

the Plan:

*to show how our work in
2012 made a difference
to children living in the
poorest countries*

75

Years of Plan



Plan UK Annual Report and Accounts 2012



Plan

Contents

About Plan UK	1	Governance and management of Plan UK	40
Plan's work	6	Financial review	44
Where we work	8	Legal and administrative information	54
Africa	10	Financial Statements	
The Americas	14	Independent auditors' report to the members and trustees of Plan International (UK)	55
Asia	18	Consolidated statement of financial activities	57
Plan UK activities	22	Consolidated and Charity balance sheets	58
Development	24	Consolidated statement of cash flows	59
Managing disasters	28	Notes forming part of the financial statements	60
Campaigning	32		
Working in partnership	34		
Sponsorship and fundraising	36		
Looking forwards	39		

Children's names have been changed.



Bring Plan's achievements to life with augmented reality

Using your iPhone, Android smartphone, iPad or tablet you can see videos of our work, watch beneficiaries' stories and discover more about Plan's world.

Download the **FREE** app to see our annual report in action at <http://www.aurasma.com/>

1



Download Aurasma Lite for iPhone 3GS or above, iPad2 and Android devices

2



Search 'Plan UK'. Follow the 'Plan UK' channel

3

Point your device at the images with the mobile icon. Watch a video about Plan's work



4

Double tap to view full screen, or single tap to find out more



REMEMBER – tap your screen twice to view full screen and once to go to our website.

About Plan UK

Plan is a global children's charity and works with children in the world's poorest countries to help them build a better future.

For 75 years, Plan has been taking action and standing up for every child's right to fulfil their potential by:

- giving children a healthy start in life, including access to safe drinking water
- securing the education of girls and boys
- working with communities to prepare for and survive disasters
- inspiring children to take a lead in decisions that affect their lives
- enabling families to earn a living and plan for their children's future.

Plan is independent, with no religious, political or government affiliation.

In 2012, Plan reached 84 million children in 90,131 communities in 50 developing countries.

Plan UK is one of 21 national organisations that support programmes, raise funds, campaign and manage sponsorship relationships to fulfil Plan's work. Plan UK is legally registered as 'Plan International UK'.

Funds raised through Plan UK and the other national organisations are pooled and allocated to development programmes in 50 countries. Plan's international headquarters is located in the United Kingdom and supervises programme operations.

Plan UK is internationally associated with Plan International, Inc. ('Plan Inc'). In this report Plan International, Inc and the other 20 national organisations are referred to as 'Plan' or 'Plan Worldwide'.

Plan UK is a UK charity registered in England and Wales (No 276035) and a company limited by guarantee (No 1364201).

Plan's vision and mission

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

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:

- enabling poor children, their families and their communities to meet their basic needs and to increase their ability to participate in and benefit from their societies
- building relationships to increase understanding and unity among people of different cultures and countries
- promoting the rights and interests of the world's children.



Photo: Plan

Youth Advisory Panel's Report

Plan UK's Youth Advisory Panel (YAP) is a group of young people in the UK aged 13-19 who make sure Plan UK keeps children and young people's participation and education at the heart of what we do. As well as providing a youth perspective on our work and having a say in how the organisation is run, YAP gets young people in the UK enthused about supporting children and young people's rights across the world.



16-year-old Lauren joined YAP in November 2011.

"I have just finished my GCSEs and am looking forward to Sixth Form. I first became interested in international development through a combination of geography lessons and visiting a charity my grandparents support in South Africa, which helps children affected by HIV and AIDS. I saw the difference it was making for children whose lives were so hard.

"My family have been sponsoring Victo in Uganda for three years now, and my mum also does volunteer work at Plan UK. I love the feeling of making a difference by being part of YAP! I've found it rewarding to see the enthusiasm for international development sparked in many people after talking to them about Plan, and in particular the 'Because I am a Girl' campaign."

Supporting young visitors from Africa and Asia

This year, four new members were recruited: David, Emma, Hassan and Lauren. At their first meeting we discussed the Global Youth Speakers Network, which is made up of young people from Malawi, Pakistan and Sierra Leone, who are all working on child rights and gender equality programmes and

being trained in public speaking. Representatives from these countries were to attend the UN Conference on the Status of Women in New York in February 2012. We made a welcome video for the young people and advised on preparation activities. We also made a video for new staff members at Plan to introduce YAP's work.

In 2010 YAP produced 'Fresh Perspectives' – a guide to setting up a youth panel – and this year we've continued to share it with other organisations including the UK Government's Department for International Development. We've also been thinking about young people's participation in all kinds of organisations, from schools to supermarkets, and about how our experience and our publication could be used to improve youth involvement.

Strengthening connections

For one day in February each YAP member 'took over' the work of someone on Plan UK's staff in various departments, from fundraising to IT. 'Takeover Day' is an annual event and in 2012 was a brilliant experience for everyone involved – YAP and staff. YAP member Simone says, "It's always great to feel closer to Plan, and Plan staff – and this Takeover Day was no exception. I felt very welcome, and I felt the day was very productive!"

Next year we'll be working on the youth summary for the 2012 'Because I am a Girl' report. We're hugely excited about the first ever UN International Day of the Girl on October 11. We're working on introducing 'YAP champions' – members of staff in each Plan UK department who will strengthen our connections. We're looking forward to another jam-packed year helping Plan improve the lives of children all around the world.

The YAP team: Aakash, Ali, Colette, David, Ellie, Emma, Hassan, Jake, Jessica, Keya, Kinza, Lauren, Nia, Pooja, Sarah and Simone.

A message from Plan UK's Chair

On 20 March 2012 Plan celebrated 75 years of working with and for children. At its heart remains the insight that personal connections can bring about change.

Plan was one of the first child sponsorship programmes. The organisation originally aimed to provide food, accommodation and education for children orphaned and displaced by the Spanish Civil War. During and after the Second World War, the organisation helped displaced children all over Europe. From the 1950s, we began working throughout Africa, Asia, Latin America and the Caribbean, helping children living in poverty and deprivation as well as those affected by war.

Now we have over one and a half million sponsors in 21 countries, connected with children in 50 developing countries.

We know that working through community participation can lead to lasting change. We support girls and boys, young people, women and community-based organisations to work together – they set priorities and assess progress in their communities. This approach has helped communities develop their resilience to disasters and improve their health and environment. We have found great strides can be made by working in partnerships.

When children and young people have a say in their community's development they bring a unique perspective and offer the ideas and enthusiasm needed to drive progress.

After 75 years, Plan is still campaigning for every child's right to fulfil their potential. Plan UK's major focus is on empowering girls to have more choices about school, careers and if, who and when to marry and have children. With education and the right support, girls can make choices that transform their world and improve the lives of those around them. An educated girl is more likely to marry later and have fewer, healthier and better educated children. She's likely to earn more and invest in her family and community.

Over the next five years, our 'Because I am a Girl' campaign will enable four million girls to stay in education and fulfil their potential. We'll equip schools and train teachers; support vocational, business and life skills training; campaign for girls' rights; and increase their leadership opportunities.

Child marriage is one of the most extreme examples of limiting the choices open to girls. This year, I visited Bangladesh and met young women who told me about the pressures which cultural expectations of early and forced marriage bring.

For girls like these, marriage is a fast, brutal journey from girlhood to womanhood. They are taken out of school, isolated from friends and forced into motherhood – and are more likely to experience violence, contract HIV and die in childbirth.

We're working to keep girls in school, supporting communities to stop child marriage, and campaigning for legislation to outlaw the practice. In Bangladesh, I heard how a five-year campaign supported by Plan's local partner NGO has convinced a whole village to sign a pledge to end child marriage. In Dhaka, I visited a project which equips young women with the skills they need to work in a factory, which provides them with independent income. They can contribute to their family's expenses and delay the need to marry.

Thank you to everyone who supported our work last year. You have made a significant contribution to helping us move towards our vision of a world where all children can realise their rights and influence the development of their countries.

Rt Hon Dame Janet Paraskeva DBE

Plan UK Chair



Chief Executive's report

This past year has been significant for Plan: we celebrated our 75th year, our 'Because I am a Girl' campaign grew significantly in terms of momentum and our 'Building Skills for Life' programme work became firmly established.

It has been especially significant for me – in December 2012 I will step down after 13 years as Chief Executive. In that time, I've met inspiring people, from political leaders to girls and boys in the remotest and most impoverished villages, and heard some wonderful stories.

One of this year's highlights was an event we hosted at the Commission on the Status of Women at the United Nations (CSW) in New York in February, focusing on child marriage. The impact made by Plan's delegation of girls and young women at the CSW, talking about the challenges girls face in many developing countries, led to the Canadian Government sponsoring Plan's proposal for a day to focus on girls. We've campaigned on this for several years and are delighted that the UN has decided to designate 11 October as the 'International Day of the Girl Child'. On that day in 2012 our 'Because I am a Girl' campaign is being launched worldwide to highlight the impact of poverty and discrimination on girls and young women across the world.

I've always believed that children and young people can be agents for change and have a profound impact on the world around them. Plan's research has shown that giving young men and women a role in decisions made about them produces better services – at schools in Cambodia, Senegal and Uganda, children's councils have lobbied for new or better maintained buildings and equipment and improved standards of education; in El Salvador and Guatemala young people were involved in establishing child protection policies and monitoring their implementation. Plan helps these activities happen at all levels. Within our own organisation young people serve as trustees on our Board, supported by a panel of their peers.

Safeguarding girls and boys in countries torn apart by war or the extremes of climate change and famine is now fundamental to our work. Plan became a full member of the Disasters Emergency Committee (DEC) in July 2011, when an estimated 12.4 million people were in urgent need of food in

East Africa, struck by one of the worst droughts in decades. One year on, Plan's emergency response work has reached nearly 1.2 million people in Ethiopia, Kenya and South Sudan.

I saw the difference this made in Kenya last September. At a health clinic, I met 24-year-old Angelica, who had brought Nicholas, her 18-month-old son, for supplementary feeding. She explained: "He doesn't get enough food: there's no food at our farm. When there is rain we have enough food, but there's been no rain. My children eat just once a day. The older ones didn't want to go to school today because they have no lunch." Plan's support helped this family to keep going in extraordinarily difficult circumstances. We have also trained community monitors – mums, dads and young people – to report whether the right aid arrives at the right time.

Strong partnerships

In May, 'Banking on Change' – our partnership with Barclays and CARE International UK – won the Third Sector Business Charity Award 2012 in the Overseas Project category, impressing the judges with the strength of the partnership. This £10 million, three-year project provides basic banking services, improving the quality of life of half a million disadvantaged people. Last year I met young women in Zambia who had joined a village savings and loans group, borrowing small amounts to buy goods like maize and sugar to trade. Within months they'd repaid the loans, their businesses had grown and they were saving to get back into education.

In Bangladesh last October, I met another young woman who is making the most of the support Plan provides as part of our focus on building skills for life for adolescents. Raikha dropped out of school because of poverty but now, thanks to vocational training provided by Plan, she's earning a decent income. A partnership with a local manufacturer of solar lamps means girls trained by Plan are sure of a job. The lamps are now bought by the World Bank for energy saving projects in Africa.

The project in Bangladesh encapsulates the practical support Plan aims to give through effective partnerships.

It's been an enormous privilege to be a part of Plan – and very exciting to bring together supporters who care so much for children they have never met in countries they have never visited with boys and girls who have the energy and determination to move whole communities from poverty to opportunity. I look forward to seeing it continue to grow and develop as an organisation which is having a real impact every year for millions more girls and boys, families and communities.

Our income this year was £54 million and we've more sponsors, partners, supporters, campaigners, Facebook and Twitter followers than ever before. In the following pages you can read about our work with girls and boys this year. We're very grateful for your continued support in helping them move from a life of poverty to a future with opportunity.

Marie Staunton

Plan UK Chief Executive

Marie Staunton has been succeeded by Tanya Barron.

Tribute to Ian Buist (30th May 1930 - 19th October 2012) Former Plan UK Trustee

Ian Buist was a Plan UK Trustee from 1990 to 2012, and a member of our global governing body, the Members Assembly. He played an important role in focusing Plan UK on girls: at a Members Assembly seven years ago, his eloquence and persuasive analysis changed existing policy and led to our 'Because I am a Girl' campaign. Ian was determined to improve Plan UK's impact, and was delighted when impact measurement became central to our work. He was passionate about sexual and reproductive health, and key to our merger with Interact.

Marie Staunton says: "My abiding memory of Ian is at a village meeting in Sierra Leone, where he pointed out the rings of power, from elders, to poorer families and, outside the circle, the poorest women and children in rags. His acute eye for the excluded led him to encourage Plan to reflect on who we work with, and include the excluded."



Photo: Paolo Black for the Young Health Programme

Plan's work

At Plan we're passionate about giving children the chance to realise their rights and fulfil their potential, making a lasting difference to their lives. Global trends including increasing urbanisation, greater inequality, more disasters, and fast-growing youth populations mean that despite much progress, the most vulnerable are missing out, including those excluded because of language, ethnicity, disability, and gender.

We want to reach as many children as possible, particularly those who are excluded or marginalised, with good-quality projects that deliver long-lasting benefits.

Our work is informed by local context and knowledge of countries and regions, and guided by the principles of the United Nations Convention on the Rights of the Child and other internationally recognised human rights treaties.

When children and adults work together, change is more likely to be successful and sustainable, and so we encourage community participation, supporting girls and boys, young people, women and community-based organisations to work together to seek solutions.

