use of hindsight for determining the lease term when considering options to extend and terminate leases. Please see section 1q for judgements used in determining the lease term.

Plan International has chosen not to separate non-lease components for computing ROU asset value.

The impact of transition to IFRS16 on the Plan International balance sheet at 1 July 2019 is an increase in right-of-use assets of €45.5 million and an increase in lease liabilities of €46.4 million, net adjustments to other assets and liabilities of €0.9 million, with nil effect on opening fund balances.

The weighted average incremental borrowing rate applied to lease liabilities recognised on the Combined statement of financial position at 1 July 2019 is 2.92%.

The most significant differences between undiscounted non-cancellable operating lease commitments is shown below:

	€'000
Total Operating lease commitments as of 30 June 2019	**59,315**
Recognition exemptions	
Leases with remaining lease term of less than 12 months	**(11,595)**
Operating leases before discounting	**47,720**
Discounted using incremental borrowing rate	**2.9%**
Operating lease liabilities	46,371
Total lease liabilities recognised under IFRS16 at 1 July 2019	**46,371**

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. Assets and liabilities are recognised at their carrying values of the entity adjusted to align with the accounting policies of Plan International at the time the entity is combined. The recognition of their consolidated assets and liabilities into the combined financial statements results in an amount recognised in fund balances as an 'other movement in net assets'.

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 Ltd). 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 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.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

d. Accounting for income arising from non-exchange transactions

Due to the nature of Plan International's activities, income arising from non-exchange transactions (such as contributions and grants) is considered to be income from ordinary activities and represents revenue for Plan International. Such 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 primarily comprises retail income from the sale of goods through shops, lottery income and other commercial activities. This 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 include balances for certain assets and liabilities, specifically the net investment of funds in property, plant and equipment and intangible assets and the gains / (losses) on investments held at fair value.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

f. Accounting for fund balances (continued)

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. Leases

For any new contracts, Plan International considers whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

Measurement and recognition of leases as a lessee
The adoption of this new standard has resulted in Plan International recognising a right-of-use asset and related lease liability in connection with all former operating leases. Furthermore, election to use the short term lease exemption has also been taken. This applies to leases with a lease term of 12 months or less from the date of initial application or any new leases that commence with a determined non-cancellable period of 12 months or less. Therefore, for the short-term leases Plan International did not recognise a right-of-use of asset or lease liability for the qualifying leases and continued to recognise the operating lease payments under IAS17.

Low value assets that had an underlying value of less than $5K have not been disclosed. The value of the right-of-use of assets and lease liabilities relating to these low value assets had a trivial effect on the financial statements, individually and in the aggregate.

At the lease commencement date, Plan International recognises a right-of-use asset and a lease liability in the Combined statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Plan International depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful economic life of the right-of-use asset or the end of the lease term. Plan International also assesses the right-of-use asset for impairment when such indicators exist.

The lease liability to be recognised on the balance sheet, at the point of inception is calculated as the total minimum 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. When the rate implicit in the lease cannot be readily determined, lessees use their incremental borrowing rate (i.e., the rate of interest that the lessee would have to pay to borrow on a collateralised basis over a similar term an amount equal to the lease payments in a similar economic environment). Plan International cannot readily determine the interest rate implicit in the leases. Therefore a relevant incremental borrowing rate has been applied to each portfolio of leases that are within a similar economic environment. A Euro borrowing rate has been deemed appropriate to be applied to the portfolio of PI Inc leases as if Country Offices or Regional Offices were to access financing, this would occur through the Global Hub borrowing in the United Kingdom in Euros. This rate therefore represents a suitable incremental borrowing rate to apply to this portfolio and is also deemed appropriate to cover the remaining life of the current outstanding leases. For NO leases, an entity specific incremental borrowing rate has been applied to each identifiable portfolio. Adopting the portfolio approach produces a materially similar result as assessing on a lease by lease basis.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

g. Leases (continued)

The lease liability has been 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 discounted interest is shown within finance costs in the Combined income statement.

The lease liability is remeasured when there is a change in future lease payments, if there is a change in the Plan International's estimate of the amount payable under residual value guarantee, or if Plan International changes its assessment of whether it will exercise a purchase, extension or termination option.

Whenever the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

Plan International presents right-of-use assets in 'Property, plant and equipment' and current and non-current portion of lease liability separately in the Combined statement of financial position.

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

Financial assets which comprise debt securities and bank deposits whose contractual cash flows comprise solely payments of principal and interest and that Plan International intends to hold to collect the contractual cash flows are classified as investments held at amortised cost. Financial assets at amortised cost are initially recognised at fair value and subsequently measured at amortised cost. In line with IFRS 9, Plan International assesses at each balance sheet date whether financial assets at amortised cost should be impaired using the expected credit loss approach.

Financial assets which comprises equities are recognised at fair value at initial recognition and at each subsequent reporting date. Gains and losses arising from changes in the fair value are included in the Combined statement of comprehensive income and expenditure in the period in which they arise.

Plan International may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss (FVTPL) to present subsequent changes in fair value in other comprehensive income on an instrument-by instrument basis. Gains or losses will not be reclassified to the income statement on disposal of equity investments. Dividend income is recognised in profit or loss when Plan International's right to receive payment of the dividend is established.

Financial assets are included in either current or non-current investments as appropriate.

j. Receivables and advances

Receivables and advances consist of receivables in National Organisations and the field. These are recognised as current assets if collection is due in one year or less. If collection is due to over a year, they are presented as non-current assets. Receivables and advances are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k. 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.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

l. 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.

