



PLAN UK ANNUAL REPORT & ACCOUNTS 2005



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WHERE WE WORK - AFRICA AND EASTERN EUROPE

PROGRAMME COUNTRIES

Eastern Europe

01 **Albania**

Africa

02 **Benin**

03 **Burkina Faso**

04 **Cameroon**

05 **Egypt**

06 **Ethiopia**

07 **Ghana**

08 **Guinea**

09 **Guinea Bissau**

10 **Kenya**

11 **Malawi**

12 **Mali**

13 **Niger**

14 **Senegal**

15 **Sierra Leone**

16 **Sudan**

17 **Tanzania**

18 **Togo**

19 **Uganda**

20 **Zambia**

21 **Zimbabwe**

DONOR COUNTRIES

22 **Belgium**

23 **Denmark**

24 **Finland**

25 **France**

26 **Germany**

27 **Ireland**

28 **The Netherlands**

29 **Norway**

30 **Spain**

31 **Sweden**

32 **United Kingdom**



WHERE WE WORK - LATIN AMERICA AND THE CARIBBEAN

PROGRAMME COUNTRIES

- 33 **Bolivia**
- 34 **Brazil**
- 35 **Colombia**
- 36 **Dominican Republic**
- 37 **Ecuador**
- 38 **El Salvador**
- 39 **Guatemala**
- 40 **Haiti**
- 41 **Honduras**
- 42 **Nicaragua**
- 43 **Paraguay**
- 44 **Peru**

DONOR COUNTRIES

- 45 **Canada**
- 46 **United States**



WHERE WE WORK - ASIA

PROGRAMME COUNTRIES

- 47 **Bangladesh**
- 48 **Cambodia**
- 49 **China**
- 50 **East Timor**
- 51 **India**
- 52 **Indonesia**
- 53 **Nepal**
- 54 **Pakistan**
- 55 **The Phillipines**
- 56 **Sri Lanka**
- 57 **Thailand**
- 58 **Vietnam**

DONOR COUNTRIES

- 59 **Australia**
- 60 **Japan**
- 61 **Republic of Korea**

A MESSAGE FROM PLAN UK CHAIR NIGEL CHAPMAN



Fostering the citizens of tomorrow

In democratic countries like the United Kingdom, people of all ages participate in public life in many ways – we debate issues with friends and neighbours, write to newspapers on the rights and wrongs of government policies and we march to demonstrate our point of view, like many did last Summer during the G8. We value the “open spaces” we have for free political debate and the diverse ways in which people can express their views.

All these activities give us a say in the decisions affecting our lives and are the essence of our democratic life.

Imagine being a child or a young person in a developing country; the chances are there would not be an opportunity to influence decisions affecting your life. Many children and young people, especially in Africa, are often not recognised as being able to add value to the decision-making process and have had no experience of good governance from the adults around them.

At Plan, we know that when young people are consulted about the location of a new health clinic, or the design of a new school, for example, there is a better chance they will be built in the right place, with the right facilities, meeting the needs of entire communities, and being more effective in their development.

We also know that children’s participation is vital if we are to ensure their valuable perspectives and experiences inform social and economic changes in their community. This helps make certain that the development of their community is responsive to their actual needs and that society today is shaped by the young people, who will inherit responsibility for running it tomorrow.

Plan promotes the participation of young citizens at local, municipal and national level. Through children’s clubs in Asia, Africa and children’s participatory budget councils in Latin America, we aim to foster citizenship among children and teenagers. In Brazil, for example, children elect their peers to a children’s council, which is responsible for a small portion of the community budget for use on the priorities determined by the council. Each year, new projects are selected – including repairs to schools, better security, improving playgrounds, drainage and tree planting. The child councillors take great pride in inaugurating the projects funded from the budget. Although the budget is small, the projects become disproportionately significant, enabling a range of issues to be addressed, which are important for the development of children and teenagers as citizens.

Children’s participation can also spread the word about important health issues, helping to highlight harmful behaviours, including the dangers of unprotected sex in the context of HIV/AIDS.

At a local school in the Bawjiase District in South-West Ghana, I spent some time with the young people as they took part in a series of role-plays, which provided basic health education about HIV/AIDS and on how they can help their community to prevent it. Teenage girls in the class were very outspoken about the risks older men in the village pose to their health, saying they needed condoms the same as younger men.

These are only a couple of examples of how child participation is helping us be more effective and make sure children lead their own development for the future. With your support, we can continue to be a child-centred community organisation reaching out to more children, and demonstrating that the participation of children in shaping the future can make the difference between hope and reality.

N.C. Chapman

Nigel Chapman
Plan UK Chair

23 February 2006



CHIEF EXECUTIVE'S REPORT

Plan's long-term work was challenged over the last year by a series of emergencies, natural and man-made disasters, as well as the deepening emergency of HIV/AIDS, which wiped out progress made by some communities. Plan's mission is to work with children and their families in some of the world's poorest countries to improve their chance of survival, their healthcare, their education and their livelihood, giving them the opportunity to realise their potential, to participate in society, and eventually to hold their governments to account.

This year we learnt that training young people to reduce the effects of disasters on their communities, by knowing where the safe places are, how to evacuate a community, and communicate their needs, is one of the most important things we do. 2005 was a difficult year for many parts of the world. The Asian tsunami, famine in Niger, floods in Pakistan, Vietnam and the Philippines, conflict and the displacement of children in Darfur, cyclones and hurricanes in Bangladesh and Central America are some of the most publicised events that have affected some of the communities we work with.

As a grassroots agency, Plan was well placed to help communities react swiftly in the areas where we work. In tsunami-affected Hambantota, Sri Lanka, for example, we knew the local community leaders, the children and their families well, and, together, we responded at once to the immediate needs of children. We provided emergency food, shelter and basic healthcare. We worked in camps where children could slowly return to some form of routine. Plan's experiences have shown that children in such situations benefit from going to school – even if school in these circumstances begins as a makeshift shelter. This helped keep children safe, gave them some purpose, and made it easier for them to carry on with their lives once the emergency was over. Since then, thanks to the generous contributions of our supporters and donors, we have assisted communities to rebuild their lives.

We know that the number of disasters worldwide has increased threefold since the 1970s and although natural disasters are inevitable, we believe that the number of deaths resulting from these events is not. For this reason, Plan brought key staff together to write down the lessons learned from emergencies over the past five years, and put together a guide on disasters for all Plan staff and volunteers.

As well as providing children with relief and protection during these crises, Plan worked hard to assist children and their families to improve the chance of a better future. In Niger, we distributed food for vulnerable families in the Tillabery area, reaching over 24,500 households early enough to help them overcome the worse of the 'hunger season' and get off the danger list. We continued our food security projects in Niger and other countries in Africa, assisting communities prevent future food crises.

2005 also offered great opportunities to give children a voice in the discussions about the future of Africa when the G8 came to Edinburgh. As children form half the population of many African countries, young people working with Plan were determined to increase governments' commitment to, and investment in, tackling child poverty.

Because Plan is able to work with communities long term, between 10 and 15 years, we develop an understanding of what local and national governments should be doing for children and how to enable young citizens to claim their rights. In Honduras, for example, a group of children and young people succeeded in putting pressure at municipal level to close down the community bars, to stop men coming home drunk and hitting them and their mothers.

We used our expertise in influencing governments and other key players at local, regional and international level over the past year. We linked the concerns of grass-root communities to worldwide advocacy through international coalitions. These included the UK Make Poverty History campaign, the Global Campaign for Education, as well as the Pan African Hope for African Children Initiative, which won the backing of Bishops and Imams on how to protect AIDS orphans.

Last year, Plan launched its international advocacy campaign for the promotion of universal birth registration. If a child's birth is not registered, they have no official identity, they can be prevented from receiving healthcare, going to school, owning land, voting and having a passport. The campaign achieved outstanding results. For example, within 10 months of Plan's mobile civil registration campaign, 7 million Cambodians – 56 per cent of the total population – have now received their birth certificates. As a member of the Global Movement for Children's 'Lesson for Life', we produced materials to assist schools around the world to conduct lessons on HIV/AIDS, with over 40,000 children taking part.

In the UK, we organised a conference for children from developing countries and the UK on the importance of their participation in health projects. The children met with representatives from 35 health and child-related organisations and presented their work to policy and decision-makers in the UK. As a result, Plan UK was invited to make a presentation at the launch of the Department for International Development's Action Plan on Children and Young People.

In response to the Government's Commission for Africa, Plan in the UK developed an internet-linking project in which 52 schools in the UK and Africa discussed the future of the continent. A report on the project with suggestions, conclusions and recommendations from the young people was published and presented to the G8 leaders' spouses.

The response of our supporters to the work we have done this year has been inspirational. The number of UK supporters has increased, so has our income; our appeals have also been successful, resulting in Plan assisting more children and their families. We have found that an increasing number of companies find Plan's practical grassroots approach attractive and the experience of seeing a school or health centre being built is motivational for their staff.

