2004 ANNUAL REPORT PLAN UK

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PLAN International (UK)

(A Company Limited by Guarantee)

Annual Report and Accounts

Year Ended 30 June 2004

Charity Number 276035
Company Number 1364201

Contents

A message from Plan UK Chair

Ambitions for a new Millennium

2004 has been an important year not just in the development of the charity but for the cause of development worldwide, as governments and non-governmental organisations struggle to meet the Millennium Development Goals. During my visit to Plan's projects in Ghana I witnessed how the contributions and the continued support of sponsors can transform lives and create opportunities for children and their families. The visit left a lasting impression with me. The enthusiasm and focus of our staff, and the way we are working alongside the community to ensure long-term changes, was uplifting.

But there is still a long way to go.

One fifth of the world's population began the new Millennium living in extreme poverty on less than 70 pence a day. Over half of them were children under 18 years of age. For these children, the hope of a new beginning – the optimism shared by so much of the world – was overshadowed by the daily struggle to survive.

In September 2000, world leaders met and agreed to support the Millennium Development Goals. Each of the eight goals has measurable targets, which should be achieved by 2015. These include targets related to income, health and education; for example to reduce by half the number of people living on 70 pence a day. They define the scale of the challenge that the global community has set itself and the urgent action needed to achieve them.

All the goals relate either directly or indirectly to building a better future for children. Plan is committed to achieving lasting improvements in the quality of life of children. In this report we have explained how our partnerships with children, their families and communities are contributing to improve their life and achieve those goals and how their participation is fundamental for the projects to be sustainable and benefit generations to come.

But four years into the new Millennium, it is clear that if current trends continue many of the targets the international community set itself will not be met. For example, the targets for reducing child and maternal mortality, reversing the spread of HIV/AIDS and ensuring that all children complete primary schooling are unlikely to be achieved in sub-Saharan Africa and South Asia. The international community, including Plan, needs to act with an even greater urgency.

Experience has shown us that the participation of people in actions, which affect their lives, is at least as important in achieving sustainable development as the quantity of the funds, which are raised for their benefit.

The work that Plan supports is predicated upon involvement with, and by, children. Our approach ensures that children and their families participate in the achievement of positive and lasting changes in their communities. The opinions of children are vital to ensuring that projects and initiatives are relevant and effective.

The most pressing concerns expressed by children are often related to their protection and participation. We work with children and their communities to address concerns such as child trafficking, harmful and exploitative forms of child labour, early marriage and female genital mutilation.

Plan believes that children, their families and communities have a vital role to play in achieving improvements in their own lives, now and for the future. This report demonstrates how, in collaboration with Plan, they are doing that.

If you are already a sponsor, thank you for your continuing support. Without it, Plan could not continue on this important journey. If you know someone who would be sympathetic to our aims, please persuade them to help us.

We have a tough challenge ahead of us, but with the help of like-minded people, together we can make a difference.

Let's give it our best shot.

Nigel Chapman

Plan UK Chair

Introduction

PLAN International UK ("Plan UK") is a registered charity, number 276035. It is a company limited by guarantee, registered number 1364201.

Plan UK is one of fifteen national organisations working to free children and their communities in poor countries from the abject and dehumanising conditions of extreme poverty. Together they are internationally associated with Plan International, Inc, ("Plan Inc") which manages development programmes in forty-five developing countries using the funds raised by the national organisations. In this report, Plan Inc and the fifteen national organisations are together to be referred to as "Plan" or "Plan Worldwide".

The funds, which are raised mainly through child sponsorship, are spent on development programmes. Plan's programmes aim to attain rights for children, families and communities by meeting the objectives in the following areas:

- Health: to ensure survival, protection and healthy development by promoting strengthening sustainable, community-managed health care systems

- Learning: to ensure that children, young people and adults acquire basic learning and life skills to help them realise their full potential and contribute to the development of their societies

- Habitat: to ensure that children live in secure and healthy habitats by focusing upon children's habitat needs

- Livelihood: to increase food security and family disposable income, which will improve children's welfare

- Building relationships: to create a worldwide community of supporters and children, their families and communities, sharing a common agenda for child-centred development

Chief Executive's Report

The spark for the creation of Plan in 1937 was the story of one child. A meeting with Jose, abandoned in the Spanish Civil War, inspired UK journalist John Langdon Davis and UK social worker Eric Muggeridge to start their plan for children.

Nearly seventy years later, Plan is still centred on children. The emphasis now is working with children in their communities to help them realise their potential. Together we build communities fit for children to live in.

Success is measured not just by bricks and mortar but by every child who gets access to clean water, who learns to read and write, and stays healthy. As this report shows, we not only keep a tally of the schools and health clinics built, the water pumps installed but also seek to measure impact.

Each country tracks these achievements according to a strategic plan drawn up on common lines. Independent evaluators typically help Plan staff, children and others involved to measure impact.

Achieving lasting results often depends on changing behaviour, for example, convincing parents that it is worth girls going to school (and staying there) and teachers and education ministries that there are better methods of education than rote learning and beatings. We have learnt that children are very effective in changing behaviour, of themselves, their friends and even adults. So in Cameroon, children have persuaded some communities to avoid malaria by buying and using 1,000 bed-nets. In Bangladesh, children are stopping villagers from defecating outdoors and spreading diseases. In Uganda, young people are dispelling the myths of AIDS and working to stop AIDS orphans from being shunned and bullied at school. In the Philippines, young people have worked to persuade their government to ensure that 20% of the social welfare budget is spent on children. In Honduras, children persuaded one village to shut all the bars because their fathers regularly got drunk and beat them; and they now report much less violence at home.

In the UK, Plan held a conference during the financial year bringing together NGOs, academics and practitioners to discuss the lessons learnt from experiences in Asia, Africa and South America on listening to children and the importance of their participation in their own development. We shared experience on how involving children in development increases its impact and effectiveness.

Plan UK supporters and schools in the UK joined with other charities and teachers to form the Global Campaign for Education in 2004. Together we put pressure on the UK Government to work to fulfil the Millennium promise that every child would be able to complete primary education by 2015. Poor children in countries where Plan works often have no local school, cannot afford the fees, or are taught so badly that they fail to learn and drop out, still illiterate. Plan is determined that their voices and those of their families in the world's poorest communities will be heard.

We are able to work with children worldwide because of the long lasting support of our sponsors and donors. This year more supporters joined us, resulting in more sponsorship income and more children, families and communities being helped.

Thank you to everyone who has made possible the tangible improvements to children's lives set out in this report.

Marie Staunton
Plan UK Chief Executive

What is Plan?
Plan is a child-centred community development agency with no religious or political affiliations, enabling families and communities in the poorest countries to make lasting improvements to the lives of their children.

What do we do and how do we do it?
In the type of countries where we work, one out of five children die before the age of five, and the ones who survive often go hungry and have no chance of learning to read and write.

We work with these children, their parents, and the community, to plan practical ways to provide many of the things we take for granted in the UK, so that together we build schools, drill wells, get nurses trained and help families to better support themselves.

We seek to ensure that children are actively involved in the decision-making process, working with adults who have learnt to value their contribution.

This is possible because more than a million people across the world sponsor children with Plan. In doing so they benefit many other children, and entire communities. We are also supported by the UK Government, the European Union and partners and governments worldwide.

At the end of our partnership with a community, often 10-15 years later, we aim to leave it with lasting improvements; giving its children a better start in life, knowledge of their rights, and the confidence to claim them for the next generation. Their energy can provide the impetus to change their world.

Plan's Vision

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

Plan's Mission
Plan strives to achieve lasting improvements in the quality of life of deprived children in developing countries through a process that unites people across cultures and adds meaning and value to their lives by:

1. Enabling deprived children, their families and their communities to meet their basic needs and to increase their ability to participate in and benefit from their societies
2. Fostering relationships to increase understanding and unity among peoples of different cultures and countries
3. Promoting the rights and interests of the world's children

How we monitor and evaluate our work

1. Impact of Plan's Work and Performance Improvement

The core foundation of all our projects is a deep understanding of the communities we work with. Our local workers and volunteers learn by listening to and involving all members of the local communities: families, community leaders and children. Through this active participation, a community identifies its needs, collaborates with us to design a solution to meet them, and gains the skills and confidence to sustain that solution in the long term without further support from Plan.

As part of our commitment to the future of the communities, Plan has established a system to monitor our work and to assess our effect on communities' development. Through this system – which we call Corporate Planning Monitoring and Evaluation (CPME) – Plan gathers, analyses and reports data about community needs and programme impact. This information serves as the basis for providing quality and effectiveness throughout all stages of our projects, from planning through to implementation and reporting, always in collaboration with the community.

How we design our programmes

Before starting to collaborate with a community, we carry out an assessment of the standard of living in that community at a particular point in time.

Our local staff and volunteers carry out interviews within the communities with children and adults about their health, education, housing and work opportunities.

The data collected through these assessments include for example the immunisation status of all young children, the number of girls and boys completing primary school, and the distance of families from safe water. We then consult the children of that community. We first create an environment where children can freely express their opinions, hopes and desires. Through role-playing, puppet shows and other interactive activities children talk about the world they live in and Plan learns what they feel will most improve the current quality of life in their community, whether their rights are being respected or not, and what they hope their future will bring. During these consultations things surface sometimes which adults do not tell Plan – like children being abused or neglected at school or at home. Girls are encouraged to voice their views as much as boys.

The consultations contribute towards one of Plan's fundamental programme principles, necessary for the sustainability of our projects; the child centredness of our programmes (see pages 11 for more details on child-centredness approach) through providing children with opportunities to participate in their own development and in decisions that will affect their lives.

We then look at statistical data describing the living conditions in the country (and if possible the relevant area) such as infant mortality rate, employment rate, percentage of three-year fully immunised and primary and secondary school net enrolment rates. This is a valuable external double-check on the validity of our findings.

All the above data form the baseline for our work against which we measure our effectiveness.

A country strategic plan then sets out what Plan will do within a given country over several years to improve the lives of children, their families and their communities. This document identifies the key children's issues in the country, offers a clear and logical explanation of what Plan can do to help address them, and as such is an essential reference point for operational decisions. It sets targets, and the indicators used to measure these targets. It is Plan's mission statement for a specific country, it sets out and defines the long-term goals of Plan and the broader means for achieving these goals in line with the Plan's overall Vision, Mission and the organisation's directions.

For example, at community level, Plan staff notice that children do not attend school. Looking at the reasons why, Plan staff and community members note that this is because teachers are often absent, children are required to work on their family land or there are high levels of illness amongst children which prevent them from attending. As the analysis continues, Plan staff note that whilst there are a number of things that can be done to alleviate this problem at the community level – health activities and water and sanitation activities –the relative weakness of the education system is due to lack of investment or deficient teaching methods propagated by the government. The latter's resources may in turn be constrained by factors such as the high level of national debt.

Plans, strategies and actions therefore contained in the country strategic plan paint a very local, yet holistic, view of children's issues and build on local resources: local knowledge, skills, attitude and practices as well as physical resources in order to achieve sustainable long-term impact.

How we assess our impact

Country offices report yearly to Plan UK on how these targets have been met. Each plan is evaluated on its completion by comparing it to the baseline (i.e. these targets) to see what has changed.

For example we may find that only 43% of young children are enrolled in primary school, with a strong bias to boys. A programme to tackle this could include the following projects:

- A radio broadcast made by children about the importance of education
- Training primary school teachers
- Providing books and materials to schools
- Providing school lunches to encourage parents to send their children to school
- Providing materials so that the villagers can build a new classroom
- Projects to relieve poor families of some of the domestic work which girls normally do (e.g. fetching water or firewood)

Each programme is evaluated half-way through and on completion to check that we are spending donors' money as effectively as possible to benefit children, and modifications can then be made if needed.