Children and young people can be powerful advocates for change, so ensuring their participation in decision making is central to our work. We help them gain the skills and confidence they need to demand their rights, and to get involved in decisions that affect them. We also aim to support those with responsibility to be more accountable.

We promote gender equality and work to ensure that girls and boys have equal opportunities to raise their differing concerns, be heard and influence decisions. Our global campaigns address violence in schools, the need for universal birth registration, and the exclusion of girls, who are less likely to be enrolled in school, have access to medical care, or have enough to eat.

Plan's areas of work and the amounts spent globally in 2011/12 are shown right and opposite.

Education €79 million

We want all children, young people and adults to acquire basic learning and life skills. We help children get good quality, free primary and secondary education, and promote better care and development for the very young. For young women and men, we provide financial services, income-generation opportunities, and vocational training.

Survival and health €159 million

We believe all children should be able to grow up in a happy, healthy environment. Improving basic health care and fighting malnutrition and diseases are fundamental to our work. We help people get sexual and reproductive health services, including contraception and maternity care. We help those living with HIV and AIDS get treatment and care, and encourage behavioural change to reduce the spread of HIV. Safe drinking water, sanitation and good hygiene are also priorities.

Disasters €60 million

Children are especially vulnerable and so we focus on their immediate physical and emotional needs when disaster strikes. We promote the importance of children and young people's own ideas and involvement in making their lives safer and their communities more resilient to disasters.

Participation €71 million

We campaign to ensure that local, national, regional and international legislation, policies, and programmes take children's needs and rights into account. We help young women and men to understand their rights and engage with governments, schools and clinics to ensure that their needs and priorities are addressed. We urge governments, service providers and community leaders to recognise and respond to young people's concerns.

Child protection €28 million

We promote good parenting and protect girls and boys from discrimination, violence, abuse and exploitation. We work with marginalised, socially-excluded groups, whose rights are systematically violated, and whose living conditions make them the most vulnerable. We work with communities to end harmful practices such as female genital mutilation and child marriage. We protect child labourers, children with disabilities, children affected by conflict and disaster, street children, and children who have been, or are at risk of being, trafficked – and ensure their concerns are heard.

Economic security €39 million

Our financial services, skills training, and business development programmes help families to become more financially secure, so they can meet their children's basic needs, build their savings, and cope with changing circumstances. We support families who rely on agriculture to increase food production and diversify.

Accountability and objectives

Plan is committed to being accountable to our supporters, donors and the communities we work with for the decisions we make, the impact of our work, and for ensuring our decision-making bodies reflect the countries where we work. We are a full member of the Humanitarian Accountability Partnership (HAP), demonstrating our commitment to meeting the highest standards of accountability and quality management. We are working towards full compliance with the International Aid Transparency Initiative (IATI) standards.

Plan UK's objectives and other constitutional matters are set out in our Memorandum and Articles of Association. The objects of the Charity are to prevent and/or relieve poverty, to advance education and to advance health in each case for the public benefit particularly by, but not limited to, providing social and development services to advance these objects and/or financial and material assistance for the benefit of children, their families and communities in charitable need.

75

Years of Plan



On 20th March 2012 Plan celebrated 75 years of commitment to children in the world's poorest countries. Founded in 1937 by British journalist John Langdon-Davies and refugee worker Eric Muggerridge, the aim originally was to provide food, accommodation and education to children whose lives had been disrupted by the Spanish Civil War.

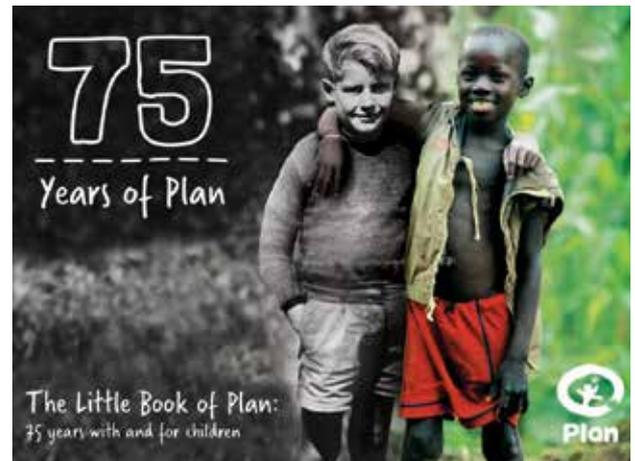


Photo: Robert Capa © International Center of Photography / Magnum Photos, Victor Brott/Fotojournalisten

Where we work



In Nicaragua, Iris knows what to do if there's an earthquake.

> page 30

Plan's global income in 2012

€634 million

In 2012 Plan worked with

90,131 communities

We reached over

84 million children





In Egypt, university student Mohamed was encouraged by his sponsor's support.

> page 36



In India, Rana is growing in confidence because she can go to school.

> page 24



See more: Education in Zimbabwe. For instructions, see inside front cover.

Photo: Gina Nemirofsky / 10x10act.org

Africa

"I'm confident about my life and my future because of the skills I've acquired." Beekeeper, Patrick, **Rwanda** ←



18-year-old Patrick lives with his mother in Kayonza District. His father died when he was eight. The family struggled: his mother is living with HIV, and has no job and no land.

Although Patrick completed his basic education, he couldn't find a job. "I was isolated from my peers and community. I had no hope for that time or for the future."

Bringing young people together

In 2010, Patrick joined a beekeeping cooperative, funded by Plan through a grant from the European Commission. He trained in beekeeping skills, cooperative management and entrepreneurship. The cooperative received 12 modern hives and is increasing production by moving from traditional to modern beekeeping methods. Members plan to build a honey collection centre and expand their market. Patrick is starting his own apiary, hoping to produce 60 kilos of honey annually.

"I have a strong plan for myself and my family. Before, I considered myself worthy for nothing; but this project has opened my mind. I'm no longer alone."

Grace is also from Kayonza District. "I grew up an orphan. My aunt became my guardian and we relied on subsistence farming. My aunt's husband was a drunkard and often cruel. After Grade Six, my aunt couldn't afford my school fees. I was desperate, uncertain what my tomorrow would be like. I learned tailoring but had no materials or tools."

Plan's project brought together young people facing similar challenges to form a tailoring cooperative. We provided ten sewing machines and training in cooperative management.

"Life is much better now. I make dresses, shirts and trousers for customers; I make money each day and pay my siblings' school expenses. In the cooperative, we're like brothers and sisters: we help each other at work, visit each other at home and comfort each other. I feel happy and enthusiastic and I'm sure of a happy tomorrow."

€216 million

Plan started working in Africa in 1974 and today works in 24 countries where, this year, we invested €216 million.

Life in Africa

Many African economies are growing and democracy is spreading. There have been impressive achievements in education and health.

More children are in primary education, more children are immunised and there is increased availability of drugs to treat HIV. Women can be powerful agents of change, and NGOs and community groups are growing in number and self-confidence and getting more involved in managing services like health and education.

Despite this, 300 million Africans still live in poverty and life for millions of African girls and boys remains short, poor, insecure and violent. One in nine children in sub-Saharan Africa doesn't reach their fifth birthday, dying of preventable and treatable diseases, often combined with malnutrition. Lack of sanitation and clean water cause illnesses like diarrhoea. 162,000 mothers die each year in pregnancy or childbirth. 22.9 million Africans are living with HIV – losing their parents to AIDS seriously worsens children's life chances.

In sub-Saharan Africa, 31 million boys and girls don't go to school. Of those who do, 30 per cent drop out before finishing primary school – many girls are forced to leave to marry or care for younger siblings.

Many children face violence, neglect and exploitation. Most work from a young age. Many, especially girls, experience physical and sexual abuse at home and school. Millions of children are subjected to harmful practices, including female genital mutilation and early marriage.

Plan worked with 40,949 communities and reached over 43.1 million children in 2012

Plan works in

Benin
Burkina Faso
Cameroon
Egypt
Ethiopia
Ghana
Guinea
Guinea Bissau
Kenya
Liberia
Malawi
Mali

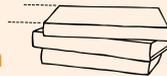
Mozambique
Niger
Rwanda
Senegal
Sierra Leone
South Sudan
Sudan
Tanzania
Togo
Uganda
Zambia
Zimbabwe

Plan's impact >

Our work supports communities to shape development in their countries.

Child protection

25,890 community members and volunteers trained in child protection



Economic security

71,269 people received vocational, business or agriculture training



14,970 savings and loans groups supported

Making a difference in Zimbabwe

“Everyone at school and in the community sees the value in my decision to return to school.” Mara



“However, my new life didn’t go as well as I thought it would.” Mara’s marriage lasted two months before her situation became intolerable. Her husband’s family struggled financially and Mara, then 16, was subjected to various kinds of abuse. She returned to her grandmother but they had little money. Mara was pregnant but could only afford old, tattered clothes for her baby.

After her baby was born, Mara’s community chose her to take part in Plan’s Building Skills for Life programme. She enrolled at Vheneka Secondary School to study for O Levels.

18-year-old Mara lives in Vheneka village in Chipinge District, Manicaland Province. Her parents separated when she was at primary school. Her father married again and her mother received little money to care for Mara and her five siblings. Mara went to live with her grandmother so that she could continue at school. When Mara was in Year Four, her mother could no longer afford her school fees. “After I was told I couldn’t continue, I had no option except to get married. I was forced to look for somebody to take care of me.”

It wasn’t easy at first. Many fellow students didn’t associate with her or involve her in class discussions. Other young mothers laughed seeing Mara in school uniform and some community members were discouraging.

Plan is tackling these attitudes, promoting education for all girls. Mara can see the difference this is making, and other young mothers who dropped out of school are now keen to join her ■

Education

12,315 people trained as teachers, volunteers or community nursery staff



540 schools and **205** nurseries constructed or rehabilitated

Health

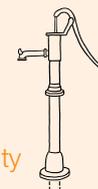
19,951 health workers trained



68 health centres constructed or rehabilitated, benefitting **389** communities

Water and sanitation

125,593 families supported to improve sanitation facilities



723 new or upgraded water points or community water systems



See more: Food security in Guatemala.
For instructions, see inside front cover.



Photo: Martha Adams / 10x10act.org

The Americas

“The best thing that happened was learning our rights. Now I know we have the right to a family, a nationality, medicine, to play.” Dania, Dominican Republic

With funding from the UN High Commissioner for Refugees, a Plan project is preventing violence against women and children in the Dominican Republic. It began in 2011 in three communities in Elías Piña province, this year reaching 480 children and 664 adults.

Workshops for girls and boys, parents and community leaders raise awareness and challenge attitudes to violence and abuse. Women and children gain skills that enable them to improve their relationships, protect themselves better and call on local authorities to guarantee their right to protection.



Protecting women and children

Community networks protect women and children, and leaders and volunteers are trained to detect abuse and domestic violence, and help those affected get support.

For some women, this has been life-changing, as Leta describes. “Before, my husband wouldn’t let me go out.

Then I went to the workshops and learned a lot and realised that women have rights. The first time I went, my husband told me it was nonsense. I was very afraid of him: he assaulted me, and I put in a complaint. As a result of what I’d learned, we broke up because he didn’t want me to go anywhere.” Now, she feels a free woman and isn’t afraid of anyone.

11-year-old Dania explains how girls and boys have benefitted: “I learned that the law protects us and that if a parent wants to burn our hands as punishment for doing wrong, we’re protected. Children aren’t abused now. Parents let you play and have fun. Now that children know their rights they must tell their parents to act on them.”

Since the 2010 earthquake, Haitians have been migrating to the Dominican Republic in increasing numbers. Through this project, understanding between Dominicans and Haitian migrants has improved. Dania says: “Haitian children should be treated well. They should go to school because we’re all equal regardless of race or colour.”

€92 million

Plan has been working in the Americas and the Caribbean for over 40 years, and today works in 12 countries where, this year, we invested more than €92 million.

Life in the Americas

In the past twenty years, there has been substantial progress in improving child well-being and reducing child deprivation, largely driven by reductions in child mortality and increases in primary school enrolment.

More people have healthcare, water and sanitation, and democracy and civil society are stronger.

However, significant inequalities persist, with indigenous peoples, Afro-descendants and displaced people often left out, and 12.4 per cent of the population lives on less than £1.25 a day. 118 million girls and boys live in poverty and half of indigenous under-fives are malnourished. In some countries, under half of all children go to secondary school. Nine per cent of adults lack basic literacy skills.

Many teenagers don't get good sex education, and sexual and reproductive health services are often not youth-friendly, leading to high teenage pregnancy rates. Vocational training and higher education are limited, and 13 per cent of young people are unemployed.

Abuse, domestic violence, sexual exploitation, migration, and child labour are all increasing. Every year, 80,000 children die through domestic violence, and many are subject to sexual violence. Young people are affected by drug trafficking and crime, with many young men joining gangs to escape poverty. Discrimination, rooted in values, cultures, legislation and institutions, poses huge obstacles to girls' development.

In cities, overcrowding generates social problems, including child prostitution and street violence, and puts pressure on jobs, land, housing, and services.

Plan worked with 10,369 communities and reached over 3.9 million children in 2012

Plan works in

Bolivia	Guatemala
Brazil	Haiti
Colombia	Honduras
Dominican Republic	Nicaragua
Ecuador	Paraguay
El Salvador	Peru

Plan's impact >

Our work supports communities to shape development in their countries.