This year we also launched our 5-year strategy looking at consolidating Plan as a leading child-centred community development organisation, reaching more children and providing focus for all our work. Through this strategy we aim not only to further improve our effectiveness, but also to continue to be demonstrably accountable to communities and donors for how we use the resources entrusted to us.

Thank you to everyone who supported this vital work.

Marie Staunton
Plan UK Chief Executive





OUR VISION, MISSION AND APPROACH



About Plan

PLAN International UK ("Plan UK"¹) is a child-centred community development organisation with no religious or political affiliations, that makes long-term commitments to children in poverty and assists as many children as possible, by working in partnerships and alliances with them, their families, communities, civil society and government, building productive relationships and enabling their voices to be heard and recognised in issues that affect them.

Our structure

Plan UK is a registered charity in the United Kingdom, number 276035 and is constituted as a company limited by guarantee, registered number 1364201.

One of 16 national organisations² working for the rights of children, families and communities in some of the world's poorest countries, Plan UK is internationally associated with Plan International, Inc, ("Plan Inc").

The funds raised through Plan UK and the other 15 national organisations are pooled and allocated by Plan Inc to the management of development programmes in 45 developing countries³. A small International Headquarters is located in the United Kingdom and supervises the programme operations.

This structure allows Plan to invest as much of our funds in development projects as possible, which directly supports the beneficiary children, their families and communities, whilst keeping costs at a minimum and reducing the risk of duplication.

Our 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.

Our 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 people of different cultures and countries;
3. Promoting the rights and interests of the world's children.

¹ In this report, PLAN International UK is to be referred to as "Plan UK", and Plan Inc and the 16 national organisations as "Plan" or "Plan Worldwide".

² National organisations: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland (proposed from November 2005, subject to the adoption of a formal resolution), Japan, Korea, the Netherlands, Norway, Spain, Sweden, United Kingdom and the United States.

³ 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.

Our approach

In 1937, British war correspondent John Langdon-Davies and his friend Eric Muggeridge set up Foster Parents Plan for Children in Spain, to help children orphaned by the Spanish Civil War.

They established 'colonies' throughout England for child refugees from Spain and then during the Second World War – from most of Europe. In the colonies children were provided with shelter, food and the necessary stability and support to grow into confident men and women capable of facing life ahead of them.

In the following decades, Foster Parents turned its attention from Europe to the developing world where child poverty was not a side-effect of war, but a permanent condition. In these countries, because of extreme poverty many younger children were traditionally placed in orphanages, whilst their older siblings had to work. With the collaboration of the communities, the poorest families were assisted through Plan's sponsorship programme.

In the early years, sponsorship benefited an individual child and his or her family. But this created inequality and did not tackle the causes of child poverty. A new model of sponsorship was developed – child-centred community development – in which the sponsored children are more like ambassadors: funds raised in their names support projects that benefit all the children in all the communities Plan works with.

Child sponsorship has a number of benefits. It is successful at motivating donors to make a long-term investment. Sustainable development takes time and this funding base means Plan can respond to the long-term needs of the communities.

Sponsorship brings tangibility and accountability to donors. They see the enormous investment and effort that the communities put into their own development. They gain a real understanding of the complex issues facing these communities and of the fact that development can be a long process. This enables sponsors to be vital advocates on behalf of children, working to end child poverty and championing children's rights both in the UK and abroad.

Renamed in the 1990s, Plan now has over one million sponsors and 70,000 local volunteers, working with 90,000 communities in 45 of the poorest countries in the world. It aims to bring lasting changes through long-term, wide-ranging development projects.

From the outset, Plan has seen children's participation as essential to the success of its work and has truly valued their perspective. Children's councils helped to run the early colonies, while today a Children's Advisory Panel in the UK raises children's awareness of Plan's work and campaigns on children's issues.

Plan consults with children, their parents, and their communities in the countries where it works 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, train nurses and help families to better support themselves.

Plan seeks to ensure that children are actively involved in the decision-making process with adults who value their contribution.

At the end of our partnership with a community, often 10-15 years later, Plan aims 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 future generations.

Plan at a glance

- Established in 1937 by a British journalist and a British aid worker in response to the plight of children orphaned by the Spanish Civil War,
- Offices in 63 countries: working in more than 90,000 communities – mainly rural,
- Integrated community-managed programmes and advocacy for vulnerable children for 45 developing countries,
- Advocacy, development education and fundraising for child-centred community development in 16 richer countries,
- Global income in 2005: over \$501 million,
- Over 1 million sponsors worldwide, and 118,000 sponsored children in the United Kingdom and Ireland,
- Over 6,900 staff, 97.5% of whom are local, and over 60,000 community volunteers,
- A participatory, planning monitoring and evaluation system in all programme areas,
- Representatives at the European Union and liaison with NEPAD, the African Union and the Organisation of American States.

OUR OBJECTIVES



Plan UK's 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.

In the 1980s Plan worked with the adults of its partner communities to implement development programmes aimed at addressing the needs of disadvantaged children.

Over the last few years, with an increased focus on children's rights, Plan has seen how children's participation and putting children's interests at the centre of their own development, makes our work more relevant and effective. For this reason, at the beginning of the 2000s Plan further defined and expanded its identity and role as a child-centred community development organisation, approving Strategic Directions that reflect this approach.

In line with these directions, Plan UK has adopted the following as its objectives:

To practise a child-centred approach⁴ to community development, enabling children, families and communities to address children's needs and rights and realise their potential. Children's realities, hopes and aspirations are guidelines for our work. In our experience, their voices are essential when planning how to tackle problems faced in poor communities. By listening to the children, Plan can learn more about their realities and thereby help create a more child-friendly world in the future – together. Plan UK wants to:

- Continue working with disadvantaged girls and boys and their families to facilitate their participation in the development process in order to overcome gender and other inequalities;
- Capture and disseminate Plan's learning and experience in child-centred community development through the production of papers, publications and other media;
- Work with partners to replicate successful programme experiences beyond our programme areas and reach more children;
- Build Plan's competence and that of children, communities, sponsors and other partners to influence decisions and priorities of institutions at local, national and international levels on poverty and the wellbeing of children.

⁴ Child-centred community development is a rights-based approach in which children, their families and communities are active and leading participants in their own development. It enhances their capacity and opportunity to work together with others to address the structural causes and consequences of child poverty at all levels.

To make long-term commitments to children living in poverty and focus our programme work in poorer developing countries, in poorer areas within those countries and with poorer population groups. Plan UK wants to:

- Target poorer developing countries and programme areas where Plan is able to work and the poorer groups of children that are able to participate in and benefit from our long-term approach to child-centred community development;
- Adapt our long-term approach to child-centred community development to work with children and young people in urban settings and those in especially difficult circumstances, including street children, AIDS orphans and working children;
- Continue working with children, families and communities to reduce their vulnerability and prepare for disasters and emergencies.

To mobilise resources to assist as many children as possible and enhance the capacity of children, families and communities to access and manage resources locally. Plan UK wants to:

- Maximise our income to assist more children;
- Facilitate the generation of resources in the countries where we work;
- Assist communities and local organisations mobilise local and external resources;
- Strengthen training for communities on managing resources.

To build relationships enabling 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. Plan UK wants to:

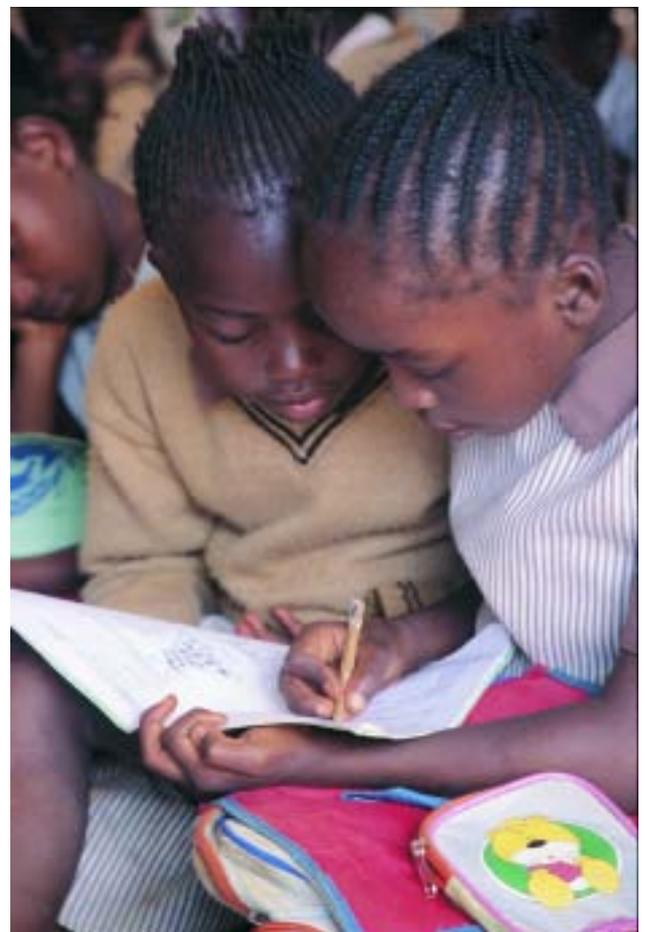
- Ensure that children and their communities play a key role in their development programmes, by involving them in planning, carrying out and monitoring projects;
- Facilitate opportunities for children to build relationships and engage in action to address their needs and rights;
- Work with local organisations and partners to implement projects, learning from their local expertise and knowledge;
- Invest in development education programmes in the UK and in programme countries to raise the awareness of children, families, communities, partners and supporters interested in development issues.