Each NO has its own capitalisation threshold resulting in assets of a trivial value being expensed in the year they are purchased. For PI Inc, property, plant and equipment are only capitalised if above the capitalisation threshold of €3,500. Assets purchased by country offices that relate to grant projects are expensed in the year they are purchased. Should an asset be gifted to PI Inc by the donor at the end of the grant project, then it will be capitalised at that point should the value at the time exceed the capitalisation threshold.

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.

Amortisation of intangible assets is included within operating costs 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.

m. 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.

n. 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.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

n. Current liabilities – post employment benefits and pension obligations (continued)

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.

o. Non-current liabilities – pension obligations

During the year ended 30 June 2020 Plan International Netherlands maintained a defined benefit pension plan. The amount recognised in respect of this pension plan 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 the plan comprises the current service cost, interest on the net defined benefit liability in the scheme and administration charges payable by Plan International Netherlands 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.

p. 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 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.

If a NO was to no longer be combined into the Plan International Worldwide financial statements, the balance held within cumulative foreign exchange differences within fund balances for this NO would be reversed and written off to the (deficit) / excess of income over expenditure.

q. Taxation

As a registered Not-for-Profit Corporation, PI Inc has no liability for corporation taxation. PI Inc's subsidiary Plan Ltd is liable to UK taxation but incurs no taxation liability due to donating all of its taxable profits to Plan International (UK) Limited, a UK registered charity and member NO in the UK. The member NOs are exempt from corporation taxation.

r. Accounting estimates and judgements

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

Judgements

i) Income recognition - income is recognised when 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 entitled to receive the income based on the individual stipulations within the donor agreements.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

r. Accounting estimates and judgements (continued)

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.

iii) Leases - The key judgement applied to the entity's portfolio of property leases is in relation to the lease extension and termination options. IFRS 16 defines the lease term as the non-cancellable period of a lease together with the options to extend or terminate a lease, if the lessee was reasonably certain to exercise that option. Where a lease includes the option to extend the lease term, management makes a judgement as to whether it is reasonably certain that the option will be exercised. Management's assessment to exercise the renewal option of some leases significantly impacts the value of the lease liabilities and right-of-use assets recognised on the balance sheet. In determining the lease terms and the likelihood of an extension option being exercised, management considers all facts and circumstances (which include leasehold improvements made to underlying assets, importance of underlying assets to the entity's operations and management's past experience with similar leases), that create an economic incentive to exercise such an option. This judgement will be reassessed at each reporting period. A reassessment of the remaining life of the leases could result in a recalculation of the lease liability and a material adjustment to the associated balances.

Estimates

iv) 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, based on projected leave dates, employees length of service and current salary which are included in the accrual for post employment benefits.

Country offices are asked to provide a full listing of employees and benefits that those employees are entitled to as at the year ended 30 June 2020. Total benefits are then multiplied by the rate at which employees have left Plan International in the past. The key part of this estimation is the range of outcomes estimated in terms of how people leave the organisation and the probabilities of each of these outcomes occurring. This is calculated based on staff movements over past years (3 years minimum) and the reason for those movements. An estimate of future probability based on historical trends and knowledge of future events is then made for each country for each outcome and applied to calculate the accrual.

Accrued post employment benefits are included as €20.8 million under current liabilities (please see note 10) and €1.1 million within provisions for other liabilities and charges as non-current liabilities.

Sensitivity

€12.1 million is included for the 10 country offices with the largest calculated accrual. If only the current most expensive outcome in relation to how people leave the organisation, based on the probability of the outcome occurring, was applied, the accrual would increase by €0.8 million. If only the current least expensive outcome was chosen, based on the probability of the outcome occurring, the accrual would decrease by less than €0.1 million. As explained above, the estimation of the range of outcomes and probabilities applied are based on historical data and expectations of future events on a country by country basis, therefore this is deemed to contribute to the most appropriate estimation of this accrual.

Plan International Worldwide

Notes to combined financial statements (continued)

2. Income

a. Income by source

	2020 €000	2019 €000
Child sponsorship income	**360,913**	367,504
Grants	**345,761**	328,759
Gifts in kind	**47,898**	59,533
Bequests	**11,408**	7,420
Project sponsorship and appeals	**128,681**	120,026
Other contributions	**140,089**	127,446
Interest and dividend income	**2,922**	3,903
Gain on sale of investments and assets	**896**	2,257
Investment income	**3,818**	6,160
Trading income	**11,410**	5,819
Total income	**909,889**	895,221

b. Income by location

	2020 €000	2019 €000
Belgium	**18,006**	19,325
Denmark	**35,531**	37,030
Finland	**18,383**	17,962
France	**13,629**	15,818
Germany	**200,793**	191,505
Ireland	**15,719**	18,637
Netherlands	**55,310**	56,394
Norway	**49,862**	49,286
Spain	**28,361**	28,800
Sweden	**48,834**	53,107
Switzerland	**5,539**	5,005
United Kingdom	**62,924**	64,966
Europe	**552,891**	557,835
Canada	**166,169**	160,183
Colombia	**2,287**	2,859
United States	**61,584**	59,695
Americas	**230,040**	222,737
Australia	**33,801**	34,661
Hong Kong	**12,370**	11,267
India	**12,888**	10,843
Japan	**30,539**	25,708
Korea	**10,514**	11,277
Australia & Asia	**100,112**	93,756
Other and intragroup elimination	**15,436**	15,074
	898,479	889,402
Trading income	**11,410**	5,819
Total income	**909,889**	895,221

Plan International Worldwide

Notes to combined financial statements (continued)