Child protection

43,052 community members and volunteers trained in child protection



Economic security

30,838 people received vocational, business or agriculture training



1,548 savings and loans groups supported

Making a difference in Ecuador

"If it weren't for my mother and her dreams, and Plan and its support, I'd be in prison or sleeping under a bridge now." Carlos



14-year-old Carlos lives with his mother, stepfather and three younger sisters in Quito. He used to be one of around 500 children who work every day in San Roque market. His family are very poor and he felt he had no alternative but to drop out of school and work.

Thanks to his mother's encouragement, Carlos got involved with a Plan project that aims to eradicate child labour from San Roque market. It helps children and young people from low income families to continue studying and develop their potential. As well as helping families increase their incomes, we support them to improve family relationships.

Walter, a project psychologist, remembers the first time Carlos's mother came for help. "She was desperate for her son to return to education. We decided Carlos was suited to vocational study, which offers modules in different jobs, such as restaurant work, tailoring or hairdressing, for one year, preparing him to find a job."

Carlos took classes in cookery, customer service and business management. Andrea, his cookery teacher, says Carlos was "exemplary: one of the best students I've ever had. He loved the classes on desserts and used to make cakes to sell and help his family."

Carlos has now graduated as a restaurant assistant. "I'm a different person now. I've got a vocational qualification and now I'm going to go through the formal education system so I can go to university one day."

Carlos is one of 150 children from 68 families who have so far stopped working in the market and are continuing their education. 59 per cent of them have been achieving better grades at school. Carlos's success has also inspired his sisters: they've all enrolled for the next school term so they too can complete their basic education ■

Education

48,365 people trained as teachers, volunteers or community nursery staff



263 schools and **51** nurseries constructed or rehabilitated

Health

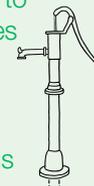
15,567 health workers trained



51 health centres constructed or rehabilitated, benefitting **551** communities

Water and sanitation

2,767 families supported to improve sanitation facilities



649 new or upgraded water points or community water systems



See more: Ending child marriage in Bangladesh.
For instructions, see inside front cover.



Photo: Plan / Glenn Daniels

Asia

"In the past, we didn't have the theory to support a child like Lemah. We just had love. We are so proud of him." Amaniyah, teacher, **Indonesia** ←



When 14-year-old Lemah passed Year Six earlier this year, it was momentous for his family and his school, as well as for Lemah himself.

He has autism and struggles to learn as fast as other students, and to control what his teachers describe as 'hysterical outbursts' at small things, like the sound of a bell. He had already failed Year Six once.

Teaching children with special needs

Lemah's father credits his son's success to the inclusiveness of SD Sukoharjo Elementary School in Rembang district, Central Java, Indonesia. The school has students with special needs, including blindness, deafness, learning disabilities and autism, alongside other students. When younger, Lemah went to a school for children with special needs, but made slow progress.

At Lemah's school, it's not just the principle of inclusion that makes a difference: it's also the teachers' skill in working with boys and girls with special needs. At the school, five teachers are certified to teach children with special needs, after completing a Plan training course where they learned about the characteristics of various disabilities and learning difficulties and how to modify their teaching to support them.

In Rembang district, there are two schools for children with special needs, but these only accommodate 194 of over 1,000 primary school-aged children with disabilities in the district. Only one in five completes primary school – most other schools in the area aren't inclusive, so many children are denied their right to education.

Lemah's story shows that, with help, children with special needs can flourish at mainstream school. Plan wants all girls and boys, regardless of their differences, to fulfil their potential, and hopes that achievements like Lemah's will soon be seen in other schools around Rembang. This year, we supported 22 inclusive primary schools accommodating 832 children with special needs, and carried out public awareness campaigns in the villages where ten of these schools are located.

€109 million

Plan started working in Asia in 1948 and today works in 14 countries where, this year, we invested more than €109 million.

Life in Asia

Despite rapid economic development, almost half of Asia's 1.27 billion boys and girls live in poverty.

The vast majority live in South Asia, which accounts for almost half the world's undernourished children, and where 18 million children don't go to school, and 64 per cent of people don't have sanitation facilities.

In South Asia, one child in fourteen dies before age five from illnesses such as respiratory infections and diarrhoea, exacerbated by malnutrition. Education is often poor quality and, for many, unaffordable. In some countries up to 40 per cent of children don't complete primary education.

In East and South Asia, reproductive health care is often poor, leading to over 106,400 deaths annually in pregnancy or childbirth. Growing numbers of children, especially girls, face discrimination, abuse, harmful labour and trafficking.

Adult attitudes towards children add to their deprivation. Many girls don't go to school not because there is no school, but because they aren't seen as worth educating.

The causes of child poverty are interrelated: population growth; increasing urbanisation; unequal benefits from economic growth; and gender and caste discrimination. However, four trends are promising: greater recognition of human rights; increasing decentralisation; insistence on better governance; and new technologies, enabling the poorest to communicate.

Plan worked with 38,813 communities and reached over 36.9 million children in 2012

Plan works in

Bangladesh
Cambodia
China
India
Indonesia
Laos
Myanmar

Nepal
Pakistan
Philippines
Sri Lanka
Thailand
Timor-Leste
Vietnam

Plan's impact >

Our work supports communities to shape development in their countries.

Child protection

80,744 community members and volunteers trained in child protection



Economic security

39,810 people received vocational, business or agriculture training



17,582 savings and loans groups supported

Making a difference in Cambodia

"I'm very happy with how much I've learned from the training Plan provides." Siev ←



In Cambodia, where four out of ten under-fives are malnourished, a European Commission-funded project helps subsistence farmers to increase and diversify their food production, and adapt to climate change.

31-year-old Kean lives in Kampong Cham Province with his wife and daughter, who attends a Plan-supported nursery. Rice farming is his main source of income, and he's learned the System of Rice Intensification (SRI), which increases yields while using less water and seed.

Last year he produced 240 kilos of rice from 0.12 hectares of land; this year, he nearly doubled that, producing 408 kilos of rice from the same land, and selling a ton of rice at 15p per kilo. By using homemade compost he saves money on fertiliser.

He plans to expand his farm and, one day, hire labourers. He and his wife hope to support their daughter's education all the way through university. He also plans to pass on what he's learned. Over 100 local people have come to observe his work. "I'm the only farmer in this village using SRI, but I think more families will start."

44-year-old Siev, from Siem Reap Province, used to have few resources to raise chickens. Now, she's learned how to build a chicken coop and make homemade feed and medicines for chickens. In the first month after joining, she sold 12 hens, making £40.

Siev plans to enlarge her vegetable garden, learn how to increase rice yields, and expand her chicken-raising business. Three of her children are at school and she hopes to support them to complete school and perhaps go to university ■

Education

66,495 people trained as teachers, volunteers or community nursery staff



1,349 schools and **3,074** nurseries constructed or rehabilitated

Health

78,269 health workers trained



202 health centres constructed or rehabilitated, benefitting **131** communities

Water and sanitation

289,551 families supported to improve sanitation facilities



2,424 new or upgraded water points or community water systems



Photo: Plan

Plan UK activities

Plan UK supports the development and management of significant projects covering issues like education, health, disasters and child protection in many of the countries where Plan works.

Funded by sponsorship, grants, donations, appeals and partnerships, our development experts play an important role in the work Plan carries out worldwide. Our priority areas are supporting adolescents and managing disaster risk.

Development

We focus on helping marginalised adolescents aged 10 to 19 – and girls in particular – to thrive in a changing world by building their skills for life. We support them to continue their education, gain the skills they need to make a living, and learn how to make informed choices about their sexual and reproductive health.

We help young people to demand greater accountability and transparency from governments and other authorities. We also support major projects on food security and safe water, sanitation and good hygiene. > page 24

Managing disasters

In a world of proliferating disasters, we are strengthening our work in risk management, building the ability of young people and communities to prepare for, cope with and be resilient to disasters. We invest in young men and women's knowledge and skills to reduce the impact of disasters, minimising loss and damage – and saving lives.

Where disaster strikes we provide children and families with what's needed for survival, ensure children are safe and can go back to school, support communities to recover, and to reduce their risks in future disasters. > page 28

Campaigning

We advocate change in the policies and practices of local and national governments and global organisations to improve children's lives, and in particular, to promote girls' education and end the practice of early, forced marriage. > page 32

Working in partnership

We establish partnerships with businesses, trusts, private donors, and charitable organisations. These collaborations make a vital contribution to Plan's work. > page 34

Sponsorship and fundraising

We foster personal connections, raising funds to support Plan's work in 50 countries, and making global development issues real by relating them to individual people and local situations. > page 36

Development

“With the help of the Young Health Programme staff I’ve realised the importance of making a right choice for my career, family life and reproductive health.” Rana, India



Rana lives in Madanpur Khadar community, Delhi. She’s 16, but married when she was only 15, and too young to understand what marriage meant. She wanted to stay at school, but had to leave.

After getting married, she was worried about getting pregnant. She tried to talk to her husband about contraception but he threatened to abandon her and find another wife. Forced to have sex without a condom, Rana contracted a sexually transmitted infection. She was afraid to seek help because of the taboo associated with visiting a doctor. “I was really confused about my future. I couldn’t even make a right decision regarding my family life.”

Transforming relationships

Eventually she went to a Health Information Centre set up by the Young Health Programme – a partnership between Plan, pharmaceutical company AstraZeneca and Johns Hopkins Bloomberg School of Public Health. At the centre, she was given vital information on menstruation, pregnancy and HIV and AIDS, and treated for her infection.



Photo: Paolo Black for the Young Health Programme

Gradually, Rana became a regular at the centre and with the support she found there, her confidence grew. One day she told her whole story to centre staff. They encouraged her to return to school, and to train as a peer educator on sexual and reproductive health.

Armed with the knowledge she gained, Rana’s confidence increased further and she eventually persuaded her husband to use contraception so she could avoid an unplanned pregnancy. Their relationship has transformed: now, he’s one of her biggest supporters and respects her feelings and rights.

Now, Rana brings friends to the centre to discuss sexual and reproductive health matters that they aren’t comfortable talking about with parents and teachers. She says: “Now I know how to set goals and lead my friends, family and community towards a better life.” Rana herself is working hard to complete her education: she hopes to become a teacher.

Plan’s work addresses the many causes of poverty.

As one of 21 national organisations, last year Plan UK itself had direct involvement or responsibility for a range of specific projects across many areas of work that address these causes.

‘Building Skills for Life’ is Plan UK’s flagship programme. It aims to support the empowerment of adolescents (aged 10-19) with a target of reaching 250,000 adolescent girls in particular over the next five years and to challenge gender inequality. We focus on adolescent girls’ education, economic security, sexual and reproductive health and rights and protection from violence.

The changes for girls have already been noticeable, ranging from their increased confidence in speaking up for themselves and their rights to education, better protection from abuse and from violence, to working with government bodies to advocate for more girl-friendly policies.

The Building Skills for Life programme is funded by over 10 donors including a UK Department for International Development (DFID) Programme Partnership Agreement (PPA), which supports projects in nine countries, corporate partners such as AstraZeneca and Barclays (see page 35), as well as our Girls Fund supporters (see page 38).

In 2011/12 Plan UK supported 29 projects in 24 countries, directly reaching 66,507 adolescent girls and helping them make informed life choices that will keep them in education, protect them from violence and enable them to move themselves from a life of poverty to a life of opportunity.

Through youth groups, schools, community meetings and local government committees and planning processes, more young people are getting involved in local decision making in areas like education, health and child protection. Governments, community leaders and those who run services like healthcare and sanitation are listening more to young people and working with them to respond to their concerns. Our initial five-year programme exploring this work, which was also funded by a PPA with DFID, ended in March 2011. In 2011/12 our focus has been on sharing the lessons from that programme across Plan and with other organisations, promoting the approach, and building up new projects applying what we have learned to new contexts and new issues for young people.

We also focus on strengthening food security and support water, hygiene and sanitation projects.

Sexual and reproductive health

Our work in sexual and reproductive health is often led or supported by Interact Worldwide, with whom we merged in 2009. This year, Interact supported Plan's work in Niger and Uganda as well as managing 14 projects of its own.

Interact provides expert technical advice on adolescent sexual and reproductive health to two of Plan UK's largest programmes: the Young Health Programme and our PPA with DFID.

Development education

Young people are a powerful force for change. By understanding the issues and opportunities peers around the world are facing, and seeing the influences and causes behind situations, young people can judge for themselves how best to create positive change in the world. We support them to express their views and find ways to act. In 2011/12, we changed our emphasis in this work, phasing out our School Linking programme and instead focusing more on collaborative action between young people in the UK and internationally on the issue of climate change, and on engaging young people in our campaign work.



Highlights of 2011/12

Protection

- Plan supported communities to address harmful practices such as female genital mutilation and child marriage in Bangladesh, Egypt and Mali. 12,983 adolescent girls took part in activities: in Bangladesh, girls participated in meetings with boys, religious leaders and others to develop annual action plans for raising awareness in their communities about child marriage and advocating for the practice to stop.