To work in partnerships and alliances to further promote children's rights and address their needs. Plan UK wants to:

- Continue to work with local partners and governments in providing communities with the skills and resources necessary to implement their development plan and expand our impact to wider groups of children;
- Form partnerships and alliances with governments and other stakeholders in the UK and our programme countries to work together on issues that prevent children from realising their potential.

To ensure the voices of children are heard in discussions influencing policy in the interests of children at local, national and international levels. Plan UK wants to:

- Build Plan's competence and that of children, communities, sponsors and other partners to influence decisions and priorities of institutions at local, national and international levels on poverty and the wellbeing of children and express their views through different media and at all levels;
- Bring people together through events, workshops, meetings and conferences;
- Produce and distribute information relevant to child rights;
- Link with colleagues from other organisations and groups who are fighting child poverty;
- Develop policies to guide advocacy work and the involvement of our supporters in policy debates.



OUR ACTIVITIES

Plan UK's main activities are: fundraising, development education, advocacy and communication, and programme activities, including emergency relief effort.

Fundraising

In 2004/5 Plan UK raised income in excess of £30 million for the first time in its history, well on the way to the target set last year of £35 million by the end of 2007.

This significant milestone is the result of continuous growth over the past 10 years, thanks to the loyalty of supporters, continued success in recruiting new sponsors, and generous responses to appeals for emergency work.

In 2004/5 Plan UK said it would:

- Consolidate its position as a leading child sponsorship agency in the United Kingdom;
- Raise awareness of Plan's work amongst institutional bodies and develop working partnership with them to tackle the underlying causes of child poverty in the countries where Plan works, resulting in an increase in contributions from official bodies;
- Focus on getting our supporters in the UK further involved in Plan's work and increase their support and contributions;
- Maximise the impact of Plan's emergency work through an increase in funding for our relief effort.

In 2004/05 Plan UK raised funds through:

Child sponsorship

During the year:

- 75.6% of Plan UK's income came from sponsors' regular contributions. These contributions enable us to make long-term commitments to communities and children living in poverty;
- The number of sponsors increased by 3.3% to over 118,000 which is within 3% of the target set last year. Over the past five years, the number of people sponsoring a child through Plan UK has increased by 37.5%.

Underlying each year's activities is a marketing plan against which results are continuously monitored and evaluated in order to minimise costs and maximise long-term revenue.

Contributions from official bodies

During the year, Plan UK:

- Was successful in attracting new funds through large and smaller grants;
- Secured the first funding between the European Community and our Colombian office;
- Received a £1 million grant (of which £338,552 was recognised as income in 2004/2005) for reconstruction work in tsunami-affected countries from the Disaster Emergency Committee through a twinning relationship with Save the Children UK;
- Was awarded a €650,000 grant from the Humanitarian Aid Department of the European Commission for post-tsunami rehabilitation work in India (of which £224,752 was recognised as income in 2004/2005).

Other Donations and Appeals

During the year, Plan UK:

- Increased income from other donations and appeals by 23.3% to £4,831,000. Plan UK's Tsunami Children's Appeal was a central focus of fund-raising activity in 2004/5 and raised £660,000 for our work with families affected by the tsunami;
- Invested in the creation of an emergency officer position, responsible for streamlining our response to disasters and sharing learning on disaster risk reduction within countries where we are already present, and liaising with funding bodies to make sure we effectively respond to the needs of those affected.

In the future, Plan UK will:

- Increase income and build awareness – Plan UK has started a 5-year plan to build awareness and diversify income by 2010;
- Further consolidate Plan UK's relationship with its supporters. After consultation with UK supporters, Plan UK has developed a complaints procedure by recruiting a volunteer ombudsperson;
- Continue to enhance volunteers and staff skills to further grow our fundraising efforts. Plan UK will continue to enhance staff members' management and leadership capabilities through the provision of training and its Middle Management Programme, aimed at addressing skills needed within the organisation. Last year, Plan UK provided UK staff with over 130 hours of IT training and it will continue to encourage staff members to broaden their skill-set. Plan UK also launched an internship scheme, which nurtures fresh talent for future positions in areas such as marketing, communications, development education and advocacy;
- Integrate IT systems to improve information management for our fundraising activities and reduce long-term costs. Over the last years, Plan has upgraded and introduced several information management systems: Ndugu or PPM (Programme and Projects Module which gives information on the development programmes in developing countries), BIONline (our datawarehouse system, providing management information about our outputs and expenditure) and PlanSYS (our supporter's database system allowing Plan a more personalised communication system with our supporters). These systems, increasingly stable, are making core information on our programme countries more accessible and more widely shared among staff, and are reducing our costs.



Development Education

Plan believes the quality of children's lives depends greatly on the nature of their relationships with other children and the adults on whom they depend for their wellbeing. An important component of being a child-centred community development organisation is the building of relationships among and between groups of children, adult community members, supporters, governments and other development organisations and coalitions to promote understanding, action and intercultural exchange on children's issues.

Development education⁵ is thus essential to our work of raising awareness of the realities of children's lives and encouraging official bodies, non-governmental organisations and other groups to contribute in addressing children's needs and rights in the countries where Plan works and in the United Kingdom.

⁵ Development education is broadly understood to be activities that promote public knowledge and understanding of development issues and, through improved awareness of our global interdependence, encourage joint action to make the world a more equitable place.



In 2004/5 Plan UK said it would:

- Demonstrate the effectiveness of building relationships through development education;
- Establish a Children's Advisory Panel to coordinate the work of Plan UK with young people in the UK and developing countries.

During the year, Plan UK:

- Produced materials to assist schools around the world to conduct lessons on HIV/AIDS on World AIDS Day, 1 December, as a member of the Global Movement for Children's 'Lesson for Life'. In the UK, about 150 schools, involving 45,000 children, took part;
- Recruited a Children's Advisory Panel. 8 children became involved in the first Plan UK's Children Advisory Panel helping to shape our work with young people in the UK and across programme countries;
- Arranged for children from the field to explain the importance of child participation to UK supporters;
- Organised workshops and training for staff in the UK on the importance of child participation and our child-centred approach;
- Organised an online discussion forum for schools on the Young People's Commission for Africa project and produced educational materials.

In the future, Plan UK will:

- Develop a new development education website which will act as a portal to access a range of Plan's development education resources;
- Establish a Development Education Advisory Panel (DEAP) made up of teachers and experts in the field to advise and guide our development education work;
- Explore the possibilities for establishing strategic partnerships with other Plan offices and external organisations to increase our impact;
- Produce global learning resources to be used interactively in UK schools;
- Facilitate a schools' online discussion forum on Identity, Rights and Responsibilities and produce online educational resources.



Advocacy⁶ and Communication

Plan UK's advocacy style is constructive, builds relationships and is based on our practical experience of working with children at grassroots. Children, families, communities and partners express their views through different media and in forums at all levels. And although advocacy is still a relatively new area for Plan UK, the organisation has achieved recognition as a voice for children's rights with particular focus on advocating for increased child participation and has established a track record in facilitating children to advocate for themselves. As a result of some of our activities in 2004/5, Plan UK was invited to make a presentation at the launch of the Department for International Development (DfID)'s Action Plan on Children and Young People.

In 2004/5, Plan UK said it would:

- Focus its advocacy work on ensuring that children have a say in their own development;
- Investigate how children's involvement in health is contributing to better healthcare for children and their families;
- Continue its work in becoming a recognised voice for children;
- Reflect its child-centred approach to community development and respect the dignity and rights of children, their families and communities in all our communication and marketing reportings to donors and other stakeholders;
- Develop its supporters and get them further involved in Plan's work.
- Organised a series of lectures and discussions on social protection in collaboration with the Overseas Development Institute in London;
- Continued to work with other non-governmental organisations, governments and international organisations to influence decision-making and promote best practice in addressing children's issues. Plan UK is a member of international coalitions, including MakePovertyHistory, Global Movement for Children, Grown up Free from Poverty Coalition, Build, Development Education Association and Global Campaign for Education;
- Focused Plan UK's publications and website on child participation and child-centred approach.