3. Expenditure

a. Expenditure by programme area

	National Organisations €000	**Field €000**	**Global Hub €000**	**Intra-group & exchange €000**	**Total 2020 €000**
Early childhood development	**5,146**	**84,474**	**27**	**-**	**89,647**
Inclusive quality education	**7,414**	**100,484**	**-**	**-**	**107,898**
Girls, boys and youth as active drivers of change	**51,356**	**35,005**	**6,211**	**-**	**92,572**
Protection from violence	**928**	**99,023**	**848**	**-**	**100,799**
Skills and opportunities for youth employment and entrepreneurship	**-**	**41,327**	**-**	**-**	**41,327**
Sexual and reproductive health and rights	**-**	**68,347**	**-**	**-**	**68,347**
Disaster risk management	**42,453**	**130,657**	**1,663**	**-**	**174,773**
Sponsorship communications	**-**	**20,691**	**724**	**-**	**21,415**
Programme expenditure	**107,297**	**580,008**	**9,473**	**-**	**696,778**
Fundraising costs	**112,083**	**2,699**	**663**	**-**	**115,445**
Other operating costs	**58,295**	**-**	**26,794**	**(299)**	**84,790**
Finance costs	**1,170**	**240**	**18**	**-**	**1,428**
	278,845	**582,947**	**36,948**	**(299)**	**898,441**
Trading expenditure	**5,846**	**-**	**-**	**-**	**5,846**
Total expenditure before foreign exchange	**284,691**	**582,947**	**36,948**	**(299)**	**904,287**
Net losses on foreign exchange	-	-	-	5,983	5,983
Total expenditure	**284,691**	**582,947**	**36,948**	**5,684**	**910,270**

	National Organisations €000	Field €000	Global Hub €000	Intra-group & exchange €000	Total 2019 €000
Early childhood development	6,173	113,960	50	-	120,183
Inclusive quality education	5,160	92,857	155	-	98,172
Girls, boys and youth as active drivers of change	23,062	38,200	7,357	-	68,619
Protection from violence	15,145	96,034	719	-	111,898
Skills and opportunities for youth employment and entrepreneurship	-	42,644	-	-	42,644
Sexual and reproductive health and rights	-	68,194	-	-	68,194
Disaster risk management	42,556	101,939	1,579	-	146,074
Sponsorship communications	-	22,740	449	-	23,189
Programme expenditure	92,096	576,568	10,309	-	678,973
Fundraising costs	105,596	2,604	-	-	108,200
Other operating costs	65,169	-	11,215	1,240	77,624
Finance costs	94	-	-	-	94
	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

Expenditure allocations are performed on a project level. Spend on the response to COVID-19 has not been separately identified and is included within the relevant Areas of Global Distinctiveness (AOGDs).

Projects that are not clearly aligned to one specific AOGD have been apportioned across all AOGDs based on total spend.

Notes to combined financial statements (continued)

3. Expenditure (continued)

a. Expenditure by programme area (continued)

Examples of the types of programme expenditure included within each of the AOGDs are:

Early childhood development: Support for gender-sensitive parenting and nurturing care practices covering health, nutrition and hygiene, play and early learning, protection and positive discipline; maternal, neonatal and child health services; early learning and stimulation; community hygiene, sanitation and health campaigns.

Inclusive quality education: Improved gender-responsive teaching and learning in schools and family support for education; opportunities for out of school children to get an education; improved curriculum and learning materials; safe, non-violent school environments; improved school governance and management practices.

Girls, boys and youth as active drivers of change: Capacity-building for youth to be active citizens and to engage in collective action; government mechanisms for youth engagement; media and youth programmes; promoting youth participation in all our work.

Protection from violence: Work with children, youth and families to reduce violence at home and in communities; child protection services and gender-sensitive reporting; community-based child protection mechanisms and multi-sectoral collaboration.

Skills and opportunities for youth employment and entrepreneurship: Life, vocational and business skills training and community engagement; working with private sector to create employment opportunities and access to financing; promoting better working conditions and regulations for youth.

Sexual and reproductive health and rights: Sexuality education for youth and families; adolescent- and gender-responsive sexual and reproductive health and HIV services; prevention of harmful practices including child early and forced marriage and FGM; support for girls and young women most at risk.

Disaster risk management: Early childhood development, sexual and reproductive health and rights, child protection, education and youth economic empowerment in emergencies; child-centred climate change adaptation; disaster response activities including food distribution, and the provision of shelter, water and sanitation.

Sponsorship communications: the full cycle of field activities, including central and regional management and logistical costs related to Child Sponsorship. Sponsorship costs also include costs incurred when programme and sponsorship operations finish in communities and Plan International supports the phasing out of the projects.

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.

Finance costs: interest cost on bank loans and lease liabilities.

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

Plan International Worldwide

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

	2020 €000	2019 €000
Belgium	**6,069**	6,286
Denmark	**12,467**	10,546
Finland	**7,801**	7,746
France	**4,948**	4,631
Germany	**48,630**	44,010
Ireland	**1,917**	2,193
Netherlands	**25,367**	24,083
Norway	**12,108**	12,218
Spain	**7,409**	8,991
Sweden	**14,184**	14,751
Switzerland	**1,765**	1,439
United Kingdom	**23,700**	23,998
Europe	**166,365**	160,892
Canada	**56,744**	45,509
Colombia	**401**	621
United States	**27,020**	25,519
Americas	**84,165**	71,649
Australia	**11,580**	14,681
Hong Kong	**3,748**	3,183
India	**896**	1,764
Japan	**8,472**	7,530
Korea	**3,619**	3,231
Australia & Asia	**28,315**	30,389
Trading expenditure	**5,846**	3,339
Total National Organisation expenditure	**284,691**	266,269

Plan International Worldwide

Notes to combined financial statements (continued)