Education

- Over 9,000 girls were given financial assistance to go to school – including scholarships for fees, uniforms, bags and study materials – and 679 teachers in Cambodia, Malawi, Mali, Rwanda and Zimbabwe were trained on participatory teaching methodologies that are girl- and boy-friendly, through the DFID PPA
- We carried out research in the nine DFID PPA countries, which examined how factors such as early pregnancy, financial constraints and gender norms affect girls' attendance and completion rates at lower secondary school
- In Cambodia 2,046 vulnerable and marginalised girls and boys received school scholarships; 5,963 students learned new practical and life skills including vegetable gardening and sewing, helping them to get jobs or start their own businesses; and 4,851 students received additional support for slow learners. In Liberia 929 children are attending three newly-built primary schools in Bomi County. This was achieved through a partnership between Plan UK and financial services company Credit Suisse (see page 34).

Health

- Over 46,200 young women and men and 77,505 community members including parents, teachers, policy makers and local leaders received support in addressing health issues, through the Young Health Programme (see page 35). In one of our project areas in India, Mangolpuri, the Health Department has now established a Saturday health clinic specifically for adolescents – the first of its kind.

Economic security

- Since it began, 488,000 individual members have set up more than 23,000 savings groups, with combined savings of over £4.3 million, through the award-winning Banking on Change programme (see page 34). The scheme helps families get basic savings and loans services and increase their income.

Participation

- Plan UK has consolidated its learning to date on governance and social accountability programming in a 'Governance Learning Guide' which has been widely disseminated across Plan International and externally. Plan UK has used this guide to support governance capacity-building workshops in three Plan country offices and will continue this work with other offices in 2013
- Plan UK is leading the development of Plan's 'Global Citizenship and Governance Strategy' and hosted an international workshop in London in June 2012. The strategy aims to support Plan to implement high-quality governance programmes
- This year Plan UK's continued support of our Youth Advisory Panel (see page 2) saw a huge achievement for young people with our international Board's agreement to hold a global youth assembly to advance youth engagement in the governance of Plan around the world
- We developed a participatory monitoring tool to assess whether schools in our DFID PPA project are girl- and boy-friendly. This enables girls and boys to define what aspects of school quality are most important to them and to score how well their schools are doing against these factors. They then discuss the results with members of school management teams and make collaborative action plans for improvements.

Food security

- In Zambia a project building the skills of 27,600 farmers was completed. With training in sustainable agriculture, disposable income has increased for 80 per cent of the households involved and 90 per cent now eat at least twice a day
- In the Philippines, we trained 1,170 farmers in sustainable agriculture and provided 12,000 kilos of seeds
- In Pakistan, we completed training in sustainable agriculture and cooperative management for hundreds of individuals, organised awareness-raising clubs for 650 children and trained over 3,000 women on family nutrition.

Water, hygiene and sanitation

- We worked with communities in Burkina Faso, Kenya, Sierra Leone, Togo and Uganda to provide access to water for over 65,075 people, including 11,948 children. 980 families (about 4,900 individuals) now have access to decent sanitation, reducing the incidence of potentially fatal diseases
- 4,076 children, 780 teachers, 223 technicians, and 30,095 community members have received training or awareness sessions on health and hygiene promotion in these five African countries.

Sexual and reproductive health

- With Plan Uganda and Plan Sweden, and with funding from the Swedish International Development Agency, Interact is part of a new project to reduce early pregnancy and gender-based violence among young people. Lira District in northern Uganda, where the project will be working, is recovering from conflict, and sexual and reproductive health care is particularly poor
- In Niger, Interact designed a programme to help Plan respond to adolescent sexual and reproductive health needs in the midst of a food crisis, and strengthened Plan's work on family planning, child marriage and gender-based violence

- With funding from the Gates Foundation, Interact and Plan are among 15 European health and development organisations working together as 'Action for Global Health', calling on European governments, the European Union and multilateral institutions to prioritise health in developing countries, and speed up progress towards the health Millennium Development Goals
- Building on work we did together in Haiti and Pakistan in 2010, Interact is helping Plan work towards responding to adolescent sexual and reproductive health needs in every emergency to which we respond.

Development education

- 'Make the Link – Climate exChange' is a three-year project funded by the European Commission. It promotes learning, dialogue and action on climate change through linking 11 to 19-year-olds in primary and secondary schools and youth groups in the European Union (UK, Netherlands and Bulgaria) with those in Africa (Kenya, Malawi and Senegal)
- In 2011/12, 439 schools and youth groups took part in the programme with 175 schools groups taking part in campaigns supported by the project
- 1,300 young people took part in Active Citizenship training designed to increase their knowledge and understanding of what makes a successful campaign, how to engage with decision makers and to develop skills in communication, media, teamwork, and planning ■



Photo: Plan / Arthur Kintu

Managing disasters

“The food is good because it helps people stay at school. When I’m hungry I can’t concentrate when I’m full, I can.” Jacqueline, Kenya ←



In Machakos District, east of Nairobi, families try to survive mainly through subsistence farming. This region was hit hard by the drought that devastated the Horn of Africa last year, leaving an estimated 12.4 million people in urgent need of food.

Plan provided school meals at four schools in Machakos which were not covered by government feeding programmes. The effect was dramatic, explains Kathukini School’s headteacher, Daniel Kiilu: “When Plan came in, we were so grateful because some pupils had started vanishing ... When the feeding programme started, enrolment rose again.”

Building resilience

Mr Kiilu says the school’s population dropped from 1,115 before the drought to about 800, but began climbing again when the feeding programme was introduced. It now stands at over 1,100. Plan provided one meal of maize and beans per day, and supplementary healthy snacks for the youngest children.

Jacqueline’s school friends agree the feeding programme has made a big difference. 16-year-old Amina, whose passion is running, says: “It made me not fear coming to school.” “I like working when I am not hungry,” adds Alex, 12, who loves maths and is working hard to realise his dream of becoming a doctor. 14-year-old orphan Phyllis lives with an aunt, and her sisters. “School meals are important because most of the time at home, there was no food.”

In addition to school drop out, food crises can lead to families being displaced, early and forced marriage and even sexual violence and exploitation. Plan addresses child protection issues as well as providing food.

One year on in Machakos District, Plan is focusing on long-term water, health and sanitation and livelihood projects to build up communities’ resilience to deal with future droughts.

When disasters occur, we respond by meeting communities’ survival needs including water, food, shelter and healthcare. We help provide education in temporary schools, emotional support, and protect children from abuse and exploitation. We help communities respond to disasters and support their short- and long-term recovery. We make sure girls and boys are fully involved in rebuilding their communities.

Investing in young men and women’s disaster risk management and reduction (DRR) knowledge and skills saves lives and minimises losses. Our long-term commitment to community development ensures an integrated approach to humanitarian aid that helps better prepare those on the frontline of disasters to address future risks. We’re seeing increased commitment by governments to supporting greater integration of DRR and climate change adaptation (CCA) in education, and to encouraging children’s participation in community efforts to build resilience.

Plan's main disasters work in 2011/12

In 2012, Plan responded to 36 disaster situations – including some continuing from previous years. We provided life-saving humanitarian assistance, child protection and education in emergencies.

We have disaster risk reduction projects in 32 countries and disaster preparedness projects in 30 countries. We joined the Disasters Emergency Committee (DEC) in July 2011. The DEC brings together 14 leading UK aid charities, in times of crisis, to mobilise funds donated by the general public quickly and efficiently and to ensure they're used where they're needed most. Plan's emergency responses are often supported by funds from the UK Department for International Development (DFID) or the Humanitarian Aid and Civil Protection Department of the European Commission (ECHO).

Africa

This year we responded to disasters in ten countries including Burkina Faso, Ethiopia, Kenya, Mali, Niger and South Sudan.

Ethiopia, Kenya and South Sudan

Thanks to our membership of DEC and the appeal for the East Africa drought in the summer of 2011, Plan's emergency response programmes reached nearly 1.2 million people – 300,000 in Ethiopia, 650,000 in Kenya and 250,000 in South Sudan.

In Ethiopia, we carried out emergency feeding and medical care programmes for young children and pregnant women, constructed and rehabilitated water-catching systems and provided training on hygiene and sanitation. In Kenya, we provided water and medicines, and nutritious meals for schoolchildren, and carried out sanitation and hygiene and child protection programmes. In South Sudan, we provided emergency food relief and school meals programmes, and built wells.

In all three countries, we also provided seeds, livestock and fertilisers to help families rebuild their livelihoods, helping communities become less vulnerable in the longer term.

In South Sudan, we also responded to the humanitarian emergency caused by tribal conflict in Jonglei State, where armed groups drove thousands of families from their homes. We provided food supplies for 50,000 people, improved hygiene and sanitation, provided clean drinking water and protected displaced children from trauma, neglect and abuse.

Burkina Faso, Mali and Niger

Earlier this year, 13 million people were at risk in a food crisis after erratic rains and an attack of pests and locusts destroyed entire harvests. Political unrest and violence in Mali also led to hundreds of thousands of people fleeing to neighbouring countries, putting further strain on poor communities.

In Burkina Faso, we supported Malian refugees along the border. We worked with the Ministry of Health to screen malnourished communities and supported two camps for 12,000 people in collaboration with the UN High Commissioner for Refugees.

In Mali, we helped those who had been internally displaced, distributing basic items, such as school kits and hygiene essentials, and cereals and grain. We supported health authorities to provide vaccinations, deworming medicines and mosquito nets.

In Niger, we supported both refugees and the poor rural communities which often accommodate them, providing food to schools and vulnerable groups, and mosquito nets, blankets and sanitation kits. We also built latrines and provided clean drinking water. We restocked cereal banks and provided schooling equipment so that refugee girls and boys could continue their education. We also supported communities affected by an ongoing cholera crisis.

We are continuing to work with people affected by these crises in the three countries.



Americas

This year we responded to disasters in Colombia, El Salvador, Haiti, Honduras, Paraguay and Peru.

El Salvador

During the 2011 hurricane season, we distributed non-food items such as hygiene kits, and radios to help people keep in touch; we also rehabilitated evacuation shelters in areas affected by landslides and flooding. We provided teaching materials so that children could carry on their education, and a cash-for-work scheme so that families affected would have an income.

"We learned about the causes and effects of climate change and how to be prepared for any emergency, such as earthquake and flooding." Iris, Nicaragua

Nicaragua is a country which is especially vulnerable to natural disasters. This means it's essential that people are prepared and know what to do in the event of an emergency. Plan provides training for children and young people to ensure their families, schools and communities have taken precautionary measures and know what to do if something happens.

Iris was one of 70 schoolchildren who attended a disaster preparation training camp in the municipality of Villa El Carmen. The students learnt how to prepare and respond to emergencies – whether alarms are raised when they're in school or at home in their communities.

Plan worked in conjunction with the Nicaraguan Ministry of Education to host the camp for risk management. It's important to practise to help avoid panic – so the training included an earthquake drill.

Haiti

Our work to support the country's rehabilitation following the catastrophic earthquake of January 2010 continued; we also carried out hygiene promotion sessions in schools to increase children's awareness of cholera.

Honduras

Plan responded to flooding and landslides in Choluteca department, providing health, child protection and education in emergencies programmes, making sure that children could return to school as soon as possible.



See more: Emergency work in West Africa.
For instructions, see inside front cover.

Asia

This year we responded to flooding emergencies in Bangladesh, Cambodia, China, India, Pakistan, Philippines, Thailand and Vietnam.

China

Plan supported communities in four south-central provinces hit by severe and prolonged rains in September 2011, and the province of Shaanxi in particular. In affected primary schools, we distributed child-centred relief items such as basic kits for boys and girls, which include clothing, toiletries, sheets and towels.

India

To help thousands of families affected by floods in Uttarakhand and Orissa, we set up cash-for-work schemes so that they would have a source of income. We also supported people to re-establish their ways of making a living, and to learn how to be better able to reduce the risks of future disasters.

Thailand

When Thailand was hit by floods in October 2011, we rehabilitated Early Childhood Care and Development Centres, providing educational and play equipment to help rebuild children and families' sense of security.

Other activities in 2011/12

We've influenced donors, governments and practitioners

- We contributed to DFID's consultation on Global Resilience Action programmes, and its learning group on understanding resilience – how communities can best prepare to withstand and recover from disasters – sharing recommendations from our work
- With the coalition 'Children in a Changing Climate', we promoted children's rights within climate change negotiations at key conferences, including the United Nations (UN) COP17 climate change conference in Durban and the Sixth International Conference on Community-based Adaptation in Hanoi, Vietnam
- Plan was a leading partner in the UN's International DRR Day, which promoted children's involvement in building community resilience. Over 20 country offices took part in events to mark the day.

We've helped communities become more resilient

- We secured five new grants from ECHO's Disaster Preparedness Programme (DIPECHO) to support schools and communities in South East Asia and Central America to become more resilient
- With the Institute of Development Studies and Christian Aid,

we completed a two-year project, 'Strengthening Climate Resilience', which developed an approach to integrating climate change and disaster risk in the design and implementation of programmes and the development of policies. Twenty country offices were trained in this approach, and Plan Australia has secured funding to ensure replication in four new countries. Lessons learned were shared through four research publications, three regional workshops and an online learning platform (www.csdrm.org).

We've lead and participated in international policymaking

- Vice Chair of the Sphere Project – a key international initiative to improve quality and accountability in the humanitarian sector
- Member of the Humanitarian Accountability Partnership
- Part of global working groups on Education in Emergencies and Child Protection in Emergencies
- Member of the UN Inter-agency Standing Committee Reference Group on Mental Health and Psychosocial Support in Emergencies
- Board member for VOICE (Voluntary Organisations in Cooperation in Emergencies) and the Consortium of British Humanitarian Agencies (CBHA) ■

Campaigning

“These girls are an inspiration... they’re taking on issues that affect all women, no matter where they are in the world. They understand what it’s like to have an education.” Baroness Floella Benjamin, **UK**

In March 2012, hundreds of London schoolgirls took part in walks to support our ‘Because I am a Girl’ campaign.