During the year, Plan UK:

- Developed the Young People's Commission for Africa project in response to the Prime Minister's Commission for Africa, an internet-linking project in which 25 schools in the UK and 25 schools in Africa discussed the future of Africa and published a report;
- Arranged for children from Kenya and Malawi to meet the wives of the G8 leaders to discuss challenges facing Africa's children. They were interviewed by UK TV, radio and press;
- Facilitated the involvement of 15 young health activists from 5 developing countries and 7 from the UK to take part in a conference on the importance of their participation in health projects. The young people met with representatives from 35 health and child-related organisations and presented their work to policy and decision-makers in the UK;
- Arranged for young people from the Philippines and Uganda to join 100 children from 6 Birmingham schools to discuss Adolescent Health at the Birmingham Young People's Parliament. The debate focused around issues of violence, HIV/AIDS and adolescent reproductive health;



⁶ Advocacy is defined within Plan UK as a concerted course of action, using information strategically, to change legal frameworks, policies or behaviours of decision-makers to improve the lives of disadvantaged children.

In the future, Plan UK will:

- Influence policy development in the area of social protection so that governments support children and their families in poor countries with pensions, benefits and the abolition of school and health fees;
- Document and reflect on Plan's experience in delivering social protection in our programmes in poor countries;
- Continue its advocacy work in ensuring that children have a say in their own development;
- Bring to the attention of UK parliamentarians issues surrounding social protection in developing countries.



PROGRAMME ACTIVITIES

Over the last year, Plan has increased its global income⁷ from \$430.2 million (restated) to \$501.4 million reaching to more children and their families in developing countries, with over 1 million sponsors worldwide. As Plan has grown in size, it has developed controls and systems that are responsive to the new challenges, making sure it is effective and accountable. In addition, Plan has strengthened its reporting systems for monitoring expenditure funded using restricted income. Plan's internal audit procedures are used to monitor the effectiveness of the controls relating to risks that threaten the achievement of its objectives.

In the Americas

In Latin and Central America, Plan is present in Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, Peru.



During the year, Plan:

- Reduced Child and Infant Mortality through the support of Primary Health Care activities, including expansion and improvement of basic health infrastructure, training of community volunteers and professional health staff, promotion of breastfeeding, general health promotion and training for children and families, provision of drinking water and basic sanitation;
- Improved maternal health and reduced maternal mortality through the expansion of pre and post-natal care services, vaccination campaigns, and promotion of birth spacing;
- Improved primary education through building new schools, training teachers, providing educational materials and promoting more active participation of children and parents in the educational process;
- Prevented HIV/AIDS through awareness raising and information campaigns;
- Promoted a participative development process involving children, families, communities, local governments and other institutions.

In addition to this, other issues addressed in different countries of the region included microfinance programmes, projects related to the development of adolescents, including sexual orientation and AIDS prevention, prevention of drug/alcohol abuse, and vocational training.

Last year, Plan spent \$92 million on child-centred community projects across the region and below are some of the outputs achieved in the region:

- 550 training courses were run for community health workers;
- 21 health centres were constructed and 345 were renovated and equipped;
- 5,177 patients received medical treatment and 23,960 individuals were trained on first aid and medical assistance;
- 60,532 children from 392 communities were immunised;
- 42,047 children under-5 received supplementary micronutrients;
- 35,225 families were provided with notebooks, pens and pencils for their children;
- 17,306 girls and 15,713 boys received primary school scholarships;
- 1,055 participants took part in 30 campaigns raising awareness on gender issues;
- 11,805 home latrines were constructed or upgraded;
- 3,878 farmers received agricultural training;
- 1,689 women received vocational training;
- 1,247 events were organised to increase awareness of children's rights.

⁷ The global income is the result of the funds raised through Plan UK and the other 15 national organisations pooled together. The funds are allocated to Plan Inc for the management of Plan's development programmes in 45 developing countries, so reducing overall costs and avoiding the risk of duplication.

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 to assess our impact.

For example, in Colombia fundamental issues identified by local children and their families were the low awareness of sexually transmitted diseases among young people, and increased cases of domestic violence. Plan, in collaboration with local community-based organisations, set up a project aimed at reducing the incidence of cases of violence against children, training volunteer facilitators on peace mitigation, and producing and distributing materials for young people on Sexually Transmitted Diseases (STDs) and HIV/AIDS.

Our evaluation process reveals that:

- The percentage of mothers with basic knowledge of sexually transmitted diseases increased from 11.5% to 54%;
- The percentage of young people with knowledge on HIV/AIDS increased from 47.6% to 54%; and
- The number of domestic violence cases dropped from 21% to 15%.



In Asia

In Asia, Plan is present in Bangladesh, Cambodia, China, East Timor, India, Indonesia, Nepal, Pakistan, Philippines, Sri Lanka, Thailand, and Vietnam.



During the year, Plan:

- Worked in partnership with community-based organisations, national and local government services and local organisations to protect children from exploitation and abuse;
- Provided health and education services, clean water and sanitation, and improved habitats, and provided access to microfinance and other schemes to improve household economic security;
- Continued to work with United Nations agencies (UNICEF, UNESCO, WHO), bilateral development agencies (CIDA, DfID, USAID) and international and national organisations on major initiatives covering more than one country in the region;
- Collaborated with UNICEF on a universal birth registration campaign, promoting the birth registration of every child;
- Worked with ECPAT (End Child Prostitution, Child Pornography and Trafficking of Children for Sexual Purposes) and Save the Children on the prevention of commercial sexual exploitation of children in the region.

Last year, Plan spent \$81.3 million on child-centred community projects across the region and \$5.5 million on assisting communities affected by the Asian tsunami. Below are some of the outputs achieved in the region:

- 46,555 community health workers were trained;
- 4,698 equipment sets were provided to health centres;
- 12,330 patients received medical treatment;
- 118,461 children from 145 communities were immunised;
- 16,856 children under-5 received supplementary micronutrients;
- 12,832 pre-school centres were supplied with educational materials;



- 8,825 communities were provided with primary schools supplies;
- 33,434 girls received primary school scholarships;
- 3,989 water systems were installed and 16,042 home latrines were constructed;
- 13,873 farmers received agricultural training;
- 8,299 women received vocational training;
- 3,932 people received business skills training;
- 2,730 campaigns to raise awareness around children's rights were organised.

Our impact

In one area in the Philippines, one of the issues identified by local children and families was the lack of quality education. Plan, in collaboration with the community, set up a project aimed at increasing the number of children attending early child care programmes (ECCD), and improving primary education.

Our evaluation process reveals that:

- The percentage of children participating in ECCD programmes rose from 4.6% to 50%;
- Children below 13 who completed primary school rose from 51% to 70%;
- Children aged 13-17 who completed primary education, who are currently enrolled in or have completed formal or non-formal post primary education, rose from 59% to 90%;
- The number of literate young people rose from 39% to 70%;
- The percentage of children below 18 attending schools or learning centres with improved quality education rose from 19.1% to 45%;
- The National Achievement Test (NAT) results released in May 2005 showed that 19 schools in Plan-affiliated communities were among the top 20% of passers nationwide, with one of the schools ranking number one in NAT ranking.



In Africa and Eastern Europe

In Africa and Eastern Europe, Plan is present in Albania, Benin, Burkina Faso, Cameroon, Egypt, Ethiopia, Ghana, Guinea, Guinea Bissau, Kenya, Malawi, Mali, Niger, Senegal, Sierra Leone, Sudan, Tanzania, Togo, Uganda, Zambia, and Zimbabwe.



During the year, Plan:

- Worked with children, families, communities, governments and civil society to improve the lives of children in 21 countries in Africa and Eastern Europe;
- Assisted families to improve their livelihood by identifying a wider range of local income generating opportunities: post harvest processing, marketing, off-farm activities and provided people with the skills and means to take advantage of these activities and increase their income, while maintaining their subsistence base;
- Provided access to safe drinking water;
- Helped those affected by HIV/AIDS, disasters and unrest and improved education in the region.

Last year, Plan spent \$167.5 million on child-centred community projects across the region and below are some of the outputs achieved in the region:

- 4,451 community health workers were trained;
- 66 health centres were constructed and 85 renovated and equipped;
- 21,065 patients received medical treatment;
- 1,204,515 children were immunised;
- 11,491 children under-5 received supplementary micronutrients;
- 24,892 class sets and 184,492 books for primary schools were distributed;
- 4,078 girls and 3,109 boys received primary school scholarships;
- 5,276 primary schools were provided with adequate furniture;
- 435 water points and 16,480 home latrines were constructed;
- 7,181 farmers received agricultural training;
- 2,768 women received vocational training and 2,617 people received business skills training;
- 187 events were organised to increase awareness of children's rights.

Our impact

In one area in Kenya one of the issues identified by local children and families was family health and child survival. Plan, in collaboration with the community, set up a project aimed at reducing the high incidence of childhood illnesses, increasing access to pre-natal and post-natal care for women, improving knowledge of child care, and influencing change in sexual behaviour and practices, in relation to sexually transmitted infections and HIV/AIDS.