For each project there is a detailed plan, called 'project outline'. So for each of the above five education or related projects there is an outline, setting out where the project is carried out and its details. At the end of every project, a completion report is written. These results form part of an annual communication programme from each field office to Plan UK, from which our supporters and sponsors receive the summarised highlights.

Every 3-5 years we assess the situation in communities where Plan is working to provide a snapshot at a point in time, assist in project prioritisation, and to revisit the targets set out after our first baseline study.

2. How we monitor our effectiveness and improve our performance

It is important that Plan learns continually across the whole organisation to aid transparency and accountability. Monitoring has an important part to play in encouraging the sharing of that learning. It is an effective source of information and advice for Plan management. Its objectives are to assess the performance of on-going projects and programmes, provide a framework through which these assessments can be fed back to those involved in the running of the projects and programme, ensure they can act on this information to improve the quality and impact of the organisation's operations.

At Plan we audit our programmes as well as our finances. This is to assess whether we are using best practice when we design projects with communities, to help us to learn from experience and from others, and to see whether we are meeting the expectations of the communities with whom we have worked. Our projects are evaluated and monitored regularly to assess just how effective they are in meeting children's needs.

On their visits to our field offices worldwide, Plan's internal auditors look at the systems in place for controlling and accounting for funds and validate that our programmes contribute to our overall objectives of achieving results in the lives of children. They test that proper financial controls are in place to safeguard Plan's funds; they inspect the accuracy of the reports prepared for individual sponsors about the progress of their sponsored child. They test a sample of such sponsorship documents for consistency and accuracy and verify the existence and details of some of the sponsored children. In addition they visit projects Plan collaborates with. This work is tailored for each country to reflect the particular risks faced in each country.

The programme auditors look at both the local strategic plans and how they have been put into practice. They may also visit some communities. Sitting down with them for a few days they can then discuss the communities' expectations of Plan's work and how these have been met. They look at a range of projects; evaluate their quality and whether Plan was as effective as it could be. At the end of each visit, auditors report what they have found, together with their recommendations and suggestions to management.

The findings, suggestions and recommendations of both financial and programme audit are summarised for Plan's International Board. Following an audit, management at the audited office prepares an action list detailing how and when each of the recommendations raised by the report will be addressed. [1]

Our working with a community lasts on average for ten to twelve years, by which time significant achievements should have been made. Plan's eventual withdrawal is important so that community members can use the skills they have learned to the full and feel in control of their own future. The objectives to improve education, health care, livelihood opportunities and habitat set in consultation with community members – from the children to the village elders – in the early stages of our relationship with each community (see pages 8 for 'How we design our programmes') are monitored during a continual progress (see pages 9 for 'How we assess our impact'). These objectives include not only outputs, like how many schools have been built since Plan's programme started, or how many latrines have been constructed, but also outcomes such as whether people have an increased awareness of children's rights, accept the importance of education or understand issues like HIV/AIDS. As time goes on, we examine with the communities whether these objectives have been addressed, whether local people have acquired the knowledge and skills for them to carry on with projects without us, or where relevant, with a local partner organisation. Once that has been achieved Plan can move its work to reach even more people.

[1] A copy of 'Audit in Plan' is available from Plan UK, which describes the systems Plan puts in place to ensure the donors' money is used effectively to benefit children, their families and communities.

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Our approach explained: child-centred community development

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

In order to achieve this vision, Plan's programmes have evolved over the years in response to our own experience and changes in international thought on development.

In the past our development programmes benefited children, but we worked largely with the adult community members. Now, with an increased focus on children's rights, we seek to involve children (both girls and boys) as active participants in the development process. In communities where Plan works, children and young people are consulted during the planning of development projects and often have their own role to play. As a result of these changes, Plan has adopted Child-Centred Community Development as its programme approach. The approach integrates the recently developed methods of working with children and Plan's long experience of community development.

Its characteristics:

Child centred: Plan recognises that poverty has its greatest impact on children, and that the experience of poverty as a child can have lasting consequences into adult life. In developing countries, children under 18 years of age make up over half the population. The focus of our development work is therefore on building communities where children's needs are met and where they can grow and develop.

Children's participation: By taking part in development activities, children acquire skills and confidence that not only help them now but in later life. Children often want to discuss issues that adults sometimes avoid, such as abuse and relationship problems. This results in greater openness that helps families and communities to address important problems that affect children and often improves relationships.

Community development: When given support and opportunity, children can be effective in educating other children and adults on matters of importance to them all. They can also express their needs effectively in national and international forums.

Child-Centred Community Development in practice

We recognise that children can be agents of change not just in their own communities but at a national and global level – as Ranjan's story shows.

Eight-year old Ranjan hated school. His mother Shanata would beat him to make him go and his teachers would beat him when he got there. Ranjan sat in a class of 60 children chanting sums and the alphabet and learning nothing. There was a shortage of everything: books, equipment, motivated staff; and the failure rate in state exams was high. A national scheme to send teachers on training courses had little effect once they returned to school.

Four years ago Plan workers started working with Ranjan's community, Gazipur in Bangladesh.

The parents talked about the problems of village life, the children drew pictures of what was wrong with their lives. All agreed that education was failing children – the reasons why differed.

The parents said that the children were badly behaved and learning nothing. They blamed the poor state of the school buildings and lack of equipment. The children's drawings showed that they were bored and the teachers beat them, but they wanted to learn to read and write, and go to secondary school.

The Plan education experts, acting on what the children had revealed, suggested that the community could find local people to tutor those children struggling most at school. Plan would train the tutors and the community would pay them, together with new low-tech and cheap learning aids. The village representatives, with the head teacher and Plan education expert, then appointed local high school graduates who were trained for two weeks.

The cost worked out at 30 taka – roughly 40 pence – per family per month, one cigarette per family per week. This payment gave families a stake in the scheme so that their commitment will survive when Plan moves on. Classes started two hours before the school day using new teaching methods; no more sitting in rows facing the blackboard; the children sat instead in groups of six and faced each other with the tutors going round helping each table.

The tutors were themselves helped by a highly trained supervisor and given a further fifteen days of training a year.

The results were spectacular. So spectacular those teachers, initially sceptical about it, have since supported the scheme.

In the first year 1,800 children attended the extra lessons with:

- the number of children getting grade As increased thirty-fold from the pre tests
- while the number of children getting grade Ds has been cut by 94%

It was the children's analysis of what was wrong with their education that started the change. Their presentation to the community galvanised action by adults and enabled Plan to focus on finding a sustainable solution.

The children themselves actively ensured that all the targeted children attended the lessons.

Through their close involvement in this and many other village projects, the children learnt how to bring about lasting changes.

Plan Bangladesh have shared their findings with the government; the headmaster now uses the new methods throughout the school; the leader of the Union Council is delighted and other Councils are now coming to look at the scheme, wanting to adopt it.

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Our domains of work in developing countries

Health

Plan's health-related programmes contribute towards securing the rights of children and young people to survival, development, protection and participation.

In order to respond to and address the changing health needs of children as they pass through different stages of development, Plan has adopted a life-cycle approach to health. Thus, health programmes are organised around the needs of children in the pre-school years, school-aged children, and adolescents and adults of reproductive age, especially women.

Children participate in identifying and addressing their health needs and advocating for their health rights appropriately to their evolving capabilities. Adolescents are, of course, able to play the fullest role in identifying and addressing their own health needs. Younger children, however, can often participate through the use of the child-to-child approach in schools.

Our impact

In every country where Plan works, key children's issues are identified at the beginning of our partnership with communities, in collaboration with children and their families. Targets are then set, together with the indicators used to measure them. On completion, every project is evaluated by comparing it to the initial baseline study to assess our impact (see pages 8 for detailed information on 'How we monitor and evaluate our work').

For example in Bolivia, health issues - especially relating to the Chagas disease - were identified as a priority for Plan's and the communities' work. Within our project to fight the disease, access to clean water has significantly risen and we have been able to raise communities' awareness and stimulate behavioural changes to combat its spreading, as illustrated below:

- 69% of families in Santa Cruz have now sufficient potable water throughout the year, an increase of 9% from our previous study in 1998
- the increase of access to potable water in Altiplano has risen from 18% to 38% during the same period
- the percentage of families practising measures against the Chagas disease in endemic areas in Tarija and Chuquisaca has increased significantly, and indeed the project's target of 43% has been exceeded, reaching 57% in Sucre and 66% in Tarija

These changes have led to improvements in health conditions throughout the communities and the hygienic use of water in the home and latrines, while families, particularly the women, have been able to spend less time collecting water.

However, more work has yet to be done. Water is often not boiled before use and rooted fears and customs within communities still exist preventing the widespread use of latrines.

The funds raised from the Plan national offices are pooled and managed by Plan Worldwide to run programmes to benefit children and their families in developing countries. This structure allows Plan to invest as much of its funds in development projects, whilst keeping costs at a minimum. Because our work with local communities is supported by sponsors and donors from many countries, the impact of our work, together with the achievements, illustrated below, is monitored in relation to Plan as a whole.

In 2003, Plan spent $44,677,000 on health projects across the developing world.

Some of the outputs from this spend include:

- 112 courses for health workers were arranged benefiting 2,076 health workers
- 506 training courses were organised for 30,643 community health workers
- 73 health centres were constructed and 89 rehabilitated
- 37,085 patients received medical and surgical treatment
- 5,134 health workers were trained on under fives health issues
- 872 campaigns to immunise children under five were carried out, with 615,805 children immunised
- 170,923 children under five received nutritious supplementary feeding
- 39,068 school aged children were treated for deworming

The Chagas disease in Bolivia

The chagas disease accounts for 13% of deaths of Bolivians aged between 15 and 75 years. It is one of the most serious and widespread parasitic diseases in Latin America, the principal cause of heart disease and, according to health officials, should be considered as one of the main causes of infant and maternal mortality in the country. 40% of Bolivians are infected and 70% are at risk.

For children, the statistics are terrible: 70% of those in rural areas and 11% of those in peri-urban areas are infected, as are 20% of children under a year old and over half of women of childbearing age.

USAID estimates that seven children are dying from chagas disease every day in Bolivia.

Chagas is transmitted to humans by beetles known as vinchucas, which infect the blood of people and animals. Vinchucas thrive in the cracks of mud bricks and thatched roofs of poor housing, typical of rural areas of Bolivia. Families in these areas also tend to live close to where they keep their infected animals, contributing to the high level of infestation.

In 2000 Plan and its local partner, Pro Habitat, began a five-year project covering the areas of Tarija, Chucquisaca and Cochabamba. Results from a previous pilot programme in Tarija had been very positive with levels of infestation reduced to zero in improved homes and 90% of residents practising improved habits to reduce infestation.

Tackling the incidence and spread of chagas disease required Plan to focus on improving homes, raising awareness and establishing a system to monitor and alert communities, local and regional authorities to outbreaks. Equally important was to encourage and enable all relevant actors including communities, organisations and government departments such as education, health and housing to work together in an integrated way to control and fight the disease.

Three years into the project, the information, education and communication activities have contributed significantly to fight the spreading of the disease and promoting behaviour change. Children, community organisations, health workers and government representatives, all participate to make sure that information about chagas is disseminated as widely as possible.

Some 10 promoters per community have been trained to carry out educational and supervisory work, and to authorise the distribution of building materials. Half of these promoters are women, who traditionally have a subordinate role in the community.

Home improvement is an important aspect of controlling chagas. In 2003 alone, 2,276 homes were improved, with the work being undertaken by the owners supported by technical staff. The project is well on the way to achieving the target of improving 11,250 homes by March 2005.

The community promoters, local authorities, health staff and community leaders also attended workshops about establishing vinchuca information posts (VIPs) at community and municipal levels. These are surveillance posts through which communities can monitor and control infestation, secure the support they need from the relevant government ministries and municipalities, and maintain high levels of knowledge and appropriate behaviour among the local population.