On 28 March, 600 pupils from South Hampstead High School walked 10km from London’s Olympic Park to Westminster, carrying heavy weights of water as a symbol of the chores that keep many girls around the world out of school. The girls from South Hampstead High School joined Plan UK’s campaign last year after learning about the serious issues facing girls their own age in developing countries.

When they reached Westminster, a group of girls handed in a petition at 10 Downing Street, calling for the UK Government to take urgent action to support girls to escape early and forced marriage and stay in education.

As they finished, the girls were presented with medals by MPs and Baroness Floella Benjamin. Fifteen MPs turned out to

greet the girls, including Hampstead MP Glenda Jackson. The MPs’ support demonstrates growing political will to end child marriage.

The girls were joined on the walk by Olympic Team GB fencing star Laurence Halsted and award-winning author Sufiya Ahmed.

Keeping up the pressure

On 26 March, 250 girls from Heathfield School in Pinner walked the six miles from their school to Wembley Stadium, to raise awareness and funds for our ‘Because I am a Girl’ campaign. To keep up the pressure, we’re urging the different departments of the UK Government to work together to end child marriage. We’re calling on Justine Greening, Secretary of State for International Development, to lead vital action. We want the Government to increase its efforts to prevent child marriage; use its influence to make ending the practice a global priority; support girls’ education; and ensure that girls’ rights and potential are valued and protected.

Events like marches by young people can have a big impact on the decision makers we aim to influence with our campaigning and advocacy work, as well as ensuring UK boys and girls are well-informed about issues facing children in the countries where we work.

Through our wider advocacy work with policy makers and opinion formers, Plan UK is able to strengthen policy and influence debates that support many more millions of children to move from a life of poverty to one with opportunity.



See more: Plan UK’s campaigning work in the UK. For instructions, see inside front cover.

Highlights of 2011/12

Impact at national and international levels

- In July 2011, we launched the report 'Breaking Vows: Early and Forced Marriage and Girls' Education', supporting our 'Take the Vow' campaign petition. This calls on the UK Government to help end child marriage. After campaigning by 10,000 Plan supporters, Lynne Featherstone, now a minister in the UK Department for International Development (DFID), announced her support
- In September 2011, we launched 'So, what about boys?', the latest 'Because I am a Girl' report, with then DFID minister Stephen O'Brien giving the keynote address
- In November 2011, Plan UK and the Royal Commonwealth Society launched a joint paper on ending early and forced marriage, ahead of the 2011 Commonwealth Heads of Government Meeting in Perth, Australia. At the meeting, we held a high level event discussing the issue, and a new specific focus on ending early and forced marriage was included in the Commonwealth Heads of Government Communiqué
- Following campaigning by Plan, the United Nations declared 11 October as the International Day of the Girl; the first celebrated in 2012.

Broader impact

- Plan UK was chosen by the Girls' Schools Association (GSA) as its 2011 International Charity. Schools across the country fundraised, and Dr Helen Wright, 2011 GSA President and 'Because I am a Girl' campaign ambassador, visited Plan's education projects in Bangladesh

- On 20 March 2012, we celebrated our 75th anniversary with the World's Biggest Children's Birthday Party. More than 75,000 children in 16 countries took part along with celebrities and supporters. Events included a concert in Haiti, a girls' football match in Bangladesh, the planting of 75,000 trees in Zimbabwe, and VIP visits by the likes of the Pakistan Prime Minister. We produced a booklet celebrating Plan's achievements over the last 75 years
- To raise awareness of, and engagement with, our work with and for girls, we ran a ground-breaking interactive advertisement on a bus stop in London's Oxford Street. It used facial recognition software to determine whether a man or woman was standing in front of the screen, and showed different content accordingly – to highlight gender inequality and its impact on girls living in poverty. The ad generated significant media coverage and increased traffic to our website and social media channels. Over 27,000 people tried out the ad, and around 3,000 signed the petition urging the UK Government to work harder to end child marriage

We launched a Facebook app relating to childhood books, involving celebrities and highlighting our campaign for girls' education. These activities raised over £165,000 as well as increasing awareness of Plan

- We saw increased engagement through social media channels, attracting more Facebook and Twitter followers
- We continued to develop our website and digital channels in line with our supporters' feedback and interests ■

Working in partnership

“No other financial institutions give loans to small-scale farmers, in a dry area like ours. I really appreciate the services offered by the VSLA.” Irene, Kenya



As part of the VSLA, Irene has been trained on how to run a business. After taking out loans from the group, she's been able to buy food and medication for her dairy goats throughout the year. The goats are now healthy and producing milk steadily, providing enough for her family and to sell to the people of the village.

Irene's children's health has improved and she can now afford to send all of them to school. "If I hadn't received the money from the group, I wouldn't have been able to keep my goats healthy, and producing milk," says Irene. "I was able to milk throughout the year so I kept up with my customers' demand."

For Irene and her family, the VSLA has been a lifeline.

Irene lives in a poor rural community in Kombewa, eastern Kenya. She is married and has children. She had been struggling to earn a living from her farm where she and her husband keep goats. They tried to keep poultry and dairy cows, and grow fruits and cereal crops.

With low earnings from the farm, Irene couldn't afford to feed and care for her animals during the dry season. So, she couldn't provide for her family's basic needs and couldn't afford to send all her children to school.

Improving her children's lives

In September 2010, Irene joined a Village Savings and Loans Association (VSLA), along with 25 others from her village. The VSLA is supported by Banking on Change – a programme developed by Plan UK, Barclays and CARE International. Together, the members of the VSLA save small amounts of money, and accumulate a collective pot of money from which they can borrow at reasonable rates of interest.

Partnerships play a vital role in Plan's work. In fact, on the ground they encapsulate our philosophy. We don't impose projects or ways of working – we work with children, their families and communities to identify needs, recognise problems and develop solutions in collaboration with local partners. Last year we worked with over 50,000 community-based organisations and other NGOs.

In the UK, partnerships with corporations, foundations and philanthropists allow Plan to harness their resources and expertise and deliver sustainable changes for children living in the poorest countries around the world.

We are part of key networks and alliances working to improve children's lives in developing countries. Plan works in partnership with private donors who, through making a personal contribution, have supported specific programmes and seen the impact of their investments on the lives of children and their families. We also work with charitable trusts and companies to build mutually beneficial partnerships that drive sustainable impact for children around the world.

Highlights of 2011/12

Development partnerships

Our Partnership Programme Agreement (PPA), funded by the UK Government's Department for International Development (DFID), funds work in nine countries (Cambodia, El Salvador, Kenya, Mali, Malawi, Pakistan, Rwanda, Sierra Leone and Zimbabwe), and is worth £12m over three years (see pages 26 and 27).

Corporate partnerships, including:

- The Young Health Programme, a partnership between AstraZeneca, Plan International and Johns Hopkins Bloomberg School of Public Health. Launched in 2010 and with a commitment at the 2011 Clinton Global Initiative Annual Meeting to target non-communicable diseases in disadvantaged young people, it aims to help young people in need around the world deal with health issues. YHP community programmes are now in place in 11 countries, and Plan manages three of these, in Brazil, India and Zambia. Overall by 2015, YHP will directly reach 500,000 young men and women aged between 10 and 24 and will touch 500,000 more lives indirectly (see page 26)
- Banking on Change is a £10 million, three-year programme, developed with Barclays and CARE International, which helps some of the poorest and most vulnerable people in 11 countries, including Ghana, Kenya and Zambia, get basic savings and loan services, so they can increase their incomes and improve their quality of life. Community members set up savings and loans groups, deciding how much each member contributes and what they can use loans for. It has exceeded its targets (see page 26)
- Turner Broadcasting, the company behind channels including CNN, Cartoon Network and TCM, has supported a Plan school improvement project for a fourth time. The company and staff gave £45,000 for the Remeda Two Primary School in Ethiopia. The company also helped to promote Plan's 'Because I am a Girl' campaign on CNN over a six-month period
- In Indonesia, Aviva and Plan UK launched the 'Plan Count Every Child and Aviva Street to School Programme', a project to make sure that children living or working on the streets of Jakarta have their births registered. Over the next two years, we'll work with the Ministry of Social Affairs in five districts. An awareness campaign will help 3,500 children (and their caregivers or parents) learn about birth registration and promote it to their peers. We aim to register 1,500 boys and girls, and support authorities across Indonesia to develop a streamlined, easily accessible registration process
- Plan has been working in partnership with Credit Suisse Global Education Initiative since 2008 delivering school improvement programmes and support to teacher training in Liberia and Guatemala. We have now extended this work to Cambodia. Together we are working to increase the number of children in school and the quality and relevance of teaching, and to address issues of gender inequality in education (see page 26)
- Leo Burnett London has been working on a TV commercial demonstrating the impact education has on girls and the world around them. They have also been working with us to develop 'Plan Talks', to be hosted by some of the world's most influential women ■

Sponsorship and fundraising

“People believe in me, and this encourages me to continue playing an active, leading role in the development of my community.” Mohamed, **Egypt**



Mohamed was a small child when Plan began to work in his community. He loved being part of the Child Media project, which provides media training for children and young men and women, and produces a national TV programme called ‘Hear Us Out’, on children’s rights.

Today, Mohamed attends university and is a committed community leader. He recently became a board member of his village association – the only member under 50 years old. “Being on this board would have been impossible if I had not participated in Plan’s programmes,” says Mohamed proudly. “There I developed my character, acquired skills and gained experience. Although I’m the youngest member of the board, they nominated me to be the next chairman.”

And for Yeukai in Zimbabwe, communicating with her sponsor opened up a new world. “The first letter that I ever received was from my sponsor. I remember showing my friends what a letter looks like – we all marvelled! The letters inspired me to work hard, and I enjoyed sharing events from my community.”

Giving something back

As well as supporting Yeukai through primary and secondary education, Plan also gave her the chance to learn more about wider issues and solutions to social problems. “As a sponsored child I used to have long discussions with Plan’s community development facilitators. I learned a lot and understood more about child abuse, child protection and participation.”

These discussions had a long-term impact on Yeukai’s choice of career. “I graduated from Fort Hare University’s Law School in 2009 and now I work as a public prosecutor in the Ministry of Justice and Legal Affairs. My passion is to help the less privileged who seek justice through the courts. The cases closest to my heart include those of child abuse and women’s rights violations.”

Like Mohamed and other young people who have been sponsored through Plan, Yeukai is keen to give something back. “My wish is to set up a law firm and work closely with organisations like Plan on child rights issues.” She also hopes she will be seen as a role model for other children. “Where I come from, I’m the first lawyer to have made it. As a girl child I’ve paved the way for others to follow. Nothing is impossible.”

Child sponsorship is central to Plan's work. As Mohamed and Yeukai's stories demonstrate, the link sponsorship provides can inspire children to achieve their dreams and improve the lives of whole communities in developing countries.

Sponsorship provides long-term, flexible funding for community projects, so local people themselves can plan for their future. It keeps us in touch with individual children and their families, and keeps us focused on their vital needs. It also increases understanding of the issues facing girls, as Yeukai notes.

The interaction between children and Plan field workers can be an incredibly valuable way to raise awareness and inspire girls and boys to take a lead in shaping their futures. Materials sent to sponsors are often produced by Plan-supported children's groups, enabling children to reflect on the issues that affect them and express their views.

Detailed reports and updates show sponsors how their support makes a lasting difference, and make global development issues real by relating them to individual people and local situations. This personal connection helps to build a

worldwide community aware of, involved in and united around the needs and rights of girls and boys.

Plan UK collaborates with institutional bodies in the UK and Europe through grants, contributions and partnerships. We also receive funds and valuable support for particular projects and initiatives from trusts and foundations, companies, individuals and community groups.

And each year, hundreds of Plan's supporters hold or take part in events with friends and families, raising awareness about our work and raising lots of money.

Accountability

In 2011/12, of every £1 generated, 81p was spent delivering our programme work and 19p on fundraising and administration.

Plan UK is a member of the Institute of Fundraising and our fundraising activities adhere to their codes of practice. Through membership of the Fundraising Standards Board, Plan UK is committed to treating the public with respect, fairness, honesty and clarity in all its money-raising activities.



Photo: Victoria Dawe / Plan

Highlights of 2011/12

Sponsorship

- While overall sponsor numbers and sponsorship income went down, we achieved 25 per cent growth in new sponsor numbers compared to last year
- 44 per cent of Plan UK's income came from sponsorship
- Over 85 per cent of UK donors gave tax efficiently via Gift Aid, allowing Plan UK to claim over £4.6m from HM Revenue and Customs
- We launched Plan Postbox, an online letter writing service for sponsors. Sponsors can customise their message to the child they sponsor with a photo, or use their own template and drawings. Through Postbox, sponsors can send a letter or a shorter postcard to their sponsored child as a quick note of encouragement. Over 5,000 messages have been sent using this facility since January.

Grants from official bodies and foundations

- We strengthened our relationship with Jersey Overseas Aid and received £309,000 due to a significant increase in emergencies funding
- We secured funds of £18.5m from the European Commission (EC), European Commission Humanitarian Aid Office (ECHO), UK Department for International Development (DFID), Disasters Emergency Committee (DEC), The Gates Foundation, The Big Lottery and Comic Relief.