3. Expenditure (continued)

(ii) Field

	2020 €000	2019 €000
Bangladesh	**20,440**	21,458
Cambodia	**10,583**	10,554
China	**4,599**	5,031
India	**18,251**	16,840
Indonesia	**9,850**	12,347
Laos	**4,429**	6,494
Myanmar	**14,554**	9,677
Nepal	**7,955**	9,857
Pakistan *	**3**	3,242
Philippines	**18,050**	15,694
Sri Lanka	**2,396**	2,585
Thailand	**3,152**	3,340
Timor Leste	**3,861**	4,003
Vietnam	**7,706**	9,287
Asia regional office	**4,107**	4,106
Asia	**129,936**	134,515
Bolivia	**7,589**	7,770
Brazil	**3,307**	4,072
Colombia	**14,395**	12,081
Dominican Republic	**4,293**	4,098
Ecuador (incl. Foundation)	**8,460**	7,357
El Salvador	**11,056**	11,831
Guatemala	**8,559**	9,180
Haiti	**3,718**	5,963
Honduras	**8,695**	9,134
Nicaragua	**3,800**	4,299
Paraguay	**3,275**	3,781
Peru	**11,025**	6,815
Americas regional office	**4,517**	3,277
Central and South America	**92,689**	89,658
Egypt	**8,824**	9,493
Ethiopia	**21,105**	18,114
Kenya	**9,797**	18,534
Malawi	**14,869**	17,188
Mozambique	**9,168**	7,709
Rwanda	**4,973**	5,000
Somalia	**515**	-
Sudan	**10,915**	8,938
South Sudan	**26,050**	30,596
Tanzania	**12,405**	13,720
Uganda	**12,765**	14,463
Zambia	**5,551**	6,734
Zimbabwe	**23,129**	16,544
Eastern and Southern Africa regional office	**5,612**	5,062
Eastern and Southern Africa	**165,678**	172,095
Benin	**11,333**	9,851
Burkina Faso	**17,225**	13,819
Cameroon	**17,805**	17,630
Central African Republic	**29,509**	18,207
Ghana	**9,649**	9,344
Guinea	**20,017**	19,685
Guinea Bissau	**3,296**	3,034
Liberia	**7,055**	12,236
Mali	**14,145**	15,347
Niger	**9,969**	12,408
Nigeria	**20,237**	16,735
Senegal	**11,984**	11,037
Sierra Leone	**4,522**	4,091
Togo	**9,028**	11,877
West Africa regional office	**3,375**	3,872
West Africa	**189,149**	179,173
Middle East sub region	**344**	269
Jordan	**3,012**	2,122
Lebanon	**2,139**	1,340
Middle East Sub region	**5,495**	3,731
Total field expenditure	**582,947**	579,172

* The Pakistan Country Office formally closed in December 2018 with small residual costs recognised in the process of closing down the final operations in October 2019.

Notes to combined financial statements (continued)

3. Expenditure (continued)

3c. Expenditure by type

	Note	**2020** **€000**	2019 €000
Project payments to partners, community groups and suppliers		**287,475**	268,684
Employee salary costs	4	**283,317**	262,917
Other staff costs		**34,608**	37,379
Consultants and other professional costs		**67,176**	63,810
Marketing and media		**71,430**	70,246
Travel and meetings		**53,914**	67,211
Communications		**17,920**	20,146
Rent and related costs		**12,126**	25,387
Depreciation and amortisation	9	**21,395**	9,527
Supplies, vehicles and other costs		**54,926**	42,898
Net losses on foreign exchange		**5,983**	606
Total expenditure		**910,270**	868,811

4. Employee information

	Average number of employees		**Salary costs**	
	2020 **Number**	2019 Number	**2020** **€000**	2019 €000
Field	**9,298**	9,375	**166,476**	153,676
National Organisations	**1,880**	1,804	**93,661**	88,466
Global Hub	**308**	306	**23,180**	20,775
	11,486	11,485	**283,317**	262,917

Notes to combined financial statements (continued)

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 2020 was 46 (2019: 44). This includes management of the 21 NOs (2019: 20) and the 11 (2019: 11) members of the International Board, who do not receive any remuneration for their services to PI Inc. This also includes 4 (2019: 4) Regional Directors and 10 (2019: 9) Directors at the Global Hub.

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

	2020 **€000**	2019 €000
Salaries	**4,439**	4,190
Other short term employee benefits	**741**	528
Total salaries and short-term employee benefits	**5,180**	4,718
Post employment benefits	**482**	461
Termination benefits	**194**	-
	5,856	5,179

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.

Notes to combined financial statements (continued)

5. Remuneration of key management (continued)

b. International management

Key international management include the Regional Directors and the Directors at the Global Hub.

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 2020 and/or 30 June 2019 is set out below. Unless otherwise indicated, individuals held key international management positions for full years in both financial years:

	2020			2019		
	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	252	-	**252**	247	-	247
Gabriella Bucher	152	-	**152**	160	-	160
Alison Currie (from Dec 2018)	125	-	**125**	87	-	87
Jon Winder (to Dec 2018)	-	-	**-**	43	-	43
Tara Camm	114	-	**114**	112	-	112
Belinda Portillo (to Sept 2018)	-	-	**-**	23	14	37
Jayanta Bora (from Oct 2018 to June 2020)	157	-	**157**	97	-	97
Sagar Dave	92	-	**92**	89	-	89
Sean Maguire	138	-	**138**	132	-	132
Damien Queally	119	-	**119**	109	-	109
Ellen Wratten (from Dec 2018)	119	-	**119**	68	-	68
David Thomson	119	-	**119**	113	-	113
Debora Cobar Urquiza	134	9	**143**	125	12	137
Rotimy Djossaya	123	138	**261**	127	113	240
Roland Angerer (to May 2018)	-	-	**-**	-	36	36
Roger Yates	129	60	**189**	126	21	147
Senait Gebregziabher (to Sept 2018)	-	-	**-**	64	44	108
Bhagyashri Dengle (from 1 Oct 2018)	113	49	**162**	51	5	56
Total salaries and short term employee benefits	1,886	256	**2,142**	1,773	245	2,018
Post employment benefits			**201**			174
			2,343			2,192