Once established, management of the VIPs is transferred to the Ministry of Health (SEDES) and the National Health System.

Children have been learning about chagas, hygiene and home improvements through songs, dance and plays at school and at community meetings. Their enthusiasm has influenced parents to change their habits. As one child said: *"As soon as we turned out the lights, vinchucas appeared and we couldn't sleep. We know they transmit chagas disease. That is why we improved our house and keep it clean. My whole family would like to thank for the project, for giving us the possibility of a healthy life."*

The project's success to date is reflected in the launch by the Bolivian government of a programme to control disease in the home, based on the methods used by Plan and Pro Habitat. This will contribute not only to improving homes but also to training families about different diseases, including chagas, caused by insects.

Learning

Like health, Plan's approach to education uses a life-cycle approach. This ensures that the needs of all age-groups of children are appropriately met and helps integrate health and education activities. In many countries the Millennium Development goal of full primary education for all boys and girls by 2015 is far from being met.

Through its programmes, Plan develops mechanisms such as youth councils and school management committees to empower children and communities to participate in and influence what happens in schools. This is key to effective, appropriate education and a safe school environment. Plan also provides support for better teacher training and curricula, helps to supply books and materials, and seeks to change attitudes among parents and communities, especially towards girls' education.

Plan is increasingly working with children in particularly difficult circumstances, including working children, street children, AIDS orphans, and children affected by wars and disasters. For these children, traditional approaches to education are inadequate and need to be adapted. The education renewal programme in Bombali, for example, meets the specific needs of children traumatised by war by integrating trauma counselling and peace-building into their education curriculum.

Our impact

In every country where Plan works, key children's issues are identified at the beginning of our partnership with communities, in collaboration with children and their families. Targets are then set, together with the indicators used to measure them. On completion, every project is evaluated by comparing it to the initial baseline study to assess our impact (see pages 8 for detailed information on 'How we monitor and evaluate our work').

For example, in Tanzania one of the priorities identified by the communities in 1998 during our baseline study was the need for education for children and their families.

In 1998 only 53.3% of boys and 59.6% of girls of school age were attending primary schools with only 38% of those enrolled completing their schooling.

Our 2003 programme assessment revealed:

- the percentage of pupils completing primary school at 14 rose from 18.3% to 20.30% whilst regardless of age the percentage of pupils completing primary school rose to 72%
- the percentage of children completing school at 14 and going to secondary school or vocational training colleges rose from 1.60% in 1998 to 5.03% in 2003
- the pupils desks ratio was established to be 1:2 in 2003 – previously it had been 1:4. This was a factor in improving results

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In 2003, Plan spent $52,013,000 on education projects across the developing world.

Some of the outputs from these were:

- 32 school sports fields were constructed
- 639 sports sets were distributed at primary schools
- 3,893 pupils received play equipment
- 272 school bicycles were provided
- 2,076 benefited from pre-school committee training
- 83 pre-school volunteer trainings were conducted
- 6,598 pre-school centres were supplied with learning equipment and 20,317 pre-school learning sets were distributed
- 724 pre-school centres were constructed
- 1,575 pupils received primary school fee scholarships
- 1,311 community volunteers were trained on school committee management
- 5,308 sets of school books were provided
- 44,501 girls received secondary school fee scholarships

Education renewal in Sierra Leone

The impact of the 10-year conflict in Sierra Leone has been immense both in terms of the physical damage to basic infrastructure and in the psychological damage suffered by the population. Children were not spared the brutality, with many deliberately targeted for rape, mutilation, abduction and enforced recruitment into the armed forces. Even before the conflict, Sierra Leone was one of the world's poorest countries where many of the key indicators, such as under-five mortality and adult literacy, were well below average levels for the developing world. Now it is right at the bottom of the list.

Bombali district, as one of the principal strongholds of the Revolutionary United Front, was occupied from 1997 until 2001 and suffered massive structural destruction, including the destruction of health clinics and schools. Those classes that survived were little more than makeshift structures with no furniture and little by way of materials.

By the end of the conflict, very few children were going to school, and those that were often had to walk up to eight miles to reach the nearest school and the level of teacher absenteeism was one of the highest in the country

Plan is collaborating with local partner organisations in Bombali district with the aim of providing improved educational and psychosocial services to the children and their communities.

In its first year to January 2004, the education renewal project realised some major achievements. A total of 10 primary schools were rehabilitated, primarily through use of local contractors; each was supplied with a set of furniture manufactured by community-based carpentry workshops. Learning aids were supplied to 15 primary schools. 80% of all pupils in the targeted schools received textbooks and 100% of pupils benefited from supplies of school materials such as exercise books, pens, rulers and crayons.

Teachers' guides were supplied to 100 teachers, alongside reference materials for school libraries and essential supplies like registers and record books. Equally important were the two in-service teacher training workshops. Coordinated by the schools inspector of Bombali and a teacher trainer from Makeni Teachers College, one workshop involved 180 unqualified primary school teachers while the other involved 180 mainly qualified teachers; both covered a participatory, child-centred method of teaching and ways to integrate important issues such as peace and human rights into daily class activity. Another workshop was also held for 240 members of the school management committees of 30 primary schools. These committees, a recently introduced legal requirement in Sierra Leone, are made up of both school and community representatives, and are responsible for the management, supervision and monitoring of their local school. To be effective, therefore, the training was vital, not only in supporting the project's aims but also in ensuring the sustainability of the facilities to benefit students in the future.

The strength of this project is the integration of essentially educational improvements with health and hygiene work and trauma healing. Years of neglect and destruction have left the schools with little in the way of water and sanitation facilities. School children were therefore at increased risk of disease and infection.

The project has already seen the digging of seven new wells and the rehabilitation of another three. Each of the 10 rehabilitated schools was provided with latrines and hand-washing facilities. Much of the unskilled labour and local materials were provided by the local communities. Plan's local partner, Pikin to Pikin, worked in the schools to raise awareness of good hygiene and established 30 school health clubs open to all pupils.

Another local partner, the Forum for African Women Educationalists (FAWE), has meanwhile concentrated on trauma counselling and peace building. Two workshop sessions have been run with school children, teachers and representatives from local government and the community. Thirty children's peace clubs have been established where children play and express their feelings. Psychosocial services are also provided in 30 schools and a referral centre supports those children who remain severely traumatised.

Among the children supported is Kabba, the youngest of the child soldiers involved in the conflict. *"I am now the national coordinator for the rights of the child and coordinator of the radio station being set up for children,"* he explains. *"I interview children affected by war. We all have hope that life will be okay."*

Habitat

Plan views children's habitat both in terms of the physical environment in which they live and the social structures of their communities. The physical environment includes the natural environment and the physical infrastructure of their communities, including water supplies, school buildings and their homes.

Communities build social structures in order to organise themselves and to interact with the outside world. Plan works with these structures to encourage the participation of children and to raise the awareness of issues they face.

Through our child-centred approach, we have understood that simply building physical infrastructure is not enough to ensure children's rights are secured. If it is to be appropriately used by children, the design of these infrastructures needs to be child-friendly, children need to be educated in their use and involved in their maintenance, and communities and families need to recognise the importance of these things.

For example, small children are more likely to use toilets in schools if they are child sized and children are more likely to wash their hands if they are aware of the reasons why it is important and are involved in the maintenance of the water supply.

The Personal Hygiene and Sanitation Education programme in Nicaragua and Peru, for example, has been very successful in improving sanitation and hygiene practices in schools and communities through the involvement of children.

Children and young people often have a very different view from adults of what problems should be addressed in their communities. They are usually much more concerned about relationships and social issues such as violence and substance abuse. The involvement of children and young people in community organisations is essential if these concerns are to be understood and addressed by the adults.

Our impact

In every country where Plan works, key children's issues are identified at the beginning of our partnership with communities, in collaboration with children and their families. Targets are then set, together with the indicators used to measure them. On completion, every project is evaluated by comparing it to the initial baseline study to assess our impact (see pages 8 for detailed information on 'How we monitor and evaluate our work').

For example, in Thailand one of the issues identified by the local communities was the deterioration of natural resources and environmental problems, including decreased forest area, insufficient water sources and deteriorated and infertile soil.

Plan assisted local communities to create groups and local organisations to manage their environment and other activities for the development of private and community forests.

Since our 1998 baseline study:

- 8 villages have successfully expanded into a collective forest care network. As a result, the communities have become more aware of the need to care for their forests, participated in forest conservation and recognised and given importance to children within this project
- There has been more diversity in the communities' surrounding environment: the number of animals such as birds and squirrels and herbal plants has increased, indicating a return of nature
- The Tambon Administrative Organisations (TAOs) (local authorities) have recognised the importance of such conservation and rehabilitation activities and invited leaders of local organisations who have taken care of the forests to be resource representatives to build and establish national learning procedures

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In 2003, Planspent $ 58,329,000 on projects related to habitat across the developing world.

Some of the outputs from these were:

- 44,827 families' homes were improved against parasites
- 752 communities open wells were constructed
- 2,553 tanks were built
- 2,308 rainwater catchments and 290 cisterns were erected
- 1,444 bore well water points were constructed
- 210 communities benefited from new water systems
- 1,307 new water points were created
- 9,364 water training sets were distributed
- 63 water management courses were held benefiting 3,037 community volunteers
- 33,455 home latrines and 1,567 school latrines were constructed
- 2,470 community toilet blocks were built
- 7,327 sewerage systems were installed

Personal Hygiene and Sanitation Education (PHASE) in Nicaragua and Peru

15% of rural families in Nicaragua do not have safe, clean water in the home; a third have no sanitary facilities; and half of all primary schools in areas where Plan is working do not have adequate water and sanitation facilities. The situation in Peru is equally poor, with some three-quarters of rural families having no waste disposal systems or access to safe water supplies.

Not surprisingly, therefore, there are limited opportunities for adults and children to keep clean or follow proven healthy personal hygiene that prevents the spread of disease and infection. At the same time, the water that is used is far more likely to be unsafe. The result is high levels of diarrhoea and other water-borne diseases, malaria, parasites, skin diseases and acute respiratory infections. These place children in Nicaragua and Peru at high risk of sickness and even death.

With support from GSK (GlaxoSmithKline) and the support of other NGOs, Plan mobilised children, their schools and communities to improve hygiene and sanitation practices through the PHASE programme. By using a child-centred approach to achieve habit change, the programme complemented and increased the impact of Plan's other related work with communities such as improving water and sanitation services and community-based primary health care.

Having adapted the original child-friendly materials to the specific cultural and practical realities of both countries, Plan began introducing these in schools and communities in 2001. Over 50,000 children in 220 communities were targeted in this major initiative to improve health and health awareness.

The new training materials were piloted with health promoters, children, their parents, schools, community volunteers and children's groups. Plan consulted with children and teachers to publish a guidebook containing 96 projects and activities to raise awareness of hygiene and sanitation to be distributed to all 616 classes taking part. A training guide for teachers was also produced; 1,180 family members attended training sessions organised by community volunteers and water committee delegates; 1,500 children were de-wormed; nine workshops were run by teachers and health staff for 322 boy and girl members of children's health groups; 338 family homes were fitted with latrines; and six school sanitation facilities were built.

Equally important was to establish the supporting infrastructures to enable children and adults to follow healthy hygienic practices. Plan has therefore worked closely with national ministries of education and health and partner organisations to incorporate hygiene and sanitation issues into the curriculum; train teachers, mothers and children; encourage the support of local health professionals in the training and children's health campaigns; and identify children who are sick, malnourished or at risk.