Other donations, events and appeals

- Plan UK supporters generously gave more than £569,000 to support our work with communities affected by disasters
- Over £398,000 was received from legacy bequests
- Last year we developed the 'Girls Fund' which enables donors to directly support our work to tackle child marriage and female genital mutilation and provide education and training. We now have six Girls Fund projects in Bangladesh, Egypt, El Salvador, Mali, Sierra Leone and Vietnam. This year we recruited approximately 6,000 Girls Fund regular givers.

Partners and fundraisers

- Plan UK received funds of over £7 million for project work from trusts, foundations and companies, as well as individuals
- Plan runners taking part in the Royal Parks Half Marathon raised over £50,000
- Our partnership with the Girls' Schools Association continued, with several schools pledging their support to Plan's 'Because I am a Girl' campaign. Fundraising activities included sponsored walks, fun runs, fashion shows and homemade cake sales. Lady Eleanor Holles School raised over £32,000 in the last academic year ■



See more: Miriam Stoppard visits her sponsored child. For instructions, see inside front cover.

Looking forwards

Plan UK will continue to work with the world's poorest girls and boys so they can move themselves from a life of poverty to a future with opportunity. We will:

Build skills for life

- Build on our learning to date, and expand our work to reach 250,000 girls by 2016
- Help more young men and women make a decent living, either through preparation for employment or supporting them to start their own businesses
- Ensure that girls not only get into and stay in school, but are well-treated while there and learn effectively
- Work with communities to raise awareness of harmful practices affecting girls, including child marriage and female genital mutilation
- Complete the Banking on Change programme, focusing increasingly on access to financial services for young people, and encourage others to replicate its successes.

Mobilise young people as active citizens

- Finalise a global citizenship and governance strategy for Plan globally
- Engage with MEPs in the final six months of 'Make the Link – Climate exChange'
- Produce a guide for decision makers and young people on working together
- In the European Parliament, launch a young people's declaration, calling for their voices to be heard on environmental issues, and host an event promoting their involvement in decision making.

Manage disasters

- Respond to emergencies and long-term situations affecting communities where Plan works, and work as part of the Disasters Emergency Committee (DEC)
- Get children and young people involved in preparedness, prevention and disaster response, and work with national ministries of education and local governments to make more schools disaster-proof
- Engage with key humanitarian networks, institutions and decision makers.

Campaign

- Support Justine Greening, UK Secretary of State for international development, to lead further action to end child marriage; launch a film project and briefing paper illustrating solutions
- As a Girlguiding UK 2013 charity partner, launch a 'Choices for Girls' project pack for 250,000 UK members
- Celebrate the first UN International Day of the Girl on 11 October, and the global launch of our 'Because I am a Girl' campaign, in partnership with EDF's London Eye and the Southbank Centre
- Continue advocating for nine years' quality education for girls
- Launch 'Plan Talks', hosted by some of the world's most influential women
- Build our digital communication channels so more people can find out about us and support our work.

Work with partners

- Maximise the impact of our existing corporate partnerships, and develop more innovative, strategic partnerships
- Engage new partners to invest in our vital work to support girls through an 'Investors Circle' network
- Build our trusts portfolio across the UK
- Develop global advocacy elements to our major partnerships with Barclays and AstraZeneca to drive change at the highest levels.

Fundraise

- Improve child sponsorship to deliver the best possible experience for sponsors and the boys and girls, families and communities they sponsor
- Recruit new Girls Fund donors; over the next five years we aim to attract 30,000 new donors to Plan UK through the fund, generating £3 million per year for Plan's projects with girls ■



Photo: Plan / Glenn Daniels

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 Plan's day-to-day operations to the Chief Executive and a team of senior officers (detailed on page 54).

The members of the Board of Directors are shown on page 54. 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 a comprehensive induction with a full agenda covering all areas of the Charity's activities.

Plan UK has an Audit Committee currently comprising three Directors and one co-opted non-Director. In accordance with its terms of reference, it reviews internal financial control, the financial reporting process, the audit process, the risk management process and the management and statutory financial statements. The Committee has approved the appointment of Plan's Global Assurance function to undertake an internal audit programme. This programme is based principally on risks identified by management but also includes compliance risks. As part of this programme three reviews were undertaken in the year: a review of security; a general controls review; and a review of systems project management. The implementation of recommendations from these and previous audits are monitored by management and reported to the Audit Committee.

Plan Inc¹ is composed of Members, and the Members are the National Organisations. The Members' Assembly is Plan Inc's highest decision-making authority with respect to all matters. The business of Plan Inc is managed by its Board of Directors, which is accountable to the Members' Assembly for the performance of its functions. The Board of Directors is composed of not more than eleven (11) individual directors

elected by the Members' Assembly of which a majority plus one (7) shall serve on the Board of Directors or equivalent bodies of the Members of Plan Inc. Not more than one person may be appointed a Director from any one Member. A minimum of two (2) Directors shall come from developing countries and shall not serve on the Board of Directors or equivalent bodies of any National Organisation.

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.

Statement of Directors' responsibilities

The Directors – who are also the trustees of Plan UK for the purposes of charity law – are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

¹ See page 1 for explanation of the relationship between Plan UK and Plan Inc.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Public benefit

The Directors' Annual Report has clearly set out in detail the charitable activities carried out by Plan UK in line with our charitable objectives to prevent and/or relieve poverty, to advance education and to advance health in each case for the public benefit particularly by, but not limited to, providing social and development services to advance those objects and/or financial and material assistance for the benefit of children, their families and communities in charitable need.

Examples of how we have achieved this are demonstrated in the case studies which have been highlighted throughout the Annual Report.

As such the Directors are confident that Plan UK has complied with the duty in section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission.

Risk management

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.

It is reviewed quarterly by management and by Directors at each meeting of the Audit Committee, and is amended following these discussions. The internal audit programme has been designed to provide assurance over the procedures in place to manage the identified risks. The risk register is also updated to reflect the results of these audits. The risk management process has resulted in a high priority being placed upon the following:

- Child protection processes being continuously strengthened and prioritised on a global basis
- Continued focus on ensuring and monitoring the security of Plan UK staff particularly when travelling overseas, and of Plan staff visiting the UK
- Maximising awareness amongst current supporters, key decision makers and the wider public of the impact of Plan UK
- Continued investment in programme capacity to ensure our grant-funded activities are effectively managed and compliant with donor terms and conditions
- Income continuing to grow in line with Plan UK's strategy of providing more support to our programmes whilst maintaining a sustainable financial model
- Effective influence in order to achieve our objectives, such as poverty reduction and improved healthcare and education for children in poorer countries
- Continued focus on core themes and activities, while ensuring Plan UK is positioned to undertake new initiatives where they increase the impact of our work
- Investment in our operational infrastructure and systems to ensure we are able to maximise the impact of the funding we receive
- Continuing to ensure Plan UK has the right staff in the right places with the right expertise to achieve its objectives.

The following statements summarise the Charity's position in managing identified forms of financial risk:

Plan UK swiftly passes surplus funds to Plan Inc in line with the reserves policy on page 51, except for EC funds, where the cash is held by Plan UK until it is passed directly to the programme countries. Plan Inc actively assesses changes within the banking and financial services sector and constantly monitors the credit risk of its banking counterparties. Plan Inc advises Plan UK on these risks and suitable mitigations.

Plan UK is able to place any surplus funds on short-term deposit account with the Company's bankers. Cash placed on deposit attracts interest at a variable rate of interest.

Plan UK has no exposure to investment price risk as it currently holds no listed or other equity investments. Prices of materials and services purchased are subject to contracts with suppliers, based on current market prices. Other price risks are not considered to be significant to Plan UK due to the nature of its activities.

A significant amount of the Charity's income has derived from long-term committed giving, which results in a strong predictable positive cashflow (see description of reserves policy on page 51). Most donors give by direct debit and as a consequence, Plan UK has immaterial arrears of contributions. Plan UK receives these funds on a monthly basis, and therefore debts can be met as they fall due. The Charity also receives grants awarded to finance Plan's activities and incorporates this information into its business plans.

The credit rating of the Company's banker is A+, which is viewed as acceptable.

Almost 85 per cent by value of the Charity's transactions are denominated in sterling and therefore it does not have significant currency risks. However, the purchasing power of the funds passed to Plan Inc is affected by the strength of the currencies in the countries in which those funds are spent. This currency risk is managed by Plan Inc.

Plan UK receives about €10m of annual income denominated in euros from the European Commission and ECHO, and transfers this money in euros to countries for programme purposes. As a result there is no risk of exchange rate losses on these funds but there is some risk of translation losses. Due to fluctuations of the pound sterling against the euro during the financial year under review there have been net translation losses amounting to £462,153 (2011: £432,447 gains).

The Company does not use derivatives to hedge any of the risks it faces ■

Financial review

Year to 30 June 2012

Incoming resources for the year totalled £54.2m, which is a decrease of £2.2m or 3.9 per cent on 2011 (2011: £56.4m). Sponsorship income has decreased 4.9 per cent in accordance with a gradual reduction in the overall number of sponsors over the past three years. Both grants from official bodies and other donations have decreased (by 4.2 per cent and 0.8 per cent respectively). During 2012 there were fewer emergency appeals than in the previous year and this contributed to a decline in income from emergencies work. Expenditure increased in 2012 which was in part due to more timely remittances to Plan's programmes thereby reducing the level of restricted funds that Plan UK held (this also resulted in cash balances reducing compared to 2011). Some of our unrestricted funds were used to promote awareness of the Plan brand in the UK; awareness plays a vital role in helping us to reach out to new sponsors and donors to ensure that Plan's vision – a world in which all children realise their full potential – can be achieved.

Group five year history

	2008	2009	2010	2011	2012
Sponsors in the UK	118,299	114,128	112,254	107,746	105,118
Increase / (decrease) %	0.1%	(3.5)%	(1.6)%	(4.0)%	(2.4)%
Income	£'000	£'000	£'000	£'000	£'000
Sponsor pledges	26,003	25,359	26,746	25,318	24,089
Grants from official bodies	6,827	7,934	13,946	20,931	20,062
Other donations, appeals, trading income and investment income	7,571	8,422	8,991	10,169	10,097
Total income	40,401	41,715	49,683	56,418	54,248
Expenditure					
Costs of generating voluntary income	6,969	7,105	7,874	8,930	9,895
Trading subsidiary costs	203	145	32	6	2
Governance costs	90	81	144	191	165
Direct charitable expenditure	30,817	30,906	41,266	44,658	45,490
Total expenditure	38,079	38,237	49,316	53,785	55,552
Net (outgoing)/ incoming resources	2,322	3,478	367	2,633	(1,304)
Increase / (decrease) in incoming resources (%)	6%	3%	19%	14%	(4)%
Increase / (decrease) in expenditure on charitable activities (%)	6%	0%	33%	8%	2%

The percentage of voluntary income spent by Plan UK on the costs of generating voluntary income, direct charitable expenditure and governance is 19.1 per cent (2011: 16.2 per cent). This ratio remains within our target of spending at least 80p in every pound we raise on programme activities.

Department for International Development (DFID) grants to the Group totalled £6,404,745 (2011: £7,904,778)

Project name	Country	DFID
Plan UK		£
Disaster risk reduction	Various	88,852
Education in emergencies	Pakistan	561,228
Emergency – CBHA ERF	Pakistan	82,798
Conflict sensitivity	Various	29,471
Building skills for life (Programme Partnership Agreement 2)	Various	4,101,055
Shiree project	Bangladesh	72,356
Governance	Malawi	609,720
Water and sanitation	Sierra Leone	274,530
Total (Plan UK)		5,820,010
Interact		
Building capacity of people living with HIV	India	92,451
Young people's sexual and reproductive health and rights	India	61,879
Empowering vulnerable communities	Malawi	88,506
HIV prevention and impact mitigation among prisoners	Kenya	93,362
Social protection for safe motherhood	Africa (regional)	73,088
HIV prevention amongst fishing communities	Uganda	175,449
Total (Interact)		584,735
Total DFID		6,404,745

European Commission (EC) grants (excluding ECHO - see below) totalled £6,519,735
(2011: £8,431,547)

Project name	Country	EC £
Plan UK		
Education	Bangladesh	426,541
Water and sanitation	Burkina Faso	423,384
Water and sanitation	Benin	571,265
Sexual and reproductive health and rights	Bolivia	409,568
Climate change	Cambodia	368,946
Child protection	Ecuador	9,626
Child labour	El Salvador	159,499
Renewable energy	Ethiopia	62,920
Child protection	Haiti	47,330
Food security	Pakistan	125,057
Food security	Philippines	1,000,734
Protection	Rwanda	106,647
Health	Sierra Leone	270,745
Food security	Sudan	146,045
Water and sanitation	Timor-Leste	350,556
Water and sanitation	Togo	555,083
Education	Uganda	125,797
Water and sanitation	Uganda	402,650
Education	Various	238,421
Governance	Various	41,212
Governance	Vietnam	104,264
Water and sanitation	Zambia	290,632
Health, food security	Zimbabwe	27,311
Total Plan UK		6,264,233
Interact		
Youth sexual and reproductive health and rights	India	116,964
Prevention of HIV, care and support	Pakistan	119,528
Prevention of HIV	Nicaragua	19,010
Total Interact		255,502
Total EC (excluding ECHO)		6,519,735