Notes to combined financial statements (continued)

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 is set out below:

	2020	2019
	€000	€000
Salaries	**2,553**	2,417
Other short term employee benefits	**485**	283
Total salaries and short-term employee benefits	**3,038**	2,700
Post employment benefits	**281**	287
Termination benefits	**194**	-
	3,513	2,987

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 2020	Year to 30 June 2019
			Number	Number
Up to		€75,000	**1**	1
€75,001	-	€100,000	**8**	8
€100,001	-	€125,000	**3**	5
€125,001	-	€150,000	**3**	2
€150,001	-	€175,000	**-**	1
€175,001	-	€200,000	**1**	1
€200,001	-	€225,000	**2**	-
€225,001	-	€250,000	**-**	-
€250,001	-	€275,000	**-**	-
€275,001	-	€300,000	**-**	2
€300,000	-	€325,000	**1**	-
€325,000	-	€350,000	**1**	-

Plan International Worldwide

Notes to combined financial statements (continued)

6. Fund balances

	1 July 2019 €000	Additions/ (reductions) €000	Translation Differences €000	**30 June 2020 €000**
Unrestricted fund balances				
Net investment in property, plant and equipment and intangible assets *	29,486	54,557	(383)	**83,660**
Gains / (losses) on investments held at fair value	638	1,072	(27)	**1,683**
Remeasurements of post employment benefit obligations	(427)	(530)	-	**(957)**
Funds available for future expenditure	119,667	(51,151)	(1,313)	**67,203**
Total unrestricted fund balances	149,364	3,948	(1,723)	**151,589**
Temporarily restricted fund balances				
Advance payments by sponsors	16,881	(3,510)	65	**13,436**
Donor-restricted contributions not yet spent	188,986	(3,729)	(1,029)	**184,228**
Other restricted funds	13,300	2,959	(214)	**16,045**
Total temporarily restricted fund balances	219,167	(4,280)	(1,178)	**213,709**
Permanently restricted fund balances				
Donor-restricted fund balances	12,526	422	158	**13,106**
Statutory fund balances	6,630	71	(12)	**6,689**
Total permanently restricted fund balances	19,156	493	146	**19,795**
Total fund balances	387,687	**161**	**(2,755)**	**385,093**
Cumulative foreign exchange differences included within fund balances	(2,461)	-	(2,755)	**(5,216)**

* Additions/(reductions) figure includes right-of-use assets recognised on transition to IFRS 16 Leases.

	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
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)

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.

Notes to combined financial statements (continued)

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 2020 were held in the following currencies:

	Cash and cash equivalents €000	Current asset investments held at fair value €000	Current asset investments held at amortised cost €000	Non-current asset investments held at fair value €000	Non-current asset investments held at amortised cost €000	**Total €000**
Euro	83,682	6,225	100	-	502	**90,509**
Canadian dollar	39,812	-	508	2,865	2,657	**45,842**
US dollar	104,542	17,029	-	1,319	-	**122,890**
Yen	12,707	-	6,665	-	-	**19,372**
Norwegian krone	9,176	-	-	-	-	**9,176**
Swedish krona	9,988	-	-	-	-	**9,988**
Australian dollar	3,345	-	899	5,138	-	**9,382**
Sterling	14,338	-	7,650	-	-	**21,988**
Other	64,138	16,406	1,360	-	-	**81,904**
	341,728	**39,660**	**17,182**	**9,322**	**3,159**	**411,051**

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 at amortised cost €000	Non-current asset investments held at fair value €000	Non-current asset investments held at amortised cost €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

There were no impairment provisions on investments held at fair value in 2020 or 2019.

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 by holding relevant funds in the required currency, principally in the Euro, Sterling and US Dollars, which cover around one third of expenditure.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

At 30 June 2020, 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 € 9.6 / €9.6 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 €2.4 million (2019: €2.4 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 2020 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 2020, 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 2020 would have been €1.7 million (2019: €1.6 million) higher / lower. Cash and investments are held in many currencies and yields in the year to 30 June 2020 ranged from 0% to 6% (2019: from 0% to 6.5%). The average rate for the year was 1.4% (2019: 0.4%).

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 2020 €000**
Cash and cash equivalents	341,728	-	-	**341,728**
Current asset investments held at amortised cost	15,754	1,428	-	**17,182**
Non-current asset investments held at amortised cost	-	952	2,207	**3,159**
Total at 30 June 2020	**357,482**	**2,380**	**2,207**	**362,069**

	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

Notes to combined financial statements (continued)

7. Financial risk management (continued)

b. Credit risk

Credit risk arises mainly on cash and cash equivalents. 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 2020		30 June 2019	
	Rating	**Balance €000**	Rating	Balance €000
Counterparty A	A1	41,789	A1	42,019
Counterparty B	A1	38,753	A1	31,849
Counterparty C	A1	19,326	A1	29,179
Counterparty D	A1	18,690	A1	22,388
Counterparty E	A1	14,729	A1	16,000