Our evaluation process reveals that:

- The incidence of malaria among children aged between 0-35 months was reduced from 42% to 22%;
- Immunisation coverage in Plan-affiliated communities rose from 54% to 80%;
- Incidence of diarrhoea dropped from 17% to 7%;
- Child malnutrition was also reduced to 17.4% from a previous 33.4%;
- An increased number of mothers became aware of pre and post-natal care for their children and learnt about its importance for their child's development.



Next year, Plan will:

- Continue to work in partnerships with local and international organisations in the regions where it works to protect and promote children's rights. Other elements of our interventions will include: promoting sustainable financial services for the poor, enabling them to increase income, build assets, manage risks and reduce their vulnerability to external factors;
- Work with local communities to create opportunities for diversified forms of income – households that rely solely on traditional agricultural-based income are more vulnerable to poverty;
- Continue to combat traditional causes of child mortality – malnutrition, infectious diseases and new or emerging causes, including HIV/AIDS and unhealthy lifestyles among adolescents;
- Help promote early childcare through community-based organisations and services suitable to the local situation;
- Improve school quality, aiming for parity in girls' education through affirmative actions with the girls themselves to enable them to enrol and attend school with emphasis on safe transport to and from school, feeding, school latrines, livelihood support to their families, and use of female teachers;
- Advocate and promote gender equality and protective measures against HIV/AIDS.



Emergencies

Plan works with all sections of its partner communities, and particularly with the children, to capture local knowledge and practices on how best to cope with disasters. By channelling and recognising the contributions of children and young people, together with Plan, they build on this to create a preparedness plan and reduce future risks of disaster at local level. In countries where Plan is not present or its presence is limited, but it has the capacity to respond, it works with local and international organisations to maximise the impact of the relief effort.

The following emergencies affected Plan-affiliated communities in 2004/5:

Tsunami

On Sunday 26 December 2004, the world experienced the most powerful earthquake in over 40 years. Measuring 8.9 on the Richter scale, the earthquake triggered a massive tsunami, which swept through Southern Asia. The death toll across the region reached over 300,000. It is estimated that 1.5 million children have been affected by this wide-scale disaster. Many of the survivors lost their homes, their properties and their livelihoods. Thousands of children have been orphaned and many of them will suffer from post-tsunami stress for many years to come. Plan is assisting the families in Sri Lanka, Indonesia and India to return to normal life.

Famine in Africa

Over the last three years, bad weather and natural disasters such as cyclones, floods and droughts have affected a region already prone to food shortage, and harvests in some countries have never recovered. Moreover, the HIV/AIDS crisis has hit productivity. Millions of Africans faced severe food shortages and unrest last year. Across African countries, including Niger, and Malawi, huge populations were unable to grow food because drought withered their crops, or floods destroyed them.

In **Niger**, Plan responded swiftly to the food crisis in the communities with which it has been working. It started the distribution of food and micronutrients in April to over 24,500 households – 171,640 people – across 133 communities.



By July, with the collaboration of the local communities, it had managed to avert the worst cases of malnutrition.

In **Sudan**, Plan added its particular expertise and resources to the relief effort. Thanks to the generosity of supporters in the UK, Plan UK raised around £220,000 and has been working with other organisations to provide essential life-saving services to the displaced people of Darfur.

For the past five years, **Zimbabwe** has been reeling under deteriorating economic, social and political conditions. With an estimated 25% of the adult population affected by HIV/AIDS, the country over the last year has suffered from a sharp fall in local farm production, resulting in food shortage throughout the country. Plan works closely with other international organisations under the auspices of the Humanitarian Coordination Forum and Working Group to provide supplementary feeding in schools and pre-schools, training farmers on improved food production, to promote low-cost techniques such as drip kit irrigation to enhance production, and to train in business and vocational skills to enhance family income.

In **Malawi**, Plan is responding to the food shortage affecting children and their families. It is working with local farmers to introduce the longer-term production of alternative crops, such as groundnuts, cowpeas, cassava and sweet potato, and encouraging the adoption of soil and water conservation practices, as well as new composting techniques for the crops; assisting families to raise small animals such as poultry and pigs; providing them with enough resources to overcome the hunger season; and enabling them to be less dependent on agricultural production.



GOVERNANCE AND MANAGEMENT OF PLAN UK



How Plan UK is managed

A Board of Directors governs Plan UK. The Board is responsible for determining the policies and the strategic directions of the charity. It meets regularly and delegates the day-to-day operations of the organisation to the Chief Executive and a team of senior managers (detailed on page 32).

The members of the Board of Directors are shown on page 32. 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 UK are fully represented. It has become the practice for Director appointments to be advertised nationally and be subject to a formal selection and interview process. New Directors are invited to attend an induction with a full agenda covering all areas of the charity's activities.

Plan UK has an Audit Committee currently comprising three Directors. In accordance with its terms of reference, it reviews the financial statements of the Company, assesses the Company's internal financial control systems and monitors the risk assessment processes implemented by management. The Committee is currently reviewing whether it would be appropriate to establish 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 or any interest in the Company's funds.

Currently, Plan UK nominates two Directors to Plan Inc's Board of Directors ("International Board"), consisting primarily of representatives of the Boards of the national organisations.

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 Directors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005 in preparing the annual report and financial statements of the Charity. Plan UK has adopted the new SORP one year early in order to increase transparency in its reporting.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 an ongoing concern basis, unless it is inappropriate to presume that the Charitable Company will continue in operation.

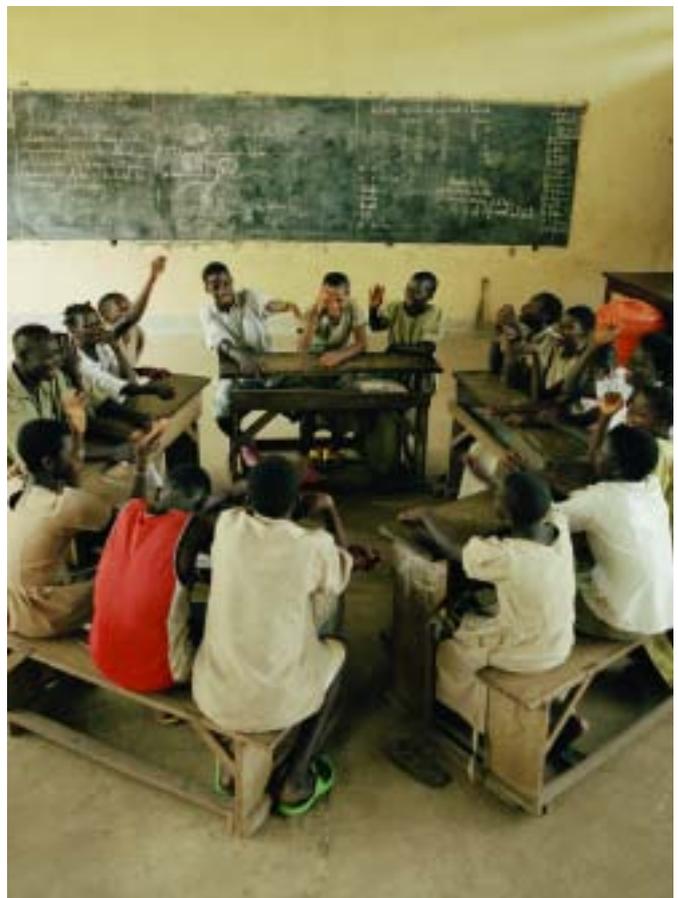
The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charitable Company, and enable it to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice: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

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

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

Risk Assessment

Key risks within Plan UK have been reviewed by management and the Directors. Plan UK has been running a risk register for several years listing all current identified risks. Each item is analysed according to its perceived potential impact together with actions that either have or will be taken in mitigation. This document is reviewed regularly by management as part of a continual process of 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 the Directors on a regular basis. It has been decided as part of the ongoing assessment of risk to Plan UK that the Audit Committee will evaluate the risk management process to ensure that Plan UK is in line with best practice in this important area.



FINANCIAL REVIEW



The resources expended on charitable activities have decreased by 4.7% compared to the unusually high level of expenditure in 2004 due to the reduction in the high opening reserves last year. Over the past two years, charitable expenditure has increased by 23.8%, an annualised rate of growth of 11.3% for each of the two years and this is a better indication of the underlying trend. As indicated previously, Plan UK's total incoming resources exceeded £30 million for the first time in 2004/05.