European Commission Humanitarian Organisation (ECHO) grants totalled £1,924,205 (2011: £1,508,516)

Project name	Country	ECHO
Plan UK		£
Emergency response	India	153,234
Emergency response	Haiti	(121,533)
Emergency response	Phillippines	314,801
Emergency response	El Salvador	233,177
Emergency response	Vietnam	72,010
Sub total		651,689
Disaster preparedness	Bangladesh	79,730
Disaster preparedness	Dominican Republic	537,233
Disaster preparedness	El Salvador	309,005
Disaster preparedness	Various	241,590
Disaster preparedness	Vietnam	104,958
Sub total		1,272,516
Total ECHO		1,924,205
Total EC (including ECHO)		8,443,940

Disasters Emergency Committee (DEC) grants totalled £1,877,228 (2011: £0)

Project name	Country	DEC
Plan UK		£
Emergency response	Ethiopia	938,614
Emergency response	Kenya	938,614
Total DEC		1,877,228

Comic Relief grants totalled £128,514 (2011: £754,292)

Project name	Country	Comic Relief
Interact		£
Positive action programme	Africa (regional)	49,196
Positive stories	Malawi	79,318
Total Comic Relief		128,514

Big Lottery Fund grants totalled £644,378 (2011: £478,691)

Project name	Country	BLF
Interact		£
Maternal and neonatal health in poor, marginalised communities	Africa (regional)	576,127
Young People in Action	Ethiopia	63,751
Coalition building	Pakistan	4,500
Total Big Lottery Fund		644,378

Small Island Grants (from Jersey Overseas Aid Commission (JOAC) and Guernsey Overseas Aid Commission (GOAC) grants totalled £425,774 (2011: £568,683)

Project name	Country	Small Islands
Plan UK		£
Emergency response	El Salvador	30,000
Water and sanitation	Burkina Faso	62,018
Water and sanitation	Benin	24,994
Education	Laos	65,000
Emergency response	Mali	30,000
Emergency response	Pakistan	30,000
Education	South Sudan	21,725
Water and sanitation	Uganda	45,520
Total JOAC		309,257
Water and sanitation	Burkina Faso	39,356
Health	Cambodia	37,322
Water and sanitation	Kenya	39,839
Total GOAC		116,517
Total Small Islands		425,774

Other grant income totalled £2,137,592 (2011: £1,284,445)

Donor	Country	Total
Plan UK		£
UNICEF	Bangladesh	583,569
United Nations Development Programme	Sudan	105,583
British High Commission	Haiti	4,628
UNICEF	Mali	110,937
Total (Plan UK)		804,717
Interact		
The Gates Foundation	Global	965,167
International Planned Parenthood Fund	Global	94,480
France Expertise Internationale	Uganda	15,663
ActionAid	Global	15,302
Other		242,263
Total (Interact)		1,332,875
Total other grant income		2,137,592

Plan worldwide results

The table below analyses the percentage split of global expenditure between programme categories and other expenditure for the financial year under review. Plan worldwide total expenditure for the year to 30 June 2012 was €623m (2011: €561m)

Total worldwide expenditure split	2012	2011
Healthy start in life	15.5%	12.6%
Sexual and reproductive health	2.3%	2.1%
Education	12.7%	14.4%
Water and sanitation	7.6%	7.9%
Economic security	6.2%	7.0%
Protection	4.5%	2.9%
Participate as citizens	11.4%	10.1%
Disaster risk management	9.6%	8.2%
Sponsorship communications	8.4%	9.2%
Total programme expenditure	78.2%	74.4%
Fundraising costs	14.6%	13.1%
Other operating costs	8.4%	8.8%
Trading expenditure	0.5%	0.6%
Net losses / (gains) on foreign exchange	(1.7%)	3.0%
Total expenditure	100.0%	100.0%

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

Healthy start in life: training health workers, preventative health education, childhood illness prevention, building and equipping pre-school infrastructure and clinics, programmes and advocacy for universal birth registration.

Sexual and reproductive health: sex education, family planning, HIV and AIDS and sexual and reproductive health programmes.

Education: teacher training, building and equipping classrooms, child media, advocacy for educational policy improvements (including the 'Learn Without Fear' campaign) and other recreational activities.

Water and sanitation: installing latrines and sewer systems, provision of affordable drinking water, hygiene promotion and health education and training.

Economic security: farming resources, irrigation system development, microfinance, business development and vocational training and training communities in natural resource management.

Protection from exploitation, neglect, abuse and violence: training of children and parents, capacity building of government and civil society organisations in child protection issues, child protection and promotion of child rights.

Participate as citizens: education through child media, life skills training for adolescents, 'Because I am a Girl' campaign, child and youth group activities, activities to increase public knowledge and understanding of poverty and vulnerability issues which prevent children from realising their full potential.

Disaster risk management: disaster risk reduction training, disaster relief activities including food distribution and the provision of shelter facilities, water and sanitation and health activities.

Sponsorship communications: organising communications between sponsors and sponsored children including associated logistical costs and cost of software to digitise communication materials.

Fundraising costs: marketing costs associated with attracting new sponsors and other donors.

Other operating costs: general management, finance, human resource and information technology costs of administrative systems and the cost of handling funds received.

Trading expenditure: cost of merchandise and operations associated with online shops and service subsidiaries of National Offices.

Net losses / (gains) on foreign exchange: net losses or gains arising on the retranslation of monetary items denominated in currencies other than the functional currency of the relevant entity. This principally reflects the changes in the value of the Euro.

Where applicable, each of the above categories includes salaries, project management and supervision and advocacy. Each category also includes an appropriate allocation of general management and administration overheads.

Global expenditure figures mentioned in this section come from Plan's combined financial statements for the year ended 30 June 2012, which are prepared in accordance with International Financial Reporting Standards and can be downloaded at: <http://www.plan-international.org/about/finance/>. As the combined results represent the aggregation of Plan Inc and the 21 National Organisations, the resulting income and expenditure profile and ratios are not necessarily applicable to any of the individual entities.

For sponsorship funds, the formula for allocating funds to each programme country is based on the net amount of money each National Organisation is able to raise per sponsored child and the number of sponsorship links between that National Organisation and each programme country. A maximum of 10 per cent of funds can be spent on non-country specific programmes and operations. This provides a strong link between the amount each supporter donates and the amount going to the country in which their sponsored child lives.

Reserves

The Directors review annually the reserves policy and the level of free reserves, which are shown in the financial statements as general reserves. The term 'general 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 £2.1m at 30 June 2012 (2011: £1.6m).

With a significant proportion of income arising from child sponsorship, Plan UK is able to predict much of its total monthly income with a reasonable degree of confidence. Grant income, which over the last few years has increased as a proportion of total income, is more difficult to predict. The reserves policy is based on maintaining sufficient working capital to cover its anticipated needs for at least 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 £1m to £2m with the most significant fluctuations around the start and the end of each calendar month due to significant volumes of receipts and payments.

Any reserves above or below this operating level arise from a timing difference between receiving the cash and passing it to Plan Inc. In the unlikely event that unanticipated expenditure was to occur for which funds were insufficient, cash could be called back from Plan Inc. Such action has never been required.

The financial position of Plan UK is sound. Net current assets at year end were £10.1m, which means Plan UK has sufficient liquidity to continue to manage its operations efficiently whilst maintaining a continuous and sizable flow of funds to Plan Inc.

Reserves that are restricted for specific purposes have decreased from £10m in 2011 to £8m in 2012. In 2011 there was a higher than usual balance due to several large grant balances being received from donors at year end as well as an increase in monies not yet spent.

Subsidiary companies

Foster Parents Plan International (UK) Ltd

Plan UK has a subsidiary (note 12) to deal with the trading activities of the Charity. The results are consolidated in accordance with the requirements of the SORP. Plan UK owns 100 per cent of the issued share capital (£2).

The main activity of the trading subsidiary has been the sale of the Plan trademark to third parties, primarily corporate partners of the Charity. Turnover of the trading subsidiary in 2012 was £43,000 (2011: £42,000). It is the policy of the subsidiary to make a charitable donation of any financial surplus to Plan UK (2012: £41,000, 2011: £36,000). Following the decision in 2009 that the trading company would no longer offer sponsors the opportunity to buy gifts directly for their sponsored children, the activity of the trading company has significantly reduced. The Directors will maintain the trading company for the foreseeable future as a going concern as it has entered into contracts with corporate partners for the provision of services. The expenses of the company are limited, and contracted income from AstraZeneca UK Ltd and other corporate partners will provide a source of income in 2013, which will ensure that the company's future income will cover its expenditure, such that the company will be able to meet its liabilities as they fall due.

Interact Worldwide Ltd

On 1 October 2009, the charitable company Interact Worldwide ('Interact') became part of the Plan UK Group. As sole member of Interact, Plan UK has the power to appoint and remove Directors, and has the sole vote at general meetings. Accordingly, as a subsidiary of Plan UK, the activities of Interact are reported in Plan's consolidated financial statements (note 12).

The principal objects of Interact Worldwide are to advance the education of the public about the interrelated issues of population, environment, resources and development, with particular reference to the consequences of population growth, and to preserve and protect the good health of parents, young people and children and to alleviate poverty, hardship and distress caused by unwanted pregnancies.

The reasons for the merger were to deepen expertise in sexual and reproductive health and advocacy, create a specialist health unit, increase influence with key health policy actors, and improve Plan UK's expertise in relation to key funding agencies.

Over 2012, gains from the merger have been realised resulting in significant overhead savings for Interact that, together with an increase in voluntary income through fundraising activities, have increased the Charity's unrestricted surplus to £62,000 (2011: surplus of £51,000). Incoming resources received from institutional donors over the year to 30 June 2012 were £1.6m.

At 30 June 2012, Interact had current assets of £1,410,000 (2011: £1,119,000) and current liabilities of £965,000 (2011: £390,000). Total reserves stood at £445,000 (2011: £720,000), which are classified as restricted funds in the group financial statements.

Taxation status

The Company is a registered charity within the definition of Section 202 of the Corporation Tax Act 2010. The Company's income is accordingly exempt from taxation on its charitable activities. No taxable profit arises on FPPI Ltd (trading subsidiary) due to the fact that all taxable profits are gifted to Plan UK.

Human resources

The number of staff employed by Plan UK changed from 133 full-time and 9 part-time employees at the start of the financial year to 147 full-time and 9 part-time employees at the end.

Plan UK is also fortunate to benefit from the support of a number of volunteers, interns and people on work placements, who provided approximately 11,700 working hours based on recorded attendance (2011: 12,010 hours). Their dedication has enabled Plan UK to carry out research, improve its administration systems and provide essential support to the Operations function, 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, by holding regular communication events, including discussions and presentations, and by offering training and work placements.

We rely heavily on community volunteers in the programme countries where Plan works. There are about 11 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.



Photo: Plan / Berrice Wong

Legal and administrative information

Patrons:

Michael Aspel OBE
Baroness Gardner of Parkes
Marie Helvin
Virginia McKenna
The Lord Paul
Dr Miriam Stoppard
Baroness Warnock of Weeke
Len Woodley QC
Baroness Rendell of Babergh
Baroness Morris of Yardley
Sir John Holmes

Directors:

Sir David Bell (resigned September 2011)
Ian Buist CB (resigned May 2012)
Peter J Drissell*
Jane French (appointed December 2012)*
Anne Grant (resigned March 2012)
Thomas C Hoegh
Charlotte Imbert
Javaid S Khan*
Richard Laing*
Spencer McHugh (appointed October 2012)
Surina Narula
Dame Janet Paraskeva - Chair
Angela M Penrose
Amanda Phillips (appointed October 2012)
Andrew Rogerson
Leon Ward

* Members of the Audit Committee during the year, which also comprises Jackie Bliss as an independent member.