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 2020 €000**
Rated A or better				
Cash and cash equivalents	286,234	-	-	**286,234**
Current asset investments held at fair value	-	-	22,631	**22,631**
Current asset investments held at amortised cost	9,009	8,173	-	**17,182**
Non-current asset investments held at fair value	-	-	5,138	**5,138**
Non-current asset investments held at amortised cost	-	1,710	-	**1,710**
Total rated A or better	**295,243**	**9,883**	**27,769**	**332,895**
Other				
Cash and cash equivalents	55,494	-	-	**55,494**
Current asset investments held at fair value	-	-	17,029	**17,029**
Non-current asset investments held at fair value	-	-	4,184	**4,184**
Non-current asset investments held at amortised cost	-	1,449	-	**1,449**
Total other	**55,494**	**1,449**	**21,213**	**78,156**
Total				
Cash and cash equivalents	341,728	-	-	**341,728**
Current asset investments held at fair value	-	-	39,660	**39,660**
Current asset investments held at amortised cost	9,009	8,173	-	**17,182**
Non-current asset investments held at fair value	-	-	9,322	**9,322**
Non-current asset investments held at amortised cost	-	3,159	-	**3,159**
Total cash and investments	**350,737**	**11,332**	**48,982**	**411,051**

Notes to combined financial statements (continued)

7. Financial risk management (continued)

	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
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

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 €461 million are 3.7 times larger than current liabilities of €123 million although a significant proportion is restricted. Plan International uses bank overdrafts to meet short term financing requirements. As at 30 June 2020, the aggregate value of these bank overdrafts was €0.5 million (2019: €2 million). In addition, at 30 June 2020, Plan Korea had a long term bank loan of €1.4 million (2019: €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.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

The following table presents the financial instruments that were measured at fair value at 30 June 2020:

	Level 1 €000	Level 2 €000	Level 3 €000	**30 June 2020 €000**
Investments held at fair value:				
- Current asset investments	39,604	56	-	**39,660**
- Non-current asset investments	9,322	-	-	**9,322**
Total assets	**48,926**	**56**	**-**	**48,982**

The following table presents the financial instruments that were measured at fair value at 30 June 2019:

	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 value of investments held at amortised cost at 30 June 2020 was €20.3 million (2019: €2.6 million).

Plan International has designated at fair value through other comprehensive income investments in equities. These are individually immaterial for further disclosure. Plan International chose this presentation alternative because investments were made for strategic purposes rather than a view to profit on a subsequent sale, and there are no plans to dispose of these in the short term. The fair value of these investments was €7.0 million (2019: €6.7 million). The remaining equities balance of €42.0 million (2019: €52.0 million) are designated as fair value through profit and loss.

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 2020, the fair value of these interests amounted to €0.9 million (2019: €0.9 million).

f. Financial liabilities

Financial liabilities are held at amortised cost.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

g. Receivables and advances

Receivables and advances were held in the following currencies:

	Current Assets		Non-current assets	
	2020	2019	**2020**	2019
	€000	€000	**€000**	€000
US dollar	12,343	16,317	-	-
Euro	8,034	10,628	1,977	(1)
Sterling	13,090	13,343	484	489
Canadian dollar	8,606	3,544	-	-
Norwegian krone	1,265	325	-	-
Other	6,438	5,021	337	406
	49,776	49,178	2,798	894

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 €0.3 million (2019: €1.2 million).

The majority of receivables are in the NOs and are from institutional donors. Based on historical information and future trends there is no expected credit loss. There may be some expected credit loss for other receivables but these would be trivial in value. Receivables are assessed annually for impairment and the provision is not material.

h. Capital management

The capital held by Plan International is categorised in fund balances, for which the amounts for the years ended 30 June 2020 and 2019 and the movements for the year are set out in note 6. Total fund balances of €385 million (2019: €388 million) include €7 million (2019: €7 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:

	2020	2019
	€000	€000
Inventory for trading activities	**509**	465
Inventory for distribution to beneficiaries	**926**	1,047
Total inventory	**1,435**	1,512

The inventory for distribution to beneficiaries comprises non-food items such as hygiene kits, water kits, household kits and blankets in 2020 and non-food items such as hygiene kits and blankets in 2019, purchased with donor contributions or received as gifts in kind, but not distributed to beneficiaries before 30 June.

Notes to combined financial statements (continued)

9. Property, plant and equipment and intangible assets

	Land and Buildings €000	Equipment €000	Right-of-use Assets €000	Tangible Assets €000	Intangible Assets €000	Total €000
Cost						
Prior year						
1 July 2018	22,293	48,321	-	70,614	43,760	114,374
Additions	1,768	6,712	-	8,480	3,934	12,414
Disposals	(545)	(3,154)	-	(3,699)	(827)	(4,526)
Exchange adjustments	1,513	(861)	-	652	(243)	409
30 June 2019	**25,029**	**51,018**	**-**	**76,047**	**46,624**	**122,671**
Adjustment on transition to IFRS 16	-	-	45,518	45,518	-	45,518
Current year movements						
Additions	1,446	4,439	16,835	22,720	7,424	30,144
Disposals	(205)	(3,295)	(286)	(3,786)	(2,138)	(5,924)
Exchange adjustments	(279)	(566)	-	(845)	98	(747)
30 June 2020	**25,991**	**51,596**	**62,067**	**139,654**	**52,008**	**191,662**
Accumulated depreciation and amortisation						
Prior year						
1 July 2018	10,546	41,297	-	51,843	35,897	87,740
Charge for the year	1,723	3,991	-	5,714	3,813	9,527
Disposals	(253)	(3,059)	-	(3,312)	(827)	(4,139)
Exchange adjustments	121	259	-	380	(323)	57
30 June 2019	**12,137**	**42,488**	**-**	**54,625**	**38,560**	**93,185**
Adjustment on transition to IFRS 16	-	-	-	-	-	-
Current year movements						
Charge for the year	1,580	3,094	13,681	18,355	3,040	21,395
Disposals	(205)	(3,243)	(286)	(3,734)	(2,138)	(5,872)
Exchange adjustments	(62)	(294)	-	(356)	(350)	(706)
30 June 2020	**13,450**	**42,045**	**13,395**	**68,890**	**39,112**	**108,002**
Net book value:						
30 June 2020	**12,541**	**9,551**	**48,672**	**70,764**	**12,896**	**83,660**
30 June 2019	12,892	8,530	-	21,422	8,064	29,486

Included in intangible assets is €8.7 million (2019: €1.7 million) relating to internally generated software for internal use which is in the course of construction.