Group Six Year History	Summary	2000	2001	2002	2003	2004	2005
Sponsors in the UK and Ireland		86,160	97,357	103,407	109,134	114,364	118,487
Increase %		12.7%	13.0%	6.2%	5.5%	4.8%	3.6%
Total Incoming resources	£'000	18,404	21,197	24,362	28,394	27,844	31,183
Increase %		18.3%	15.2%	14.9%	16.6%	-1.9%	12.0%
Charitable Activities	£'000	14,924	17,430	19,829	20,178	26,226	24,985
Increase %		10.0%	16.8%	13.8%	1.8%	30.0%	-4.7%

Other Donations and Appeals income has contributed significant growth over the past few years. The tragic circumstances surrounding the Asian Tsunami meant that our supporters responded with the largest sum raised in an appeal in Plan UK's history, with total income of £660,000 being achieved in the year for this appeal. The growth in Other Donations and Appeals also reflects the success of activities in promoting legacies, and contributions from major donors, trusts, and corporates as well as the continuing support received from Comic Relief and the Community Fund.

Group Six Year History	2000	2001	2002	2003	2004	2005
Income and expenditure £'000						
Income						
Sponsor pledges	14,634	16,295	18,617	21,432	21,883	23,581
Contributions from official bodies	1,957	1,998	2,200	2,489	1,760	2,382
Other donations, appeals, trading subsidiary and Interest	1,813	2,904	3,545	4,473	4,201	5,220
Total Income	18,404	21,197	24,362	28,394	27,844	31,183
Expenditure						
Costs of generating voluntary income	3,086	3,717	3,773	4,385	4,530	5,205
Trading Subsidiary	95	106	109	169	145	178
Governance Costs		Not analysed for previous years			95	88
Direct charitable expenditure	14,924	17,430	19,829	20,178	26,226	24,985
Total Expenditure	18,105	21,253	23,711	24,732	30,996	30,456
Net (Outgoing)/ Incoming Resources	299	(56)	651	3,662	(3,152)	727
Percentage Increase						
Sponsor pledges	22%	11%	14%	15%	2%	8%
Contributions from official bodies	3%	2%	10%	13%	-29%	35%
Other donations, appeals, trading subsidiary and Interest	11%	60%	22%	26%	-6%	24%

The costs for the years 2000 to 2003 are based on the figures presented in the accounts for those years. No attempt has been made to re-analyse them according to SORP 2005 as the charity considers that the costs would outweigh the benefits of redoing detailed calculations.

The UK Department for International Development's Civil Society Department supported 10 of our projects last year, providing £868,373 (2004 £651,307). Plan provided £495,389 in funds for the same projects.

Project Name	Country	DFID	Plan	Total
Strengthening Community Control of Chagas Disease	Bolivia	31,720	36,969	68,689
Prevention of Violence and Promotion of Child Rights	Dominican Republic	119,316	120,376	239,692
Combating Child Labour in Ecuador	Ecuador	7,254	–	7,254
Promotion and Protection of Children's Rights	Ecuador	19,100	21,217	40,317
Agroforestry	India	27,568	27,568	55,136
Tsunami Response Relief Programme	India	325,627	–	325,627
Empowering Civil Society in the Fight Against Female Genital Mutilation	Mali	165,830	198,812	364,642
Adolescent Reproductive Health Rights	Nicaragua	69,437	8,180	77,617
Early Childhood Care and Development	Philippines	51,402	46,612	98,014
Building Local Capacity for HIV/AIDS Advocacy and Prevention	Uganda	51,119	35,655	86,774
	Total	868,373	495,389	1,363,762

The Community Fund grants, which totalled £394,568 (2004 £394,568), were split:

Capacity Building Programme Kenya	108,271
Chagas Control programme, Bolivia	62,438
Educational Renewal project, Sierra Leone	223,859
Total	394,568

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 given below. Total expenditure worldwide has risen from \$395.6m in 2004 to \$476.5m in 2005, an increase of 20%.

Total worldwide expenditure (% split)	2005	2004
Growing up healthy	11.6%	14.2%
Learning	16.7%	16.5%
Habitat	14.6%	15.6%
Livelihood	4.3%	4.4%
Building relationships	10.3%	11.1%
Program support	10.8%	10.1%
Field administration	8.8%	8.7%
Development education	1.3%	0.6%
Technical support	2.2%	1.0%
Advocacy	0.5%	0.0%
Total program expenditures	81.2%	82.2%
Fund-raising	8.4%	8.3%
Other operating costs	10.4%	9.5%
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.

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.

Technical support:

Costs incurred by national organisations in providing professional and specialist advice to support the technical quality of program development in the field.

Advocacy:

Costs of campaigns to change legal frameworks, policies or behaviours to improve the lives of disadvantaged children. This is a new heading and comparative figures have been adjusted accordingly.

Fund-raising:

Marketing costs associated with attracting new sponsors and other donors.

Other operating costs:

Cost of handling funds received from sponsors; certain 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. Comparative figures have been restated to reflect costs associated with certain trusts.

Reserves

The Directors 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 £1.5m at 30 June 2005 (2004 - £0.6m).

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. Large amounts are often received on the last working day of the month. This was the situation at 30 June 2005. 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.

Subsidiary Companies

Plan UK has established a subsidiary (note 12) to deal with trading activities of the Charity, which include a gift and Christmas card catalogue. The results are consolidated in accordance with the recommendations of the SORP.

Plan Ireland Charitable Assistance Limited, which trades as Plan Ireland, falls to be treated as a subsidiary in the 2004/5 accounts. Operations in Ireland have been funded by Plan UK through a grant. Activities in the second year of operation yielded total incoming resources of 896,000 (2004 - 309,700) Euros, excluding the Plan UK grant. Total net incoming resources were 162,400 (2004 - 128,700) Euros.

The main activity of the trading subsidiary (note 12) is the sale of merchandise to sponsors of Plan UK and third parties. Turnover in 2005 was £229,011 (2004 - £187,829). It is the policy of the subsidiary to make a charitable donation of any financial surplus to Plan UK (2005 - £50,913 and 2004 - £41,834).

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 and its subsidiaries pride themselves on offering a high standard of service to their sponsors and have increased their staffing to 64 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 approximately 14,800 working hours based on recorded attendance and estimated hours (2004 - 14,029) 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.

LEGAL AND ADMINISTRATIVE INFORMATION

Patrons:

Michael Aspel OBE
 Lord Deedes
 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
NC Chapman	Chairman
J Clare	
J Clark	
PJ Drissell*	Appointed 29 July 2004
The Hon Anne Grant	
GM Hellier	Resigned 19 May 2005
TC Hoegh*	
JS Khan *	Appointed 29 July 2004
MT Keane	
S Narula	
AM Penrose	Appointed 29 July 2004

* Members of the Audit Committee

Principal Officers:

Marie Staunton, Chief Executive
 John Pinchard, Company Secretary and Finance Director
 Claire Jarrold, Supporter Relations Manager
 Jeremy Cooper, Marketing Manager
 Stuart Mulholland, 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
 Company Secretary



Nigel Chapman
 Chairman

23 February 2006

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 and the Report of Board of Directors.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

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 2005 and of the net incoming 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
Chartered Accountants and Registered Auditors
1 Embankment Place, London, WC2N 6RH

23 February 2006

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating the Income and Expenditure Account) for the year ended 30 June 2005

	Unrestricted Funds	Restricted Funds	2005 Total	Restated 2004 Total
Incoming resources	£'000	£'000	£'000	£'000
Incoming resources from generated funds				
Voluntary income				
Sponsor pledges	23,581	–	23,581	21,883
Contributions from official bodies	–	2,382	2,382	1,760
Other donations and appeals	793	4,038	4,831	3,918
Activities for generating funds				
Trading subsidiary income	229	–	229	188
Investment income				
Interest income	160	–	160	95
Total incoming resources	24,763	6,420	31,183	27,844
Resources expended				
Cost of generating funds				
Voluntary income				
Sponsor pledges	(3,891)	–	(3,891)	(3,469)
Contributions from official bodies	(509)	–	(509)	(545)
Other donations and appeals	(805)	–	(805)	(516)
Trading subsidiary costs	(178)	–	(178)	(145)
Charitable activities				
Development education, advocacy and communications	(760)	–	(760)	(713)
Programme activities	(17,589)	(6,636)	(24,225)	(25,513)
Governance	(88)	–	(88)	(95)
Total resources expended	(23,820)	(6,636)	(30,456)	(30,996)
Net income/(expenditure) and net movement in funds	943	(216)	727	(3,152)
Total funds brought forward	768	986	1,754	4,906
Total funds carried forward	1,711	770	2,481	1,754

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.