'This material has been useful to learn lots of issues such as water hygiene, food hygiene and body hygiene. With this, my family and I could prevent diseases. I tell my mother and grandparents that they should cover the containers where the water is stored to avoid contamination. I also tell them to cover the food to keep it clean. We have learnt through games and pictures,' said Benito, a 6th grade student from Piura in Peru.

This collaboration with governmental and non-governmental partners has been vital both in generating support systems and in encouraging the implementation of PHASE-type activities in other areas of both countries. The Peruvian Ministry of Education, for example, has already decided to scale up the project to reach thousands more of its schoolchildren and their families.

Livelihood

Over the years, we have developed approaches to livelihood that are focused on the poorest children and their families, and that have clear benefits for children. Research demonstrates that women are more likely to use their disposable income for the benefit of their children. Microfinance programmes have therefore been developed for women living in poverty to enable them to establish micro-enterprises. These have been shown to have an impact on the well being of children in terms of measures such as attendance at school.

In virtually every poor community, children take on an economic role at an early age. This often means that they are not able to attend school. Some of these home chores can be alleviated by other Plan projects to cut firewood use, bring clean water near, or develop better returns from the land. In areas where, due to economic necessity, it is not possible for children to stop formal or domestic work, flexible models of schooling need to be developed. And even where children do complete school, there is often a lack of jobs and parents may not see the benefits of investing in further education for their children.

Working children often face a multiplicity of difficulties, including exploitation by employers, with children who earn their living on the street being particularly vulnerable. The school and community outreach programme in India, for example, addresses the needs of these children and their families in an integrated way, providing opportunities to enter the formal education system or the formal work sector through vocational training.

Our impact

In every country where Plan works, key children's issues are identified at the beginning of our partnership with communities, in collaboration with children and their families. Targets are then set, together with the indicators used to measure them. On completion, every project is evaluated by comparing it to the initial baseline study to assess our impact (see pages 8 for detailed information on 'How we monitor and evaluate our work').

For example, in Malawi one of the most pressing issues identified by the local communities was the need for nutritious foods throughout the year for children and their families. About 30% of Malawi's rural population have an annual per adult income that is not sufficient for them to purchase 200kg of maize and approximately 43% of rural Malawians are unable to buy a minimum basket of basic needs.

Plan has been working with local communities, through our Food Security and Natural Resource Management programme, to address the following:

- low agricultural production and chronic food shortages
- poor farming practices
- limited diversification and dependency on one single crop
- poor food storage and poor nutritional status

At the end of our independent evaluation assessment carried out in 2003, the results were very encouraging:

- 100% of the grain bank sites have improved community food storage, business skills, and women's participation in decision-making
- community grain banks have improved food availability and storage ensuring chronic food shortages are minimal
- the distance women used to travel to the nearest maize mill has been reduced by 95% from 1998
- women who have participated in the managing of the maize mills are earning an average of K500 per month

The results show some considerable impact both in qualitative and quantitative terms. However, the impact on household nutrition was less significant because eating habits have proved to be intrinsic to the local culture.

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In 2003, Plan spent $ 15,304,000 on projects related to livelihood across the developing world.

Some of the outputs from these projects:

- 4,902 farmers were trained on environmentally friendly agricultural techniques
- 22,783 farmers were trained on agricultural techniques
- 6,201 farmers' clubs were provided with seeds
- 41,310 families were distributed with seeds
- 1,105 farmers were given 4,920 packets of fertilisers
- 19,898 meters of fencing were erected around horticultural gardens
- 343,926 fruit tree seedlings were distributed
- 1,497 irrigation pumps were constructed
- 17,428 animals were provided to local farmers
- 14,564 families benefited from community grain banks

Outreach in India

Despite a national law forbidding the employment of children under the age of 14 in "any factory or mine or…any hazardous employment", millions of Indian children are withdrawn from school and sent out to work. There are two main causes: economic necessity and low awareness among parents of the value of education. The situation is exacerbated by the poor quality of teaching in many government-run schools, which turns off both pupils and parents.

In Hyderabad, southern India, it is not uncommon for children to drop out of school. Many start working at an early age and up to 20,000 are estimated to be working in hazardous conditions.

Using our experience, Plan and its partner, Dr Reddy's Foundation for Human and Social Development (DRF), are working to address the issue. The project is taking into account the need for quality schooling and schools that are an intrinsic part of the communities they serve with programmes to reintegrate children back into the education system; programmes for vulnerable children who are likely to drop out of school; and with support for the children's families.

Following a successful pilot project in which 3,250 children were supported to return to school, Plan and DRF decided to build on their experience through a programme to reach over 15,000 children and 50 mainstream schools. The school community outreach programme in education (SCOPE), which completed its first year at the end of 2003, aims to create the right conditions both in schools and at home to allow children, particularly girls and those working in hazardous conditions, to access their fundamental right to an education.

Through a survey undertaken in collaboration with the local authorities of 200,000 households in slum communities in and around Hyderabad, 1,473 out-of-school children aged between eight and 12 were identified for the first phase of support. Within a year, half had been returned to mainstream schooling after successfully completing 'bridge' school courses.

These courses help children to reach the minimum levels required for entry into government schools and the authorities are increasingly aware of their proven success in helping children back to school. Indeed, seven mainstream government schools have now adopted bridge schools as an integral part of their school process.

As bridge courses require a lot of individual teacher input per child, the SCOPE programme incorporates the recruitment and training of volunteer teachers. These men and women not only teach the children, they are also an important link between the bridge school and the communities, and work to raise awareness of the importance of education among parents.

Adolescents aged between 13 and 21 are also supported through the SCOPE programme, with 409 attending bridge schools. Two-thirds of these young people are girls and the vast majority had failed their 10th grade exams before leaving school. Having attended the bridge school, over three-quarters (78%) have now successfully passed the exam. A further 600 out-of-school young people will also benefit from learning opportunities provided at a pace and emphasis to meet their individual needs through ten community learning centres linked to formal mainstream schools.

Increasing employment options is another key part of the SCOPE programme, which provides community level vocational training to young people through the Livelihood Advancement Business School (LABS) programme. All 118 young people enrolled in LABS last year completed their courses; 70% have already found work placements, 20% are awaiting placements and 10% have opted to continue on to higher studies. As such, LABS is successfully reintegrating young people in non-exploitative positions guaranteeing minimum wages.

Another 120 students have been enrolled in the next phase of LABS.

Building relationships

The quality of children's lives depends on the quality of their relationships. A key component of child-centred community development is the building of relationships based on respect for their rights between children and those on whom they depend for their well being and development. These include gender relationships, their relationships with their families and communities, and the way in which local and national institutions view and treat them.

Through consultations with children, we have come to understand how prevalent are the problems of discrimination, exploitation and abuse and how these are often perpetrated within the very institutions that exist to protect children – the family, school and social sector.

The programme 'Listening to Children' works to improve the relationships between children, their families and communities by raising awareness of children's rights, preventing abuse and providing opportunities for children to participate at community, local and national levels.

Our impact

In every country where Plan works, key children's issues are identified at the beginning of our partnership with communities, in collaboration with children and their families. Targets are then set, together with the indicators used to measure them. On completion, every project is evaluated by comparing it to the initial baseline study to assess our impact (see pages 8 for detailed information on 'How we monitor and evaluate our work').

For example, in Malawi one of the issues identified by local children and families was the lack of knowledge of the Convention on the Rights of the Child and that women and children were not involved in decision-making and development programmes in their communities. Our 2003 baseline study revealed:

- the involvement of women and children in various committees has improved, with women comprising 40-50% of almost all the development committees in Plan's communities and children having started to participate in these committees
- children are also attending various national functions where they interact with their peers, sharing their ideas and learnings

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In 2003, Plan spent $ 20,203,000 on projects related to building relationships across the developing world.

Some of the outputs from these include:

- 165 community animators were trained
- 14,713 people were trained on the Rights of the Child
- 7,050 sets for child rights training were distributed
- 3,752 community volunteers were trained on children's rights

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Listening to children in Ecuador

In Ecuador half of all children report that they are physically abused at home or in school; levels of sexual abuse are reported to be high and 38% of children are working.

Despite being a signatory to the Convention on the Rights of the Child, Ecuador provides few resources to defend children's rights and there is little awareness of them among the general population.

Plan is working with partner and community-based organisations to tackle the problem of child abuse and neglect through a project that involves children, parents, teachers, community leaders and local and national authorities. The aim is to enable children's voices to be heard and to ensure that children are seen as active members of the community whose opinions should be respected. The project, which covers Guayas, Manabi and Pichincha provinces, is aimed at 472 communities with a total population of over 5.5 million.

Key to the project is the formation of local child rights boards and networks that are linked to institutions and government offices at local and national level. These boards and networks are central to promoting the rights of the child through, for example, organising awareness-raising events. Building on the successful radio initiative 'Aqui los Chicos' more young people are being trained in radio production with the aim of promoting children's rights and helping them to raise awareness of issues within their communities which are important to them.

Thanks to the project, children, teachers and community leaders have reported a better recognition of children's rights and say that they have increased self-esteem and a sense of solidarity. Nevertheless, there is still a long way to go. Even where schools have actively promoted the creation of children's organisations, these are not yet being used to increase children's participation in decision-making. Plan is working with teachers, community volunteers and parents to underline the importance of children's participation, but is also working to influence a change in the overall educational system so that teachers' values and teaching styles reflect the work underway in the community.

While the true levels of child abuse are unknown, it is clear that many children face abuse in schools and at home. At the same time, there is little capacity within the Ecuador infrastructure to address the issue. Plan is therefore working with fellow organisations to identify available expertise and develop strategies. Plan staff have themselves been trained and parents have been made aware of how to identify, prevent and report cases of abuse. Children have a better awareness of their rights in relation to abuse and how to protect themselves.

Plan is working to ensure that children are involved not only in identifying development needs but also in the implementation, monitoring and evaluation of specific projects.

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Our work in the UK

Advocacy

An important part of Plan's work with children is changing policies that have a negative impact on children's lives. By influencing the UK Government and working with Parliamentarians and NGO partners, Plan UK advocates for changes to policy and practice on the problems faced by children and their communities in developing countries. We meet regularly with a group of MPs from all parties who support our work with children.

Plan's other national organisations perform a similar function in their own countries.

Last year, Plan UK worked on two issues: the importance of children's participation in development and the situation of children and young people affected by HIV/AIDS.

Children's participation

Plan UK applied pressure on the British Government to respond better to the needs and rights of children around the world. In particular, Plan UK argued that children should be involved in projects that affect them, not just because it is their right but because it makes such projects more effective. Children's and young people's involvement also builds a sense of citizenship and responsibility. For this reason, last year Plan UK launched a campaign to mainstream children's participation in development across all sectors of development policy and practice.

- On 20 November 2003 young people from Plan's communities in Sierra Leone and the Philippines met with the Secretary of State for International Development, Hilary Benn, who promised that the Department for International Development would be *"reviewing current activities and how we may better mainstream children's issues into the work we do."* The children successfully lobbied Paul Boateng MP, Chief Secretary to the Treasury, who agreed that more needed to be done to listen to children's views, and met senior MPs and peers including the Chairs of the All Party Groups on Children and Overseas Development and Harriet Harman MP.

  Talking about her experience, Nierisa Palada, one of the representative children from the Philippines said, *"The best thing was that the other children and I were able to meet the members of the House of Parliament and discussed the importance of child participation. I am happy that they were willing to listen and eager to ask questions. I was also able to share the major problems of children in my home country and my experiences in children's participation…"*

- Plan UK also invited leading academics and charities from the UK and around the world to discuss our report on why the participation of children is so important in development. The research was carried out by a team that visited Ecuador, India and Kenya to discover how children participate in our programmes and how this is leading to better outcomes.

Further to the meeting between Rt Hon Hilary Benn MP and a group of representative children from Sierra Leone, Philippines and India the Department for International Development recently published its first Action Plan on Children and Young People's Participation.