With regards to the recognition of the Right-of-use assets, Plan International elected to adopt the practical expedient of not recognising the leases whose tenure ends within 12 months of the initial application. The right-of-use asset disposals represent only the leases which were cancelled or terminated early during 2020.

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 2020 and 2019 is as follows:

	2020 €000	2019 €000
At 1 July	**19,049**	22,866
Total expense	**7,877**	9,734
Benefits paid	**(6,146)**	(13,551)
At 30 June	**20,780**	19,049

Notes to combined financial statements (continued)

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 2020, 20 (2019: 19) defined contribution schemes exist in 17 (2019: 16) countries in which PI Inc or its subsidiaries operate. In addition, 12 (2019: 12) of Plan International's NOs operate defined contribution schemes.

Contributions to defined contribution pension plans in 2020 totalled €9.3 million (2019: €9.2 million) which are charged to expenditure as contributions fall due.

b. Defined benefit pension plans

1 member NO, Plan International Netherlands (2019: Plan International Netherlands) 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 "1o. Non-current liabilities – pension obligations" by independent actuaries.

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:

	2020	2019
	€000	€000
Service cost	**893**	664
Interest cost on net defined liability	**11**	11
Management fees	**60**	51
Total	**964**	726

Expected contributions to the plan for the year ending 30 June 2021 are €1.3 million.

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

	2020	2019
	€000	€000
Remeasurements of the defined benefit obligation:		
Gain due to changes in demographic assumptions	**-**	164
Loss due to changes in financial assumptions	**(1,327)**	(4,232)
(Loss) / Gain due to experience	**(494)**	19
Return on plan assets excluding amounts included in interest income	**1,291**	3,623
Total (loss)	**(530)**	(426)

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:

	2020 €000	2019 €000
At 1 July	**(1,418)**	(958)
Total expense	**(964)**	(726)
Contributions paid	**710**	692
Remeasurements	**(530)**	(426)
At 30 June	**(2,202)**	(1,418)

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

	2020 €000	2019 €000
Defined benefit obligation		
At 1 July	**(25,015)**	(19,930)
Service cost	**(893)**	(664)
Interest cost	**(274)**	(377)
Employee contributions	**(398)**	(212)
Remeasurements:		
Experience (loss) / gain	**(494)**	19
Gain due to changes in demographic assumptions	**-**	164
Loss due to changes in financial assumptions	**(1,327)**	(4,232)
Benefits paid	**242**	217
At 30 June	**(28,159)**	(25,015)

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

	2020 €000	2019 €000
Defined benefit pension plan assets		
At 1 July	**23,597**	18,972
Interest income	**263**	366
Employer contributions	**710**	692
Employee contributions	**398**	212
Benefits paid	**(242)**	(217)
Management fees	**(60)**	(51)
Remeasurement gain:		
Return on plan assets excluding amounts included in interest income	**1,291**	3,623
At 30 June	**25,957**	23,597

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 2020 and 2019. Therefore, the requirement to disaggregate the fair value of the plan assets into classes that distinguish the nature and risks of those assets is not applicable.

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:

	2020	2019
Plan International Netherlands pension plan		
Used to determine defined benefit obligations at year end:		
Discount rate for obligations	**0.9%**	1.1%
Rate of future salary increases	**1.5%**	1.5%
Rate of consumer price inflation	**1.9%**	1.9%
Number of members	**482**	404
Used to determine pension expense for the current year:		
Discount rate for obligations	**1.1%**	1.9%
Rate of future salary increases	**1.5%**	1.5%
Rate of consumer price inflation	**1.1%**	1.9%

The following table illustrates the sensitivity of the defined benefit obligation and the projected expense to changes in discount rate assumptions in 2020 and 2019:

Plan International Netherlands pension plan – 2020 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	0.9%	28,159	15	1,258
Discount rate + 0.5%	1.4%	24,994	18	1,007
Discount rate – 0.5%	0.4%	31,881	9	1,567

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%	1.60%	22,246	11	790
Discount rate – 0.5%	0.60%	28,258	7	1,151

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 2020	Change in DBO Plan Netherlands
Increase by 1 year	Increase by 4.11%
Decrease by 1 year	Decrease by 4.13%

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%

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 36 (2019: 35) PI Inc countries and a further 6 (2019: 6) NO countries. These costs are included within salary costs in note 4. 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. Other non-current liabilities

Other non-current liabilities include the €37.9 million non-current portion of lease liabilities that have been recognised with implementation of IFRS 16 Leases. Please see note 14 for further details in relation to leases. The remaining €8.9 million relates to pre-funding from donors which have a maturity date of greater than 1 year.

13. Provisions for other liabilities and charges

Provisions for other liabilities and charges are as follows:

	2020	2019
	€000	€000
Split interest trusts	**301**	309
Building lease incentive	**-**	1,681
Other	**1,738**	1,513
Total provisions for other liabilities and charges	**2,039**	3,503

	Split interest trust €000	**Lease incentive €000**	**Other €000**	**Total €000**
At 1 July 2019	309	1,681	1,513	3,503
Additional provisions	-	2	567	569
Used during the year	(1)	(1,683)	(314)	(1,998)
Reversed during the year	-	-	2	2
Currency translation effects	(7)	-	(30)	(37)
At 30 June 2020	**301**	**-**	**1,738**	**2,039**

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 have been derecognised with the implementation of IFRS 16 Leases. Other provisions include estimated amounts for non-current post employment and termination benefits.