Consolidated and Charity Balance Sheet as at 30 June 2005

		Group 2005	Group 2004	Charity 2005	Charity 2004
		£'000	£'000	£'000	£'000
Tangible assets	(note 7)	214	172	207	170
Investment – shares in subsidiary undertakings	(note 12)	–	–	–	–
		214	172	207	170
Current assets					
Stock		34	34	–	–
Debtors	(note 8)	2,801	2,176	2,809	2,218
Cash at bank and in hand		1,815	1,244	1,608	1,168
		4,650	3,454	4,417	3,387
Creditors – amounts falling due within one year	(note 9)	(2,383)	(1,872)	(2,340)	(1,856)
Net current assets		2,267	1,582	2,077	1,530
Net assets		2,481	1,754	2,284	1,700
Funds: (note 10)					
Unrestricted funds					
General		1,497	596	1,412	584
Designated					
-Tangible fixed asset fund		214	172	207	170
Restricted fund		770	986	665	946
Total funds		2,481	1,754	2,284	1,700

Approved by the Board on 23 February 2006



Nigel Chapman
Director



Anne Grant
Director

Consolidated Statement of Cash Flows for the year ended 30 June 2005

		2005	2004
		£'000	£'000
Net cash inflow/(outflow) from operating activities	(Note A)	559	(2,953)
Return on investment and servicing of finance – interest received		118	6
Capital expenditure:			
Payments to acquire tangible fixed assets		(106)	(38)
Increase/ (decrease) in cash	(Note B)	571	(2,985)

Notes To The Cash Flow Statement

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

Net income/(expenditure) for the year	727	(3,152)
Interest income	(160)	(95)
Depreciation charges	64	66
(Increase) in debtors	(583)	(478)
(Increase) in stock	–	(1)
Increase in creditors	511	707

Net cash inflow/(outflow) from operating activities	559	(2,953)
--	-----	---------

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

Balance brought forward	1,244	4,229
Net cash inflow/(outflow)	571	(2,985)

Balance carried forward	1,815	1,244
--------------------------------	-------	-------

Notes forming part of the financial statements for the year ended 30 June 2005

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, in the year ended 30 June 2005, included Plan International, Inc (which changed its name from Foster Parents Plan International, Inc on 1 July 2004) ("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, "Accounting and Reporting by Charities" published in March 2005 ("The 2005 SORP") and applicable United Kingdom accounting standards. The analysis of expenditure for the year to 30 June 2004 has been restated to reflect the adoption of the 2005 SORP. Adopting the 2005 SORP has not affected funds brought forward or the movement in net current funds for the current or prior year. The statement of financial activities (SOFA), balance sheet and cash flow 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 has 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 2005 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. Details on subsidiaries are given in note 12.

(c) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors 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 Directors for particular purposes. The aim and use of each 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 use of each restricted fund is set out in the notes to the financial statements.

(d) Incoming resources

All incoming resources are included in the SOFA when the Charity is legally entitled to the income, there is reasonable 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 certainty of receipt.

Trading subsidiary income represents the amounts invoiced to customers for goods supplied, excluding VAT.

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 value to the charity.

(e) Resources expended

All expenditure is accounted for on an accruals basis, and is classified in the SOFA according to the activity to which it relates. Direct costs, including attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Irrecoverable VAT is applied to the cost from which it arises. Support costs, which include central functions such as general management, accounting, general post and communications, information technology and human resources, are allocated between activities on the basis of staff numbers employed during the period. Governance costs are the costs associated with the governance arrangements of the charity and include an estimate of management time spent on strategic activities as well as direct costs associated with governance.

(f) Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Items costing less than £200 are not capitalised. 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.

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%.

(g) Stock

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

(h) 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.

(i) Operating leases

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

(j) 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 the overseas subsidiary (Plan Ireland) are translated at average yearly rates. The assets and liabilities are translated at the year-end rate. Any translation differences arising are included in movements on fund balances.

(k) Company status

The Charity is a company limited by guarantee. The members of the Company are the Directors named on page 32. 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.

3. Income analysis**(a) Contributions from Official Bodies**

	Unrestricted	Restricted	2005 Total	2004 Total
	£'000	£'000	£'000	£'000
DFID	–	868	868	880
European Commission	–	685	685	521
Other public funding	–	829	829	359
Total	–	2,382	2,382	1,760

(b) Other Donations and Appeals

	Unrestricted	Restricted	2005 Total	2004 Total
	£'000	£'000	£'000	£'000
Plan Ltd	752	–	752	782
Trusts and major donors	–	663	663	335
Corporations	–	195	195	277
Community Fund	–	395	395	399
Emergency appeals	–	999	999	269
Gift Aid on restricted income	–	382	382	176
Comic Relief	–	332	332	223
Trading donations and alternative gifts	–	296	296	140
Gifts in kind	–	–	–	633
Other donations	41	776	817	684
Total	793	4,038	4,831	3,918

The donation from Plan Ltd of £0.75m (2004: £0.78m) is a donation received under deed of covenant in order to support the company's charitable activities.

4. Resources expended

a) Analysis of total resources expended

Group	Support	Staff costs	Other Direct	2005	Restated 2004
	£'000	£'000	£'000	£'000	£'000
Costs of generating funds					
Sponsorship	519	321	3,051	3,891	3,469
Official bodies	220	255	34	509	545
Other donations	246	201	358	805	516
Trading	–	–	178	178	145
Charitable activities					
Development education, advocacy and communications	313	385	62	760	713
Programme activities	–	–	24,225	24,225	25,513
Governance costs	40	–	48	88	95
Grand total	1,338	1,162	27,956	30,456	30,996
Re-allocate salaries within support costs	(639)	639	–	–	–
Grand total	699	1,801	27,956	30,456	30,996

Programme activities represent 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.

	2005	2004
	£'000	£'000
Net income/expenditure is stated after charging:		
Audit fee of consolidated financial statements (£20,000 for charity. 2004 - £17,500)	25	25
Non-audit fees paid to our auditors	10	5
Depreciation	64	66
Operating lease rentals - buildings	192	169

b) Analysis of Support Costs

	Sponsorship	Official Bodies	Other Donations	Charitable Activities	Governance	2005 Total	Restated 2004 Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	233	100	116	150	40	639	599
Communication	53	22	23	29	–	127	107
Depreciation	25	11	12	16	–	64	66
Travel and meetings	9	4	3	3	–	19	29
Office and premises costs	199	83	92	115	–	489	455
Grand Total	519	220	246	313	40	1,338	1,256

Support costs have been allocated to each of the above activities on the basis of the number of staff employed during the period by the relevant activity. This is considered to be the best method, in the absence of detailed record keeping. Governance staff costs are an estimate of time spent by management on clearly identified governance matters.

Analysis of Support Staff Costs	2005	Restated 2004
	£'000	£'000
Head office and central support	370	399
IT	97	69
Finance	172	131
	639	599

c) Analysis of Governance Costs

	2005	Restated 2004
	£'000	£'000
Audit and professional fees	48	54
Apportionment of staff costs	40	41
	88	95

5. Staff costs

Staff Costs	2005	Restated 2004
	£'000	£'000
Wages and salaries	1,594	1,399
Social security	159	147
Pension costs	48	40
	1,801	1,586

Plan UK has a defined contribution pension scheme, which matches employee contributions up to a maximum of 5% of pensionable salary. The resulting fund belongs to the employee and can be transported when leaving Plan. No employees receive benefits under a defined benefits pension scheme.

The number of employees whose emoluments, as defined for taxation purposes, amounted to over £60,000 in the year was as follows:

	2005	2004
£70,001 - £80,000	1	1
£60,001 - £70,000	1	1

The pension contributions for these higher paid employees to defined contribution schemes were £7,132 (2004 - £6,904).

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

	2005	2004
Sponsorship activities	16	15
Official bodies and grants	6	6
Other donation activities	7	5
Support activities	26	22
Charitable activities	9	9
Total	64	57

6. Directors' remuneration

None of the Directors received any remuneration during the year for services to the Company (2004 - nil). Expenses reimbursed to Directors (where claimed) were £185 (2004 - £5). These expenses related to 1 Director and cover out-of-pocket expenses in respect of travel £180 (2004 - £5) and £5 in respect of communications expenses (2004 - nil).

7. Tangible fixed assets

Group	Computer software	Alterations to premises	Furniture	Computer and other office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2004	81	91	131	241	544
Additions	80	–	1	25	106
Disposals	–	–	–	(28)	(28)
At 30 June 2005	161	91	132	238	622
Accumulated depreciation					
At 1 July 2004	73	43	105	151	372
Charge for the year	5	16	9	34	64
Disposals	–	–	–	(28)	(28)
At 30 June 2005	78	59	114	157	408
Net book amount					
At 30 June 2004	8	48	26	90	172
At 30 June 2005	83	32	18	81	214

Charity	Computer software	Alterations to premises	Furniture	Computer and other office equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 July 2004	81	91	131	239	542
Additions	79	–	1	19	99
Disposals	–	–	–	(28)	(28)
At 30 June 2005	160	91	132	230	613
Accumulated depreciation					
At 1 July 2004	73	43	105	151	372
Charge for the year	5	16	9	32	62
Disposals	–	–	–	(28)	(28)
At 30 June 2005	78	59	114	155	406
Net book amount					
At 30 June 2004	8	48	26	88	170
At 30 June 2005	82	32	18	75	207

Charity and Group additions to computer software include an amount of £73,446 in respect of assets in the course construction. This amount has not been depreciated.