Support for children and young people affected by HIV/AIDS

A large part of our lobbying activity in the first half of 2004 centred around support for children and young people affected by HIV/AIDS. Plan UK believes that it is vital that the voices of children and young people affected by HIV/AIDS be heard. This was the reason Plan UK arranged for a group of children from Uganda to present evidence to the British Parliament's International Development Select Committee by live video link. The Committee was conducting an inquiry into the challenges faced by children orphaned by AIDS and this was the first time it had taken evidence from a group of children in a developing country. The children – who were all either infected with or affected by HIV/AIDS – discussed their concerns with the MPs, such as the need for protection from sexual and other abuses, the importance of having access to basic health care, the impact of having their family property taken from them when their parents die from AIDS, and the stigma they face. The group also highlighted the need for increased awareness within their communities of HIV/AIDS.

Following the work of Plan and other charities in July 2004, the British Government announced that 10% of its HIV/AIDS spending would be committed to children who have been orphaned and made vulnerable by HIV/AIDS.

Development education

A vital part of the work of any international development organisation is development education. The sponsorship model is a powerful tool in this process.

We link our supporters to children and their communities through sponsorship and funding opportunities; we raise the awareness of development issues and stimulate deeper engagement among supporters, children and young people in the UK and in developing countries through education.

Last year:

- Plan UK encouraged children in the UK and across the world to produce tapes, videos and drawings to tell adults, from world leaders to teachers and parents, what their real problems are and what needs to be done to solve them. Educational materials reflecting their participation were produced and used in 13 Plan countries and 45 UK schools
- Following the exchange of diaries between a school in Ghana and a school in London, Plan UK produced resources and materials for the use of teachers and children in the formal education system. The materials 'Real lives, real people' are based on ideas, real live case studies and information generated by children and young people in developing countries and the UK through a process of exchange and teaching.

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Report of Board of Directors for the Year Ended 30 June 2004

Objectives and Activities

Our objectives, together with other constitutional matters, are set out in our Memorandum and Articles of Associations. These are:

- To provide for the sponsorship, care, maintenance, education, training and well-being of children in distressed circumstances or in need wherever they may be
- To provide guidance and practical assistance in strengthening and reinforcing the families of such children so that they may have the opportunity to develop within their own families
- To interest people throughout the world in the necessity of such an undertaking, and to obtain their support and assistance

Plan UK is governed by a Board of Directors, which is responsible for determining the policies and the strategic directions of the Charity. The Board of Directors meets regularly and delegates the day-to-day operations of the organisation to the National Director and a team of senior managers.

Structure, Governance and Management

Plan UK is one of fifteen national organisations[a)] and is internationally associated with Plan International, Inc, which changed its name from Foster Parents Plan Inc on 1st July 2003. Plan International, Inc ("Plan, Inc") manages development programmes in forty-five beneficiary countries[b)] using funds raised by the fifteen national organisations. The programme operations are decentralised and managed from four Regional Offices. A small International Headquarters is located in the United Kingdom and supervises the programme operations. Plan, Inc's International Board of Directors ("International Board"), consisting primarily of representatives of the Boards of the national organisations, governs the international operation. Currently, Plan UK nominates two Directors to the International Board. This structure permits Plan UK to invest as much of its funds as possible in programmes which directly support the beneficiary children, their families and communities.

The fifteen national organisations, Plan International, Inc and their subsidiaries are collectively referred to as "Plan Worldwide" or "Plan".

a) National organisations: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Japan, Korea, the Netherlands, Norway, Spain, Sweden, United Kingdom and the United States.

b) Programme countries: Albania, Bangladesh, Benin, Bolivia, Brazil, Burkina Faso, Cameroon, Cambodia, China, Colombia, Dominican Republic, East Timor, Ecuador, Egypt, El Salvador, Ethiopia, Ghana, Guatemala, Guinea, Guinea Bissau, Haiti, Honduras, India, Indonesia, Kenya, Malawi, Mali, Nepal, Nicaragua, Niger, Pakistan, Paraguay, Peru, Philippines, Senegal, Sierra Leone, Sri Lanka, Sudan, Tanzania, Thailand, Togo, Uganda, Vietnam, Zambia, Zimbabwe.

Plan UK is a registered charity and is constituted as a company limited by guarantee. In terms of total income it is the third largest national organisation. The members of the Board of Directors are shown on page 41. New Directors are chosen in consultation with the full UK Board and with a view to ensuring that all the skills and experience needed to govern an organisation like Plan are fully represented. It has become the practice for Trustees appointments to be nationally advertised and be subject to a formal selection and interview process.

Plan UK has an Audit Committee currently comprising two Directors. Its terms of reference ensures that it monitors the integrity of the financial statements of the company, reviews the company's internal financial control systems and monitors the risk assessment processes implemented by management. The Committee is currently reviewing the requirements for an internal audit function.

The members of Plan UK are the current Board of Directors whose liability is limited to £10 each. No Director has any interest in the Company's contracts nor any interest in the Company's funds.

Responsibilities of Plan UK's Directors

Company and Charity Law require the Directors of Plan UK to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Group and the Charitable Company and of the Group's net incoming (or outgoing) resources, including its income and expenditure for that period. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in October 2000 in preparing the annual report and financial statements of the Charity. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Charity and Company will continue in operation

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company, and enable it to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice: Accounting and Reporting by Charities.

The Directors are also responsible for safeguarding the assets of the Company and Charity and for taking reasonable steps to prevent and detect fraud and other irregularities.

The Directors have overall responsibility for ensuring that the Charitable Company has an appropriate system of controls, financial and otherwise.

Review of Activities and Achievements against Objectives

Plan UK is an organisation that aims to: inspire people in the United Kingdom to support Plan's child-centred community development work; raise £35 million per year by July 2007; develop solidarity between children in the UK and the developing world, and raise others' awareness of Plan and its work.

Plan's overall worldwide long-term objectives are:

1. **Being a child-centred community development organisation.** Plan practises a child-centred approach to community development that enables children, families and communities to address children's needs and rights, and realise their potential.

   Staff worldwide are being trained in this approach and indicators to track that the organisation is increasingly child-centred are being developed.

   Last year, Plan UK commissioned Oxford University to carry out research on the practical effectiveness of children's participation and held a conference with other development NGOs to share best practice. The research found that involving children in development, if done appropriately, can be effective in changing the behaviour and attitudes of whole communities.

   For example, some children from India made films highlighting important issues they face in their communities. The films, subsequently shown to their families and peers, contributed to reducing forced marriages, temporarily closing a polluting factory, promoting abstinence from tobacco, and stopped 'blue movies' being sold near their schools. The children won the 'One World Media Award.'

   Child centredness is reflected in our work in the field. Last year, we checked that it was reflected by Plan UK's people and in our communications.

   - All staff and volunteers were trained on Plan's approach and had regular sessions with field staff
   - We arranged for children from around the world to address Plan's Worldwide International Board by videolink
   - An audit to ensure that all our communications accurately reflected the work done in the field was carried out
   - A strategy to highlight child-centred community development in all our publications to supporters was implemented
   - Five open days were held for Plan UK's supporters
   - We implemented new child protection measures – carrying out police checks on all staff, Board members, volunteers and supporters visiting the field.

   In future, we will focus our advocacy work on ensuring that children have a say in their own development and set up a children's panel to advise us on our work with children and young people in the UK.

2. **Making long-term commitments to children living in poverty.** Plan focuses its programme work in poorer developing countries, in poorer areas within those countries and with poorer population groups. Plan is working with children from rural and urban areas and those in especially difficult circumstances. In addition:

- A large part of our lobbying activity in the first half of 2004 centred around the support for children and young people affected by HIV/AIDS. We also supported programmes in India and Vietnam, which enabled groups of children to come off the street, attend vocational training and, with their newly acquired skills, find suitable work
- We gave extra support to communities affected by disasters in several programme countries, including Bangladesh, Nepal, India and Sudan

Next year, Plan will review its work with children in difficult circumstances in Asia to work out what has been successful and whether it can be replicated in other countries.

3. **Assisting as many children as possible.** Plan mobilises as many resources as possible to help both girls and boys. Our work enhances the capacity of children, families, communities and our local partner organisations to obtain and manage resources locally.

- In the UK, Plan's income from sponsorship increased 3% from the previous year, thus funding our long-term programmes with the world's poorest communities
- We ensured that 81.8% of the money that we raised was used to support programmes in the field
- Plan UK opened new offices in Brussels and Ireland to coordinate support throughout Europe and to extend support for Plan's work from Ireland

We aim in Plan UK to increase our income from £27.8million in 2004 to £35 million by the end of 2007.

4. **Building relationships**. Plan links children and adults across the world to communicate, to develop mutual understanding and to work together to address the needs and rights of children living in developing countries. Some examples:

- Through our 'Give Us A Minute' campaign, Plan UK, last year, encouraged children in the UK and across the world to tell adults, from world leaders to teachers and parents, what their real problems are and what needs to be done to solve them. So children from Sierra Leone met UK ministers, and talked at the 'Global Campaign for Education' national meeting in Westminster, whilst Ugandan children affected by AIDS addressed the Parliamentary Select Committee on International Development via video link
- Some 110,000 sponsors in the UK received three reports on the progress of their sponsored children and their communities, as well as explaining a particular feature of the culture in which they live

In the coming years, Plan UK will further focus on getting our supporters further involved in Plan's work.

5. **Working in partnership and alliances.** Plan actively participates in and promote partnerships and alliances at local, national and international levels with organisations with which we share aims and values. Some examples:

- Over the last year, Plan UK worked with the 'Make Poverty History' coalition to improve the lives of millions of absolutely poor people around the world (those who have to live on less than a dollar a day)
- Plan UK worked with other members of the 'Global Campaign for Education' to achieve the 'biggest lesson' with more than 700 participating UK schools and a conference of young people and Ministers
- As part of the 'AIDS Orphans and Vulnerable Children' coalition, Plan UK successfully lobbied the UK Government to earmark £150 million for programmes for children affected by AIDS

6. **Being a recognised voice**. Plan works to ensure that the voices of children are heard in policy discussions and influence policy in the interests of children at local, national and international levels on issues on which Plan and our partners have knowledge and experience.

   Plan UK held a week's activities on the theme of 'Give us A Minute', asking decision-makers to listen to children. These activities resulted in extensive local radio coverage in the UK.

   In future, Plan UK will investigate how children's involvement in health is contributing to better healthcare for children and their families.

The Business Plan for Plan UK is projected on a rolling five year period with greater emphasis given to the earlier years. The starting point for each year's budget is to take the existing Business Plan figures and examine in detail whether this is still achievable, whether it can be improved, and whether there are any strategic imperatives that necessitate re-thinking the elements that make up current plans. Each department considers what has worked and what has not worked in the previous year's plan. The main challenges are identified for the coming year by management and staff and proposals to address them are put to the Board for its approval.

In the future Plan UK will continue to evolve the existing strategy. Emphasis will be given to the aims of becoming a recognised voice for children and developing an integrated fundraising strategy to enhance those areas which compare less favourably with similar organisations.