Notes to combined financial statements (continued)

14. Leases

Plan International has non-cancellable operating leases for buildings occupied by NOs, PI Inc and Plan Ltd. Lease terms vary by location. Plan International has no income from subleasing right of use assets and no sale and leaseback transactions.

Refer to note 1 c for additional information relating to implementation of IFRS 16 Leases at 1 July 2019.

Amounts recognised in Combined Income Statement in 2020

	2020 €000
Interest on lease liabilities	**1,280**
Expenses relating to short term leases	**6,081**
Depreciation	**13,681**
	21,042

Total cash outflow in Combined statement of cashflows in 2020

	2020 €000
Repayment of lease liabilities	**13,402**

The weighted average incremental borrowing rate applied to lease liabilities recognised in the Combined statement of financial position at 1 July 2019 is 2.92%. The weighted average incremental borrowing rate for NO's is 3.52% at transition and 2.45% thereafter.

The one-year borrowing rate available to PI Inc currently is 1.33% for EUR. The EUR one-year borrowing rate is deemed appropriate for PI Inc as the entity could borrow in EUR over a term of one year which covers the remaining life on current outstanding leases. Currently the five-year borrowing rate is also 1.33%.

The expense related to variable lease payments not included in the measurement of lease liabilities is of trivial value to the financial statements.

Lease liabilities

The maturity profile of lease liabilities recognised is shown below:

Maturity Analysis – contractual undiscounted cash flows	2020 €000
Less than one year	**14,008**
One to five years	**28,001**
More than five years	**10,853**
Total undiscounted lease liabilities	**52,862**
Effect of discounting	**(2,110)**
Present value of minimum lease payments	**50,752**

Notes to combined financial statements (continued)

14. Leases (continued)

Operating leases under IAS 17

In the financial year ended 30 June 2019, operating leases were recognised under IAS 17 which is the former lease accounting standard. With the adoption of IFRS 16 in the financial year ended 30 June 2020, Plan International's leases (other than those excluded by the practical exemptions detailed in notes 1b and 1g) are now recognised as right-of-use assets and corresponding lease liabilities in the Combined statement of financial position. This also means that instead of disclosing the future minimum lease commitments for operating leases, a maturity analysis of lease liabilities covering a five year period has now been disclosed in the notes to the Combined financial statements (please refer to the lease liabilities disclosure under IFRS 16, above).

Plan International's combined rent expense for 2019 was €17.6 million. Lease terms vary by location. Total future minimum operating lease payments accounted for under IAS 17 for leases existing as at 30 June are as follows. As at 30 June 2020, this only includes those leases that are not accounted for under IFRS 16 due to the practical exemptions detailed in notes 1b and 1g:

	At 30 June 2020			At 30 June 2019		
	Rent €000	*Other operating leases €000	**Total €000**	Rent €000	Other operating leases €000	Total €000
Within 1 year	206	95	**301**	13,805	244	14,049
Between 1 and 5 years	-	87	**87**	29,448	302	29,750
After 5 years	-	-	**-**	15,516	-	15,516

*****Other operating leases include low value assets.

15. 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 €9.8 million (2019: €7.0 million) in aggregate.

b. Capital commitments

Contracts for capital expenditure not provided in the financial statements amount to approximately €3.7 million (2019: €2.9 million).

16. 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. Rental 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 stability for future years through the arrangement. Plan International Germany paid rentals of €0.6 million (2019: €0.5 million) to Hilfe mit Plan.

In 2015, Hilfe mit Plan purchased land and during the year ended 30 June 2018 commenced building a second office on the site with the intention to also rent it out to Plan International Germany. The building was completed in September 2019 and Plan International Germany paid rent of €0.1million for the period from September 2019 to 30 June 2020.

Notes to combined financial statements (continued)

16. Related parties (continued)

During the year Plan International Germany donated €2.4 million (2019: €2.2 million) to Hilfe mit Plan. Plan International Germany received donations of €3.7 million (2019: €3.3 million) from Hilfe mit Plan and its independent trusts for development programmes. There were no amounts outstanding at 30 June 2020 (2019: €1.0million). The €1.0 million from 2019 was a donation to Lead fund of Hilfe mit Plan and was paid in 2020.

Privatstiftung Hilfe mit Plan Österreich (PHmPO) is an independent foundation, registered in Austria which administers funds that are not part of Plan International. As one of its directors is also on the Board of Plan Germany, PHmPO is considered to be a related party of Plan International Germany. During the year Plan International Germany received € 0.3 million (2019: € nil) as donations from PHmPO.

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 €0.056 million (2019: €0.063 million) to the DEC. Plan International UK's income in the year included €0.2 million (2019: €3.0 million) receivable from DEC appeals. Of this €0.2 million was outstanding at 30 June 2020 (2019: €2.1 million).

The CEO of PI Inc is the Board Chair of the International Civil Society Centre (ICSC), and the ICSC is therefore considered to be a related party. During the year €46,698 (2019: €78,260) was invoiced by ICSC to PI Inc to cover annual membership and support costs.

Whilst CEO of Plan International Canada, Caroline Riseboro was a director of the Canadian Partnership for Women and Children's Health (CPWCH), which was therefore considered to be a related party. During the year Plan International Canada paid a membership donation of €6,960 (2019: €674). In 2019 €1,591 was invoiced to Plan International for conference costs. Plan International Canada is a core member of the Humanitarian Coalition and as such the CEO of Plan International Canada has a Board position. The Humanitarian Coalition is therefore considered to be a related party. During the year €210,826 (2019: €160,789) was received in grant income from this organisation.

17. 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.