8. Debtors

	Group 2005	Group 2004	Charity 2005	Charity 2004
	£'000	£'000	£'000	£'000
Official Bodies	447	582	343	582
Income tax recoverable	2,027	1,240	2,027	1,240
Prepayments and accrued income	306	316	295	315
Other debtors	21	38	144	81
	2,801	2,176	2,809	2,218

Other debtors for the Charity include an amount of £92,815 (2004 - £28,401) receivable from the trading company (see note 12).

9. Creditors

	Group 2005	Group 2004	Charity 2005	Charity 2004
	£'000	£'000	£'000	£'000
Trade creditors	461	189	449	182
PAYE and national insurance contributions	–	42	–	41
Deferred income	955	754	943	754
Accruals	131	54	112	47
Other creditors	836	833	836	832
	2,383	1,872	2,340	1,856

Other creditors include an amount payable to Plan Ltd of £836,217 (2004 - £817,638).

The movements in deferred income are analysed below:

Group and Charity	2005	2004
	£'000	£'000
Deferred income at 1 July	754	789
Amounts released from previous years	(651)	(685)
Incoming resources deferred in the year	852	650
	955	754

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

	£'000	£'000	£'000	£'000
Operating lease expiring:				
Within two to five years	192	192	192	192

10. Statement of funds

Group	Balance 1 July 2004	Net incoming resources available for charitable application	Total charitable equipment	Transfers	Balance 30 June 2005
Unrestricted funds:	£'000	£'000	£'000	£'000	£'000
General reserve	596	19,292	(18,349)	(42)	1,497
Designated funds					
Tangible fixed asset fund	172	—	—	42	214
	768	19,292	(18,349)	—	1,711
Restricted funds	986	6,420	(6,636)	—	770
Total funds	1,754	25,712	(24,985)	—	2,481

Charity	Balance 1 July 2004	Net incoming resources available for charitable application	Total charitable equipment	Transfers	Balance 30 June 2005
Unrestricted funds:	£'000	£'000	£'000	£'000	£'000
General reserve	584	19,572	(18,707)	(37)	1,412
Designated funds					
Tangible fixed asset fund	170	—	—	37	207
	754	19,572	(18,707)	—	1,619
Restricted funds	946	6,056	(6,337)	—	665
Total funds	1,700	25,628	(25,044)	—	2,284

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).

Restricted funds comprise the following unexpended balances on donations and grants given for specific purposes:

Restricted Funds	Balance 1	Net	Total	Balance
	July 2004	incoming resources available for charitable application	charitable equipment	30 2005
	£'000	£'000	£'000	£'000
DFID	130	868	(881)	117
European Community	479	685	(864)	300
Community Fund	140	395	(535)	-
Other Donations and Appeals	197	4,108	(4,057)	248
Charity	946	6,056	(6,337)	665
Plan Ireland-DCI	40	364	(299)	105
Group	986	6,420	(6,636)	770

11. Analysis of assets between funds

Group	General	Unrestricted funds Designated	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 30 June 2005 are represented by:				
Tangible fixed assets	-	214	-	214
Current assets	3,658	-	992	4,650
Current liabilities	(2,161)	-	(222)	(2,383)
	1,497	214	770	2,481
Fund balances at 30 June 2004	596	172	986	1,754
Charity	General	Unrestricted funds Designated	Restricted Funds	Total Funds
	£'000	£'000	£'000	£'000
Fund balances at 30 June 2005 are represented by:				
Fixed assets	-	207	-	207
Current assets	3,530	-	887	4,417
Current liabilities	(2,118)	-	(222)	(2,340)
	1,412	207	665	2,284
Fund balances at 30 June 2004	584	170	946	1,700

The designated fund comprises amounts set aside to finance the future depreciation on 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	2005	2004
	£'000	£'000
Shares in subsidiary undertakings	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 were funded by Plan UK by way of a grant until June 2005. All funds raised there are passed directly to Plan Inc. Trading started in the financial year to 30 June 2004.

Subsidiary	Foster Parents Plan International (UK) Ltd		2005	Plan Ireland 2004
	2005	2004		
	£'000	£'000	£'000	£'000
Total incoming resources	229	188	1,155 ¹⁾	606 ¹⁾
Total resources expended:				
Cost of generating funds	177	144	530	268
Cost of charitable activities	–	–	509	245
Governance costs	1	1	5	5
Total net assets	2	2	197	86

¹⁾ Including a grant of £539,951 (2004 - £231,177) from Plan UK

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Please tick the boxes below and complete your address details on the back of this form to receive further information about ways to help:

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Make a donation towards one of plan's projects. For more information tick the box or you can email us at: **fundaproject@plan-international.org.uk**

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Remembering Plan in your Will is your opportunity to continue changing the world for the better. For information on including a gift to Plan in your Will tick the box or email us at: **legacy@plan-international.org.uk**

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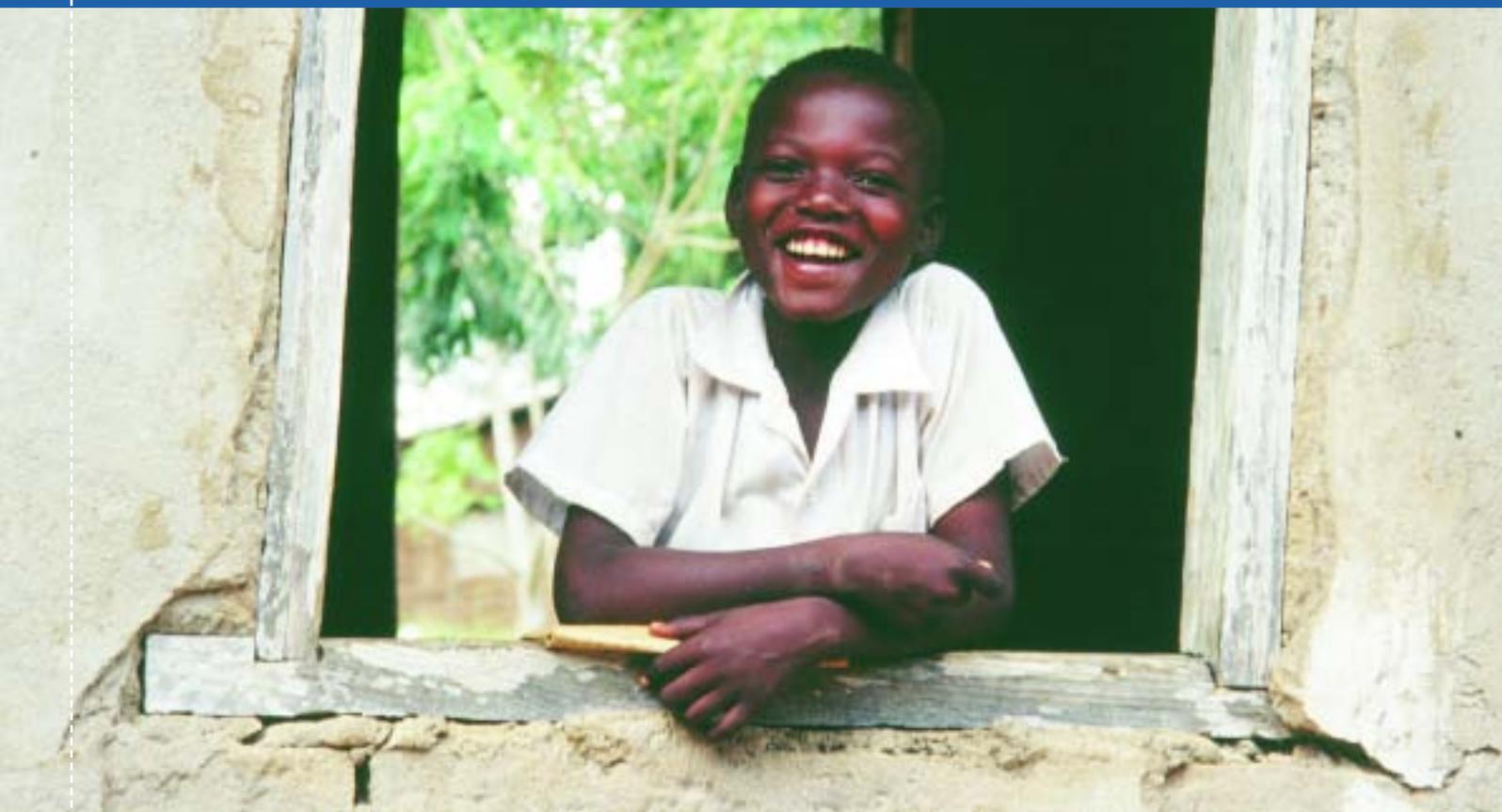
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Plan UK would like to thank the following trusts, statutory funders, corporate and individual donors who have supported our work over the past financial year:

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