PLAN International (UK)
(A Company Limited by Guarantee)

Report of Board of Directors for the Year Ended 30 June 2004 (Continued)

Financial Performance

Plan UK continued its growth of recent years in sponsor pledges. The table below outlines the charity's consolidated fundraising performance:

Group Five Year History	**2000**	**2001**	**2002**	**2003**	**2004**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Sponsor pledges	14,634	16,295	18,617	21,432	22,059
Contributions from official bodies	1,957	1,998	2,200	2,489	1,760
Other income	1,813	2,904	3,544	4,473	4,025
Total Income	18,404	21,197	24,361	28,394	27,844
Fundraising costs and trading subsidiary costs	2,507	2,614	2,534	3,363	3,722
Support costs and managing the Charity	674	1,209	1,348	1,191	1,347
Direct charitable expenditure	14,924	17,430	19,829	20,178	25,927
Total Expenditure	18,105	21,253	23,711	24,732	30,996
Net (Outgoing)/ Incoming Resources	299	(56)	650	3,662	(3,152)
Percentage Increase/(decrease)					
Sponsor pledges	22%	11%	14%	15%	3%
Contributions from official bodies	3%	2%	10%	13%	(29)%
Other Income	11%	60%	22%	26%	(10)%

Incoming resources for 2004 are slightly down (2%) on 2003 mainly due to a reduction in grant income. Direct charitable expenditure has increased by 29% which principally comprises the reduction in reserves held at the start of the year, the funds being passed to Plan, Inc for programme activities, and this accounts for the reason the Charity has reported net outgoing resources for the year.

5 Year Trend		2000	2001	2002	2003	2004
Sponsors in the UK		86,160	97,357	103,407	109,134	114,364
Increase %		12.7%	13.0%	6.2%	5.5%	4.8%
Total Incoming resources	£'000	18,404	21,197	24,362	28,394	27,844
Increase/(decrease) %		18.3%	15.2%	14.9%	16.6%	(1.9)%
Direct Charitable Expenditure	£'000	14,924	17,430	19,829	20,178	25,927
Increase %		10.0%	16.8%	13.8%	1.8%	28.5%

The Charity's expenditure as a proportion of total incoming resources can be summarised as follows:

Expenses as a % of Total Incoming Resources	2004	2003
Fundraising Costs	12.9%	11.2%
Trading Subsidiary Costs	0.5%	0.6%
Support Costs	1.9%	1.8%
Managing and Administering the Charity	2.9%	2.4%
	18.2%	16.0%

The UK Department for International Development's Civil Society Department supported 11 of our projects last year, providing £651,307. Plan provided £717,772 in funds for the same projects.

Project Name	Country	DFID	Plan
		£	£
Promoting sustainable livelihoods	Burkina Faso	41,245	47,667
Agroforestry	India	34,354	34,354
Child survival and safe motherhood	Senegal	86,291	88,877
Health promotion and training	Togo	110,915	105,041
Promotion and protection of children's rights	Ecuador	68,008	128,512
Community involvement in reform of primary health care	El Salvador	45,872	45,872
Strengthening community control of Chagas disease	Bolivia	54,012	62,198
Building local capacity for HIV/AIDS advocacy & prevention	Uganda	73,470	88,059
Early childhood care and development	Philippines	67,834	64,674
Prevention of violence and promotion of child rights	Dominican Republic	52,518	52,518
Adolsecent reproductive health rights	Nicaragua	16,788	0
Total		651,307	717,772

The Community Fund grants which totalled £398,703 were split:

Country	Amount
Senegal	78,055
Bolivia	66,273
Kenya	114,339
Sierra Leone	139,966
Interest Received	70
	398,703

The Board of Directors wishes to thank all those who have supported Plan UK's work over the past year.

The latest figures available for the worldwide split of Plan expenditure according to the programme domains are as follows:

Total worldwide expenditure (% split)	2004	2003
Growing up healthy	14.2%	13.4%
Learning	16.5%	15.4%
Habitat	15.6%	17.2%
Livelihood	4.4%	4.5%
Building relationships	11.1%	9.4%
Program support	10.2%	10.8%
Field administration	8.7%	10.6%
Development education	0.6%	0.1%
Technical support	1.0%	0.8%
Total program expenditures	82.3%	82.3%
Fund-raising	8.3%	8.7%
Other operating costs	9.4%	9.0%
Total expenditures	100.0%	100.0%

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

Growing up healthy: Vaccination programs; training community health workers; building and equipping health clinics.

Learning: Teacher training; building and equipping classrooms; adult education.

***Habitat*:** Building wells; building latrines; housing improvements; training communities in planning and managing projects.

Livelihood: Providing credit facilities; grain production improvement; job skills training.

Building relationships: Organising, both in the field and at National Organisations, communications between sponsors and sponsored children; translating letters; photos; reports for sponsors and cross-cultural materials; related postage, printing and other communications costs. Expenditure on child rights projects.

Program support: Field program management staff; vehicles for visiting communities; coordinating field programs; costs of centrally-developed computer software for field programs; other services for field programs, such as human resource coordination; any costs incurred by National Organisations in direct support of the technical quality of development work in program countries e.g. child survival experts working with the field to develop program plans. National Organisations' costs are included in this category for the first time; comparative figures have been adjusted accordingly.

***Field administration*:** Rent of offices; office equipment, supplies and software; accounting staff; audit staff; secretaries; guards; telephone and fax costs; couriers; staff training.

***Development education*:** Cost of activities to increase knowledge, understanding and motivation among Plan's stakeholders and within the public at large, by providing opportunities so that they can take an active role in addressing issues of poverty and vulnerability which prevent disadvantaged children in the developing world from realising their full potential. This is a new heading and comparative figures have been adjusted accordingly.

Field administration: Rent of offices; office equipment, supplies and software; accounting staff; audit staff; secretaries; guards; telephone and fax costs; couriers; staff training.

Development education: Cost of activities to increase knowledge, understanding and motivation among Plan's stakeholders and within the public at large, by providing opportunities so that they can take an active role in addressing issues of poverty and vulnerability which prevent disadvantaged children in the developing world from realising their full potential. This is a new heading and comparative figures have been adjusted accordingly.

Fund-raising: Marketing costs associated with attracting new sponsors and other donors.

Operating: Cost of handling funds received from sponsors; most costs of magazines and similar information for sponsors; non-field rent and office costs; non-field costs of activities in finance, human resource and information technology departments (except those included in field and central program support); general management costs.

Where applicable, each of the above categories includes salaries.

Reserves

The Trustees have reviewed the reserves of the Charity. The term 'reserve' (unless otherwise indicated) is used to describe that part of the Charity's Consolidated funds that is freely available for its general purposes. These were £596,270 at 30 June 2004 (2003 - £3,579,774).

As a child sponsorship organisation, Plan UK is able to predict a large proportion of its total monthly income with a high degree of confidence. The reserves policy is based on maintaining sufficient working capital to cover its anticipated needs for at least the forthcoming two months. The remaining funds are passed across to Plan, Inc where the treasury function controls the flow of funds to the programme countries.

Under this policy, reserves are expected to be in the range of £0.5m to £1m. Any reserves above this operating level arise from a timing difference between receiving the cash and passing it to Plan, Inc. as was the situation at 30 June 2003. Large amounts are usually received on the last working day of the month. In the unlikely event that an unanticipated expenditure was to occur for which funds were insufficient, cash could be called back from Plan, Inc. Such action has never been required.

Risk Assessment

Key risks within Plan UK have been reviewed by management and the Trustees. A checklist to mitigate them has been compiled, identifying the person responsible for risk management. This document is reviewed regularly by management as part of a continual process of examination and improvement, intended to minimise risk to the organisation. When new risks are identified, the appropriate system and control changes are implemented and management provide updates to Trustees on a regular basis. As an example, management prepared a "recovery plan" following a request from the Trustees.

Subsidiary Companies

The Company has established a subsidiary (note 12) to deal with trading activities of the Charity, which include a gift and Christmas card catalogue. The subsidiary undertaking details its results in its own accounts. These results are consolidated in accordance with the recommendations of the SORP.

Plan Ireland Charitable Assistance Limited falls to be treated as a subsidiary and trades as Plan Ireland. Operations in Ireland are being funded by Plan UK through a grant. Activities in the first year of trading showed a net surplus of 87,582 Euros excluding the Plan UK grant and total incoming resources were 485,000 Euros excluding the Plan UK grant.

Taxation status

The Company is a registered charity within the definition of Section 505 of the Income and Corporation Taxes Act 1988. The Company's income is accordingly exempt from taxation on its charitable activities.

Human Resources

Plan UK prides itself on offering a high standard of service to its sponsors and has increased its staffing to 54 full-time employees over the past year to guarantee quality and efficiency.

Plan UK is also fortunate to benefit from the support of a number of volunteers, who provided 14,029 working hours based on recorded attendance (2003-11,885) to Plan UK during the year. Their dedication has enabled Plan UK to improve its administration systems, which in turn enhances the relationship between the Charity, its supporters and beneficiaries.

Both staff and volunteers are valued by Plan UK, which is keen to involve them in its work as much as possible, offering work experience, holding regular meetings, discussions and presentations.

In the field too we rely heavily on community volunteers. There are about 20 volunteers for each paid worker. They perform an invaluable role in liaising with families, helping to plan and manage projects, delivering gifts and helping with correspondence. In return they receive training in issues such as project management, child participation and administration.

The Board of Directors is grateful to all staff and volunteers for their commitment to Plan UK and their efforts over the last year.

Stakeholders

We insist on being open and accountable – both to our supporters and to those with whom we work. As with all our work, we strive to listen to, understand and collaborate with our stakeholders. We believe that open, honest communications are vital in making our social and environmental activities responsive and effective. We consult and work with our stakeholders so we can understand their views – this helps us to address their concerns and shape our policies and practices and create a learning environment where through consultations and dialogue, we share successes and address our setbacks.

Plan UK's principal stakeholders are the children, their families and communities we work with, our staff and volunteers, our supporters – sponsors, project donors and grant funding bodies – and the local, national and international partners, who share our aims.

(a) Staff and volunteers

Last year at Plan UK:

- all staff were trained on child protection policy and child-centred community development
- computerised Human Resources records were introduced
- relationships with a number of volunteer agencies were developed

We recruit, train, develop and strive to retain talented staff. We reward and recognise their contributions to our success. We are committed to fairness and equal opportunities. We communicate openly and effectively with our staff and volunteers, and aim to provide a safe working environment. We believe that good communications are essential in understanding what is important to our staff, what they expect and where change is needed. That's why our policy is to work as a team, communicating and responding at all levels using staff consultation and peer-to-peer groups. We will continue to develop the best ways to listen and respond to our staff needs.

(b) Children, their families and communities

When we start working with a community the first thing we do is talk to the children, their parents and community leaders to find out what is most needed and the best way to achieve lasting and sustainable solutions. Continuous communications with the children and their families is achieved through their input and participation in our projects. This applies to the design, inception and evaluation of our work. The communities' ownership, and input to the projects ensure commitment to its success, which is vital in achieving real and lasting results. When a programme is audited, the views of a cross-section of children, families and community members are obtained.

(c) Plan supporters

All Plan UK supporters, whether child sponsors, grant donors or individual supporters, receive regular updates and reports on the progress of Plan's work that they help to fund. Child sponsors receive regular communications from their sponsored child and his/her community that illustrate how, through Plan, their financial contribution is having a beneficial impact on the lives of disadvantaged children. Three reports from the field every year, a biannual magazine, project evaluations and open days aim to gather our supporters' feedback in shaping our policies and activities. In addition we carry out regular surveys. A survey was carried out in 2003 on how sponsors believe their money is spent and a further research study is underway on their perception of child sponsorship.

(d) Our partners

Plan does not work in isolation. Plan believes that true success comes from working in partnership with local, national and international organisations and governments. By doing so, Plan is not only sharing our knowledge and expertise but also ensuring that the impact of our work is strengthened. Through conferences, consultations and sharing of research and experiences Plan ensures that our work is the result of a dialogue with other organisations and partners.

Last year, Plan UK held a conference on child participation for those engaged in development.

Fundraising

Plan UK's fundraising strategy is based around several diverse sources of income; child sponsorship, grants from public funding bodies and charitable trusts, donations from companies, private donors, appeals and trading.

Plan has a clear rule that no more than 20 pence in the donors' pound can be spent on fundraising, administration and management. The ratio for Plan UK and its subsidiaries was lower than this at 18.2 (2003-16.0) pence.

Trading

The main activity of the trading subsidiary (note 12) is the sale of merchandise to sponsors of Plan UK and third parties. Turnover in 2004 was £187,829 (2003-£236,429). It is the policy of the subsidiary to make a charitable donation of any financial surplus to Plan UK (2004-£41,834 and 2003-£67,329).

PLAN International (UK)
(A Company Limited by Guarantee)

Report of Board of Directors for the Year Ended 30 June 2004 (Continued)

Legal and administrative information

Patrons:

Michael Aspel OBE
Marie Helvin
Virginia McKenna
The Lord Paul
Ruth Rendell
Dr Miriam Stoppard
Baroness Warnock of Weeke
Len Woodley QC

Directors:

J Boateng	
JLF Buist CB	
TS Barton	*Appointed 29 July 2004*
NA Chalmers	*Resigned 21 April 2004*
NC Chapman	Chairman
J Clare	
J Clark	
SA Dobson	*Resigned 29 January 2004*
PJ Drissell	*Appointed 29 July 2004*
The Hon Anne Grant	
GM Hellier	
TC Hoegh	*Appointed 29 January 2004*
JS Khan	*Appointed 29 July 2004*
MT Keane	*Appointed 21st April 2004*
DC Morley CBE	*Resigned 29th January 2004*
S Narula	
AM Penrose	*Appointed 29 July 2004*
DN Tarsh	*Resigned 21 April 2004*

Principal Officers:

Marie Staunton, Chief Executive
John Pinchard, Company Secretary
Jenny Hillyard, Supporter Relations Manager
Jeremy Cooper, Marketing Manager
Patricia Ray, Programme Manager
Sharon Goulds, Communications Manager

Registered Office:

5/6 Underhill Street,
London NW1 7HS
Tel: 020 7482 9777, Fax: 020 7482 9778
Email: mail@plan-international.org.uk

Auditors:

PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Solicitors:

Russell-Cooke
2 Putney Hill
London SW15 6AB

Bankers:

Barclays Bank
Church Street East
Woking GU21 1AE

Auditors

The auditors, PricewaterhouseCoopers LLP, have expressed their willingness to be re-appointed and a resolution concerning their re-appointment will be proposed at the annual general meeting.

By order of the Board

John Pinchard	Nigel Chapman
Company Secretary	Chairman

8th February 2005

PLAN International (UK)
(A Company Limited by Guarantee)

Independent auditors' report to the members of PLAN International (UK)

We have audited the consolidated financial statements which comprise the consolidated statement of financial activities, the consolidated and charity balance sheets, the consolidated cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors also act as trustees for the charitable activities of PLAN International (UK). Their responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the consolidated financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume any responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the consolidated financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises the message from the Chairman, the Chief Executive's Report, the narratives entitled "Our domains of work" and " Our work in the UK" and the Report of the Board of Directors .

Opinion

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the charitable company and the group at 30 June 2004 and of the net outgoing resources, including the income and expenditure, and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
1 Embankment Place, London, WC2N 6RH

8 February 2005

PLAN International (UK)
(A Company Limited by Guarantee)

Consolidated Statement of Financial Activities

(incorporating an Income and Expenditure Account) for the year ended 30 June 2004

		Unrestricted Funds	Restricted Funds	2004 Total	2003 Total
Incoming Resources		£	£	£	£
Activities in furtherance of the Charity's Objects					
Sponsor pledges		22,058,849	-	22,058,849	21,431,895
Contributions from official bodies	Note 3(a)	-	1,760,150	1,760,150	2,488,652
Other donations and appeals	Note 3(b)	65,765	3,676,630	3,742,395	4,104,110
Activities for Generating Funds					-
Trading subsidiary income	Note 12	187,829	-	187,829	236,429
Interest income		95,203	-	95,203	132,783
Total Incoming Resources		22,407,646	5,436,780	27,844,426	28,393,869
Resources Expended					
Cost of Generating Funds					
Fundraising costs		(3,576,724)	-	(3,576,724)	(3,193,464)
Trading subsidiary costs		(145,995)	-	(145,995)	(169,100)
Total Costs of Generating Funds		(3,722,719)	-	(3,722,719)	(3,362,564)
Net Incoming Resources available for Charitable Application		18,684,927	5,436,780	24,121,707	25,031,305
Charitable Expenditure					
Costs of activities in furtherance of the Charity's objectives		(20,616,458)	(5,311,028)	(25,927,486)	(20,178,354)
Support costs		(421,836)	(107,155)	(528,991)	(521,484)
Managing and administering the charity		(657,501)	(159,530)	(817,031)	(669,144)
Total Charitable Expenditure		(21,695,795)	(5,577,713)	(27,273,508)	(21,368,982)
Total Resources Expended	Note 4	(25,418,514)	(5,577,713)	(30,996,227)	(24,731,546)
Net (Outgoing)/Incoming Resources		(3,010,868)	(140,933)	(3,151,801)	3,662,323
Total Funds Brought forward		3,779,059	1,126,811	4,905,870	1,243,547
Total Funds Carried Forward		768,191	985,878	1,754,069	4,905,870

All income and expenditure relates to continuing activities.There are no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

PLAN International (UK)
(A Company Limited by Guarantee)

Consolidated and Charity Balance Sheet as at 30 June 2004

	Group 2004		Group 2003		Charity 2004		Charity 2003	
		£		£		£		£
Fixed Assets								
Tangible assets (Note 7)		171,921		199,285		169,829		199,285
Investment – shares in subsidiary undertaking (Note 12)		-		-		2		2
		171,921		199,285		169,831		199,287
Current Assets								
Stock	33,643		33,094		-		-	
Debtors (Note 8)	2,175,791		1,698,133		2,218,374		1,805,939	
Cash at bank and in hand	1,244,248		4,229,064		1,168,286		4,150,461	
	3,453,682		5,960,291		3,386,660		5,956,400	
Creditors – amounts falling due within one year (Note 9)	(1,871,534)		(1,253,706)		(1,856,413)		(1,249,817)	
Net Current Assets		1,582,148		4,706,585		1,530,247		4,706,583
Net Assets		1,754,069		4,905,870		1,700,078		4,905,870
Funds: (Note 10)								
Unrestricted Funds								
General		596,270		3,579,774		584,365		3,579,774
Designated								
-Tangible Fixed Asset Fund		171,921		199,285		169,831		199,285
Restricted Fund		985,878		1,126,811		945,882		1,126,811
Total Funds		1,754,069		4,905,870		1,700,078		4,905,870

Approved by the Board on 8th February 2005

Nigel Chapman
Director

Ian Buist
Director

PLAN International (UK)
(A Company Limited by Guarantee)

Consolidated Statement of Cash Flow for the year ended 30 June 2004

		2004	2003
		£	£
Net cash (outflow)/inflow from operating activities	(Note A)	(2,952,467)	3,227,915
Return on investment and servicing of finance –interest received		6,069	132,783
Capital expenditure:			
Payments to acquire tangible fixed assets		(38,418)	(42,507)
(Decrease)/ increase in cash	(Note B)	(2,984,816)	3,318,191

Notes To The Cash Flow Statement

A) Reconciliation of changes in resources to net (outflow)/ inflow from operating activities.

Net (outgoing)/incoming resources for the year	(3,151,801)	3,662,323
Interest income	(95,203)	(132,783)
Depreciation charges	65,782	64,070
(Increase) in debtors	(477,658)	(71,491)
(Increase) in stock	(549)	(8,913)
Increase/(decrease) in creditors	706,962	(285,291)
Net cash (outflow)/inflow from operating activities	(2,952,467)	3,227,915

B) Analysis of changes in cash and cash equivalents during the year.

Balance brought forward	4,229,064	910,873
Net cash (outflow)/inflow	(2,984,816)	3,318,191
Balance carried forward	1,244,248	4,229,064

Notes forming part of the financial statements for the year ended 30 June 2004.

1. Organisation and Purpose

Plan is an association of global not-for-profit organisations ("Plan") formed for the purpose of providing material aid and services to needy families and their communities in the developing world. To accomplish this purpose it is organised into a number of separate legal entities which include Plan International, Inc (which changed its name from Foster Parents Plan International, Inc on 1st July 2003) ("Plan, Inc"), a not-for-profit organisation incorporated in the United States of America, Plan Ltd. and fifteen national organisations. The latter represent the work of Plan in their country, fundraise and contribute to the management of Plan. Plan International (UK) ("Plan UK") is one such national organisation. Funds raised by the national organisations are used for programmes to benefit sponsored children, their families and communities through Plan, which operates field offices in forty five countries. The results of Plan UK are included in the worldwide combined accounts prepared by Plan, Inc which are publicly available.

2. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable United Kingdom accounting standards. The statement of financial activities (SOFA), balance sheet and cashflow consolidate the financial statements of the Charity and its subsidiary undertakings. The Charity has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities. No separate SOFA has been presented for the Charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 304 of the SORP.

(b) Subsidiary undertakings

The accounts of subsidiaries are consolidated with the Charity on a line by line basis. Transactions and balances between the entities are eliminated on consolidation.

(c) Company status

The Charity is a company limited by guarantee. The members of the Company are the trustees named on page 41. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

(d) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of the designated fund is set out in the notes to the financial statements. Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the

Charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The use of each restricted fund is set out in the notes to the financial statements.

(e) Incoming resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income, there is certainty of receipt and the amount can be quantified with reasonable accuracy.

Income from sponsors is accounted for on a receipts basis except that the portion of annual sponsorship contributions which relates to future periods is carried forward in the balance sheet as deferred income.

Income tax refunds on donations are recognised as income on an accruals basis for all payments covered under a deed of covenant or gift aid certificate. Grants and other income are recognised when the agreed conditions for receipt have been met and there is reasonable assurance of receipt.

Interest income includes interest earned by Plan, Inc on funds remitted to it by Plan UK which is subsequently donated back to Plan UK by Plan, Inc.

No amounts are included in the financial statements for services donated by volunteers. Other gifts in kind are recognised at a reasonable estimate of their market value to the charity.

(f) Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of the resources. Premises and other overheads have been allocated on a headcount basis. Fund-raising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Charity. Management and administration costs are those incurred in connection with administration of the Charity and compliance with constitutional and statutory requirements.

(g) Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. We do not capitalise items costing less than £200. The carrying value of fixed assets is reviewed for impairment if events or changes in circumstances suggest that their carrying amount may not be recoverable. When an impairment review is undertaken, the recoverable amount is calculated as the net present value of expected future cash flows of the relevant income generating unit.

Depreciation for all fixed assets except computer software is calculated on a straight line basis at a rate of 20% to write off the cost of the assets over their estimated useful lives. Depreciation of computer software is calculated on a straight line basis at a rate of 33%.

(h) Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value.

(i) Pension costs

Pension contributions paid by the Company in respect of employees to a defined contribution scheme are charged to the SOFA as they become payable.

(j) Operating leases

Operating lease rentals are charged to the SOFA in the period in which they are incurred.

(k) Foreign exchange transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the SOFA.

The income and expenditure of overseas subsidiaries are translated at average yearly rates. The assets and liabilities of such entities are translated at the year end rate. Any translation differences arising are included in movements on fund balances.

3. Income analysis

(a) Contributions from Official Bodies

			2004	2003
	Unrestricted	**Restricted**	**Total**	**Total**
	£	**£**	**£**	**£**
DFID	-	879,609	879,609	1,319,084
European Commission	-	520,732	520,732	943,404
Other public funding	-	359,809	359,809	226,164
Total	-	1,760,150	1,760,150	2,488,652

(b) Other Donations and Appeals

			2004	2003
	Unrestricted	**Restricted**	**Total**	**Total**
	£	**£**	**£**	**£**
Plan Ltd	-	782,362	782,362	1,411,085
Trusts	-	335,594	335,594	194,987
Corporations	-	276,681	276,681	266,007
Community Fund	-	398,703	398,703	305,774
Appeals	-	269,024	269,024	175,960
Other	65,765	1,614,266	1,680,031	1,750,297
Total	65,765	3,676,630	3,742,395	4,104,110

The donation from Plan Ltd of £782,362 (2003: £1,411,085) is a donation received under deed of covenant in order to support the companies charitable activities.

Other income includes an amount of £460,000 in respect of aid-in-kind for seed packs for Zimbabwe via the Food and Agricultural Organisation of the United Nations channelled through a partner organisation, Help, and funded by the Humanitarian Office (Echo) (2003-£nil). The balance is comprised of general donations, legacies, gifts-in-kind and raffle receipts.

4. Total resources expended

	Staff Costs	Other Direct Costs	Other Allocated Costs	Total 2004	Total 2003
	£	£	£	£	£
Fund-raising costs	625,737	2,755,497	195,490	3,576,724	3,193,464
Trading subsidiary costs	-	145,995	-	145,995	169,100
Support costs	277,894	64,916	186,181	528,991	521,484
Management and administration	507,905	169,490	139,636	817,031	669,144
Costs of activities in furtherance of the Charity's objectives	174,536	25,752,950	-	25,927,486	20,178,354
	1,586,072	28,888,848	521,307	30,996,227	24,731,546
Other Allocated Costs Include					
Audit fee of consolidated financial statements (£17,500 for charity. 2003-£ 17,300)				25,000	20,100
Non-audit fees paid to our auditors				4,912	3,231
Depreciation				65,782	64,070
Operating lease rentals - buildings				169,000	147,500

Following a detailed examination of departmental activities, certain costs have been reclassified from support to fundraising in the current year. Comparatives have been adjusted accordingly.

The costs of activities in furtherance of the Charity's objectives includes an amount of £361,898 (2003 – £306,256) which relates to development, education and communication costs in the UK. Remaining expenditure of £25,565,588 (2003-£19,872,098) represents amounts passed to Plan International, Inc which are used to cover programme and programme support costs and the costs of the central services for the programme countries and Plan International, Inc's own costs.

There are no general overheads allocated to costs of activities in furtherance of the Charity's objectives.

5. Staff costs

	2004	2003
Staff Costs	**£**	**£**
Wages and salaries	1,398,837	1,165,527
Social security	147,251	110,738
Pension costs	39,984	40,383
	1,586,072	1,316,648

The number of employees whose emoluments as defined for taxation purposes amounted to over £50,000 in the year was as follows:

	2004	2003
£70,001 - £80,000	1	-
£60,001 - £70,000	1	1
£50,001 - £60,000	-	1

The pension contributions for higher paid employees to a defined contribution scheme were £6,904 (2003 - £6,497). No employees receive benefits under a defined benefits pension scheme.

The average number of employees, calculated on a full-time equivalent basis, analysed by function was:

	2004	2003
Fundraising	15	12
Support	25	24
Management and administration	14	11
Total	54	47

6. Trustees' remuneration

None of the trustees received any remuneration during the year for services to the Company (2003 - Nil). Expenses reimbursed to trustees (where claimed) were £5 (2003 - £286). These expenses related to 1 trustee and cover out of pocket expenses in respect of travel (2003-£230) and £nil in respect of communications expenses (2003-£56).

7. Tangible fixed assets

Group	**Computer software**	**Alterations to premises**	**Furniture**	**Computer and other office equipment**	**Total**
	£	**£**	**£**	**£**	**£**
Cost					
At 1 July 2003	73,897	89,959	125,608	217,273	506,737
Additions	7,579	546	5,672	24,621	38,418
Disposals	-	-	-	(1,121)	(1,121)
At 30 June 2004	81,476	90,505	131,280	240,773	544,034
Accumulated depreciation					
At 1 July 2003	68,396	26,893	96,054	116,109	307,452
Charge for the year	4,403	16,632	8,593	36,154	65,782
Disposals	-	-	-	(1,121)	(1,121)
At 30 June 2004	72,799	43,525	104,647	151,142	372,113
Net book amount					
At 30 June 2003	5,501	63,066	29,554	101,164	199,285
At 30 June 2004	**8,677**	**46,980**	**26,633**	**89,631**	**171,921**

The disposals relate to old assets which have been fully depreciated and are no longer being used.

Charity	Computer software	Alterations to premises	Furniture	Computer and other office equipment	Total
	£	£	£	£	£
Cost					
At 1 July 2003	73,897	89,959	125,608	217,273	506,737
Additions	6,200	546	5,672	23,445	35,863
Disposals	-	-	-	(1,121)	(1,121)
At 30 June 2004	80,097	90,505	131,280	239,597	541,479
Accumulated depreciation					
At 1 July 2003	68,396	26,893	96,054	116,109	307,452
Charge for the year	4,097	16,632	8,593	35,997	65,319
Disposals	-	-	-	(1,121)	(1,121)
At 30 June 2004	72,493	43,525	104,647	150,985	371,650
Net book amount					
At 30 June 2003	5,501	63,066	29,554	101,164	199,285
At 30 June 2004	**7,604**	**46,980**	**26,633**	**88,612**	**169,829**

8. Debtors

	Group 2004	Group 2003	Charity 2004	Charity 2003
	£	£	£	£
Official Bodies	582,468	193,239	582,468	193,239
Income tax recoverable	1,240,506	1,453,868	1,240,506	1,453,868
Prepayments and accrued income	315,632	45,633	314,559	45,633
Other debtors	37,185	5,393	80,841	113,199
	2,175,791	1,698,133	2,218,374	1,805,939

Other debtors for the Charity include an amount of £28,401 (2003-£110,164) receivable from the trading company (see note 12).

9. Creditors

	Group 2004	Group 2003	Charity 2004	Charity 2003
	£	£	£	£
Trade creditors	189,061	195,562	181,694	195,562
PAYE and national insurance contributions	42,302	34,859	41,430	34,859
Deferred income	753,935	789,622	753,935	789,622
Accruals	53,597	44,748	46,801	40,859
Other creditors	832,639	188,915	832,553	188,915
	1,871,534	1,253,706	1,856,413	1,249,817

Other creditors includes an amount payable to Plan Ltd of £817,638 (2003 - £188,915) and for the Charity include an amount of £11,167 (2003-£nil) payable to Plan Ireland (see note 12).

The movements in deferred income are analysed below:

Group and Charity	2004	2003
	£	£
Deferred Income at 1st July	789,622	761,298
Amounts released from previous years	(686,292)	(751,018)
Incoming resources deferred in the year	650,605	779,342
	753,935	789,622

Commitments under operating leases in respect of land and buildings in the following financial year are as follows:

Operating lease expiring:				
Within two to five years	192,500	147,500	192,500	147,500

10.Statement of funds

Group	Balance 1st July 2003	Net Incoming Resources Available for Charitable Application	Total Charitable Expenditure	Transfers	Balance 30th June 2004
Unrestricted Funds:	£	£	£	£	£
General Reserve	3,579,774	18,684,927	(21,695,795)	27,364	596,270
Designated Funds					
Tangible fixed asset fund	199,285	-	-	(27,364	171,921
	3,779,059	18,684,927	(21,695,795)	-	768,191
Restricted Funds	1,126,811	5,436,780	(5,577,713)	-	985,878
Total Funds	4,905,870	24,121,707	(27,273,508)	-	1,754,069

Charity	Balance 1st July 2003	Net Incoming Resources Available for Charitable Application	Total Charitable Expenditure	Transfers	Balance 30th June 2004
Unrestricted Funds:	£	£	£	£	£
General Reserve	3,579,774	18,790,141	(21,815,004)	29,456	584,367
Designated Funds					
Tangible fixed asset fund	199,285	-	-	(29,456	169,829
	3,779,059	18,790,141	(21,815,004)	-	754,196
Restricted Funds	1,126,811	5,167,059	(5,347,988)	-	945,882
Total Funds	4,905,870	23,957,200	(27,162,992)	-	1,700,078

The transfer made between general and designated funds is effected to match the net book value of fixed assets with a designated fund (see note 7).

11. Analysis of assets between funds

Group	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total Funds
	£	£	£	£
Fund Balances at 30 June 2004 are represented by:				
Tangible Fixed Assets	-	171,921	-	171,921
Current Assets	2,448,566	-	1,005,116	3,453,682
Current Liabilities	(1,852,296)	-	(19,238)	(1,871,534)
	596,270	171,921	985,878	1,754,069
Fund Balances at 30 June 2003	3,579,774	199,285	1,126,811	4,905,870

Charity	Unrestricted Funds General	Unrestricted Funds Designated	Restricted Funds	Total Funds
	£	£	£	£
Fund Balances at 30 June 2004 are represented by:				
Fixed Assets	-	169,831	-	169,831
Current Assets	2,421,540	-	965,120	3,386,660
Current Liabilities	(1,837,175)	-	(19,238)	(1,856,413)
	584,365	169,831	945,882	1,700,078
Fund Balances at 30 June 2003	3,579,774	199,285	1,126,811	4,905,870

The designated fund comprises amounts set aside to finance the future depreciation cost of the Company's fixed assets. Restricted funds are those subject to specific restrictions imposed by donors or which have been raised by the Charity for particular purposes, and the tables above show those net assets at year end which can be attributed to restricted activities.

12. Investments - Subsidiary undertakings

Charity	**2004**	**2003**
	£	**£**
Shares in subsidiary undertaking	2	2

Plan UK owns the entire issued share capital of Foster Parents Plan International (UK) Ltd, a trading company whose business is the sale of merchandise to sponsors of Plan and third parties. It is the policy of the subsidiary to make a charitable donation of any material financial surplus to Plan UK.

Plan Ireland Charitable Assistance Limited ("Plan Ireland"), a charity registered in Ireland falls to be treated as a subsidiary. Operations in Ireland are being funded by Plan UK by way of a grant until June 2005. All funds raised there are passed directly to Plan. Trading started in the financial year to 30th June 2004.

Subsidiary	**Foster Parents Plan (UK) Ltd**		**Plan Ireland**	
	2004	**2003**	**2004**	**2003**
	£	**£**	**£**	**£**
Total Incoming Resources	187,829	236,429	606,429 [1)]	Nil
Total Resources Expended	145,995	169,100	518,108	Nil
Total Net Assets	2	2	86,505	Nil

[1)] Including a grant of £237,177 from Plan UK

PLAN International (UK)
(A Company Limited by Guarantee)

Plan would like to thank the following trusts, statutory funders, corporate and individual donors, who have supported our work, over the past financial year:

Institutions:

DFID
European Commission
European Commission Humanitarian Aid Office – ECHO
Community Fund
Comic Relief
The Isle of Man Overseas Aid Committee
The State of Jersey Overseas Aid
The States of Guernsey Overseas Aid Committee

Trusts and Foundations:

A M Perry Charitable Trust
Mr & Mrs J A Pye's Charitable Settlement
The Casey Trust
Leach No. 14 Trust
Madeline Mabey Trust
Sir Halley Stewart Charitable Trust
Mary Webb Trust
Heald Charitable Trust
Beatrice Laing Charitable Trust
Ryklow Charitable Trust
Medas Barnfond Trust
The Edward Greene Foundation
Rufford Maurice Laing Foundation
The Eleanor Rathbone Trust
Allan & Nesta Ferguson Trust

Corporate:

Accenture (UK) Limited
Accor
Capital International Limited
Charity Challenge
Galaxy Lifestyles International
GlaxoSmithKline
Superclean Support Services

Donors:

INSEAD
Mr Deveau
Mr Spencer
Mr Horne
Mr Horwich
Mr Hellier
Ursula Van Almsick
And several other anonymous donors

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