Principal officers:

Marie Staunton	Chief Executive
John Pinchard	Company Secretary and Director of Finance
Leigh Daynes	Director of Campaigns, Advocacy and Communications (until November 2012)
Imogen Wilson	Interim Director of Campaigns, Advocacy and Communications (from November 2012)
Jeremy Cooper	Director of Fundraising (until October 2012)
Alison Ive	Interim Director of Fundraising (from October 2012)
Angela Beerman	Director of Human Resources
Stuart Mulholland	Director of Programmes (until November 2012)
Michael O'Donnell	Interim Director of Programmes (from November 2012)
Cathy Diver	Director of ICT

Registered office:

Finsgate, 5-7 Cranwood Street, London EC1V 9LH
 Tel: 0300 777 9777 (UK) +(44) 20 7608 1311 (Non-UK)
 Fax: 0300 777 9778 (UK) +(44) 20 7253 9989 (Non-UK)
 Email: mail@plan-uk.org

Independent Auditors:

PricewaterhouseCoopers
 7 More London Riverside
 London SE1 2RT

Solicitors:

Russell-Cooke
 2 Putney Hill
 London SW15 6AB

Bankers:

Barclays Bank
 Church Street East
 Woking GU21 6AE

Independent 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



Janet Paraskeva
 Chair of Board of Trustees

19 December 2012

Independent auditors' report to the Members and Directors of Plan International (UK)

We have audited the financial statements of Plan International (UK) for the year ended 30 June 2012 which comprise the consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditors

As explained more fully in the Statement of Directors' Responsibilities set out on pages 41 and 42, the Directors (who are also the trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and Charitable Company's circumstances and have been consistently

applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Charitable Company's affairs as at 30 June 2012, and of the Group's incoming resources and application of resources, including its income and expenditure and the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent Charitable Company or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Kevin Lowe (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

19 December 2012

Notes

- (a) The maintenance and integrity of the Plan International (UK) website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated statement of financial activities

(Incorporating the income and expenditure account) for the year ended 30 June 2012

	Notes	Unrestricted	Restricted	2012 Total	2011 Total
		£'000	£'000	£'000	£'000
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income					
Sponsor pledges		24,089	-	24,089	25,318
Contributions from official bodies	3(a)	-	20,062	20,062	20,931
Other donations and appeals	3(b)	2,428	7,173	9,601	9,828
Activities for generating funds					
Trading subsidiary income	12	43	-	43	42
Investment income					
Interest income		110	-	110	70
Rentals		343	-	343	229
Total incoming resources		27,013	27,235	54,248	56,418
RESOURCES EXPENDED					
Cost of generating funds					
Cost of generating voluntary income					
Sponsor pledges		(3,854)	-	(3,854)	(4,578)
Contributions from official bodies		(1,092)	(131)	(1,223)	(2,028)
Other donations and appeals		(4,818)	-	(4,818)	(2,324)
Trading subsidiary costs	12	(2)	-	(2)	(6)
Charitable activities					
Development education, advocacy and communications		(977)	(1,114)	(2,091)	(2,526)
Programme activities		(15,072)	(28,011)	(43,083)	(42,132)
Costs relating to rental activities		(316)	-	(316)	-
Governance costs		(151)	(14)	(165)	(191)
Total resources expended	4	(26,282)	(29,270)	(55,552)	(53,785)
Net income / (expenditure) and net movement in funds		731	(2,035)	(1,304)	2,633
Funds brought forward at 1 July		3,301	10,028	13,329	10,696
Funds carried forward at 30 June	10	4,032	7,993	12,025	13,329

All income and expenditure relate 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 prepared. There is no material difference between the net income / (expenditure) and net movement in funds stated above and their historical costs equivalents.

Consolidated and Charity balance sheets

As at 30 June 2012

Registered Company No 1364201 Registered Charity No 276035

	Notes	Group 2012 £'000	Group 2011 £'000	Charity 2012 £'000	Charity 2011 £'000
Fixed assets					
Tangible assets	7	1,900	1,661	1,900	1,661
Investments: shares in subsidiary undertakings	12	-	-	-	-
		1,900	1,661	1,900	1,661
Current assets					
Debtors	8	7,794	5,386	7,768	5,491
Cash at bank and in hand		4,621	8,244	3,354	7,156
Total current assets		12,415	13,630	11,122	12,647
Creditors: amounts falling due within one year	9	(2,290)	(1,962)	(1,480)	(1,744)
Net current assets		10,125	11,668	9,642	10,903
Total assets less current liabilities		12,025	13,329	11,542	12,564
Funds	10				
Unrestricted funds					
General		2,132	1,640	2,093	1,604
Designated: tangible fixed asset fund		1,900	1,661	1,900	1,661
Restricted funds		7,993	10,028	7,549	9,299
Total funds		12,025	13,329	11,542	12,564

The notes on pages 60 to 70 form part of the financial statements.

Approved by the Board and signed on their behalf by:



Richard Laing
Director



Janet Paraskeva
Director (Chair)

19 December 2012

Consolidated statement of cash flows

for the year ended 30 June 2012

		2012	2011
		£'000	£'000
Net cash (outflow)/inflow from operating activities	(Note A)	(3,271)	2,083
Returns on investment and servicing of finance – interest received		110	70
Capital expenditure:			
Payments to acquire tangible fixed assets		(462)	(309)
(Decrease)/Increase in cash and cash equivalents	(Note B)	(3,623)	1,844
Notes to the cash flow statement			
A) Reconciliation of net (outgoing) / incoming resources to net (outflow) / inflow from operating activities			
Net (expenditure) / income for the year		(1,304)	2,633
Interest income		(110)	(70)
Depreciation charges		223	186
(Increase) in debtors		(2,408)	(197)
Increase / (decrease) in creditors		328	(469)
Net cash (outflow) / inflow from operating activities		(3,271)	2,083
B) Analysis of net funds			
Balance brought forward		8,244	6,400
Net cash (outflow) / inflow		(3,623)	1,844
Balance carried forward		4,621	8,244

Notes forming part of the financial statements

for the year ended 30 June 2012

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 2012, included Plan International Inc ('Plan Inc'), a not-for-profit organisation incorporated in the United States of America, Plan Ltd and 21 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 which are raised by the National Organisations and passed through Plan Inc, which operates field offices in 50 countries, are used for programmes to benefit sponsored children, their families and communities. The results of Plan UK are included in the worldwide combined financial statements prepared by Plan Inc, which are publicly available.

2. Accounting policies

(a) Basis of preparation and consolidation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' published in March 2005 ('the SORP'), the Charities Act 2011, the Companies Act 2006 and applicable accounting standards in the United Kingdom. The Charity has adapted the Companies Act formats to reflect the Charities SORP and the special nature of the Charity's activities. The principal accounting policies are set out below and have been applied consistently throughout the year.

(b) Basis of consolidation

The statement of financial activities ('SOFA'), group balance sheet and cash flow statement consolidate the financial statements of the Charity and its wholly owned subsidiary undertakings, Interact Worldwide and Foster Parents Plan International (UK) Ltd. The financial statements 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.

No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The turnover of the Charity for the year was £51,065,000 (2011: £53,211,000) and its net result was a deficit of £1,022,000 (2011: surplus of £2,087,000).

(c) Fund accounting

General reserves are unrestricted funds that 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 the designated fund is set out in note 10 to the financial statements. Restricted funds are funds that 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 on pages 45 to 49 in the Annual Report.

(d) Incoming resources

All incoming resources, including donations, legacies and investment income, 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 that 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 and services supplied, excluding VAT.

Interest income includes interest earned by Plan Inc on funds remitted to it by Plan UK, which is subsequently passed 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 gross 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 and leasehold assets is calculated on a straight-line basis at a rate of 20 per cent 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 per cent. Computer software under development is not depreciated until it is available for its intended use. Leasehold assets are depreciated over the term of the lease.

(g) Pension costs

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

(h) Operating leases

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

(i) 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.

(j) Company status

The Charity is a company limited by guarantee. The members of the Company are the Directors named on page 54. 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

'Contributions from official bodies' is defined as any income from governments and agencies of governments, supra-national governmental organisations (such as European Commission and United Nations) and their agencies, and grant givers who organise within a broad-ranging institutional framework that is intrinsically linked to governments or agencies of governments. This classification also includes the Gates Foundation, Comic Relief and the Big Lottery Fund.

	Unrestricted	Restricted	2012 Total	2011 Total
	£'000	£'000	£'000	£'000
DFID	-	6,405	6,405	7,905
European Commission	-	6,520	6,520	8,432
ECHO	-	1,924	1,924	1,508
DEC	-	1,877	1,877	-
The Gates Foundation	-	965	965	-
Big Lottery	-	644	644	479
Comic Relief	-	129	129	754
Other public funding	-	1,598	1,598	1,853
Total	-	20,062	20,062	20,931

(b) Other donations and appeals

Other donations and appeals includes income from private individuals, companies and private trusts and any income that does not fall within other classifications.

	Unrestricted	Restricted	2012 Total	2011 Total
	£'000	£'000	£'000	£'000
Corporations	307	3,811	4,118	3,368
Trusts and major donors	54	1,535	1,589	1,668
Plan Ltd*	1,400	-	1,400	2,200
Emergency appeals	1	721	722	838
Legacies	338	60	398	551
Trading donations	-	-	-	15
Other donations	328	1,046	1,374	1,188
Total	2,428	7,173	9,601	9,828

* The donation from Plan Ltd (see note 13) of £1.4m (2011: £2.2m) 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

	Support	Staff costs	Other direct	2012	2011
	£'000	£'000	£'000	£'000	£'000
Costs of generating funds					
Sponsorship	556	645	2,653	3,854	4,578
Official bodies	613	513	97	1,223	2,028
Other donations	840	1,399	2,579	4,818	2,324
Trading	-	-	2	2	6
Charitable activities					
Development education, advocacy and communications	618	437	1,036	2,091	2,526
Programme activities	713	1,426	40,944	43,083	42,132
Costs relating to rental activities	-	-	316	316	-
Governance costs	-	63	102	165	191
Sub total	3,340	4,483	47,729	55,552	53,785
Reallocate salaries within support costs	(1,878)	1,878	-	-	-
Grand total	1,462	6,361	47,729	55,552	53,785

Staff costs initially included within 'support' are reallocated to 'staff costs'.

Programme activities includes amounts passed to Plan Inc that are used to cover programme costs and related programme support costs, the costs of the central services for the programme countries and Plan Inc's administrative costs.

	2012	2011
	£'000	£'000
Net income / expenditure is stated after charging:		
Audit fee of consolidated financial statements	33	30
Audit fee of subsidiaries financial statements	17	23
Non-audit fees paid to our auditors		
Taxation	9	21
Other	5	5
Depreciation	223	186
Operating lease rentals – buildings	498	486

(b) Analysis of support costs

	Sponsorship	Official bodies	Other donations	Charitable activities	2012 Total	2011 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Staff costs	308	344	466	760	1,878	1,721
Communication	31	33	46	68	178	96
Depreciation	38	41	58	86	223	186
Travel and meetings	4	5	6	11	26	27
Office and premises costs	175	190	264	406	1,035	1,003
Grand total	556	613	840	1,331	3,340	3,033

Support costs have been allocated to each of the above activities on the basis of the number of staff employed during the year by the relevant activity. Governance staff costs are an estimate of time spent by management on clearly identified governance matters.

Analysis of support staff costs	2012	2011
	£'000	£'000
Head office and central support	1,084	1,036
IT	391	270
Finance	403	415
	1,878	1,721

(c) Analysis of governance costs

	2012	2011
	£'000	£'000
Audit and professional fees	50	142
Apportionment of staff costs	115	49
	165	191

5. Staff costs

	2012	2011
	£'000	£'000
Wages and salaries	5,311	4,467
Social security	572	458
Pension costs	142	120
Sub total	6,025	5,045
Other staff costs	336	472
Total	6,361	5,517

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

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

	2012	2011
	Number	Number
£90,001 – £100,000	1	1
£80,001 – £90,000	-	-
£70,001 – £80,000	2	1
£60,001 – £70,000	2	3

The pension contributions for these higher paid employees to defined contribution schemes were £18,712 (2011: £15,960).

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

	2012	2011
	Headcount	Headcount
Sponsorship activities	20	27
Official bodies and grants	25	26
Other donation activities	30	24
Support activities	41	30
Other activities	54	28
Total	170	135

6. Directors' remuneration

None of the Directors received any remuneration during the year for services to the Company (2011: nil). Expenses reimbursed to Directors (where claimed) were £1,068 (2011: £2,050). These expenses related to travel.

7. Tangible fixed assets

GROUP AND CHARITY	Computer software	Alterations to premises	Furniture, fixtures and fittings	Computer and other office equipment	Computer software under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 July 2011	460	972	7	642	393	2,474
Additions	62	68	3	44	285	462
Disposals	-	-	-	-	-	-
At 30 June 2012	522	1,040	10	686	678	2,936
Accumulated depreciation						
At 1 July 2011	450	74	2	287	-	813
Charge for the year	18	65	2	138	-	223
Disposals	-	-	-	-	-	-
At 30 June 2012	468	139	4	425	-	1,036
Net book value						
At 30 June 2012	54	901	6	261	678	1,900
At 30 June 2011	10	898	5	355	393	1,661

8. Debtors

	Group 2012	Group 2011	Charity 2012	Charity 2011
	£'000	£'000	£'000	£'000
Plan Inc	383	19	383	19
Amounts owed by group undertakings	-	-	161	219
Other debtors	469	237	465	184
Official bodies	6,569	4,527	6,569	4,527
Prepayments and other accrued income	365	603	182	542
VAT recoverable	8	-	8	-
Total debtors	7,794	5,386	7,768	5,491

9. Creditors: amounts falling due within one year

a) Analysis of creditors

	Group 2012	Group 2011	Charity 2012	Charity 2011
	£'000	£'000	£'000	£'000
Trade creditors	372	681	367	682
Other creditors including social security	232	250	188	239
VAT payable	1	10	-	3
Accruals	368	247	277	145
Deferred income	1,317	774	648	675
Total creditors	2,290	1,962	1,480	1,744

b) Deferred income

The movements in deferred income are analysed below:

	Group 2012	Group 2011	Charity 2012	Charity 2011
	£'000	£'000	£'000	£'000
Deferred income at 1 July	711	719	675	682
Amounts released from previous years	(711)	(600)	(675)	(563)
Incoming resources deferred in the year	1,317	655	648	556
Total deferred income	1,317	774	648	675

c) Commitments under operating leases

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

	2012	2011
	£'000	£'000
Operating lease expiring:		
Within two to five years	520	485

10. Statement of funds

GROUP	Balance 1 July 2011	Total incoming resources	Total resources expended	Transfers	Balance 30 June 2012
Unrestricted funds:	£'000	£'000	£'000	£'000	£'000
General reserve	1,640	27,013	26,282	(239)	2,132
Designated funds					
Tangible fixed asset fund	1,661	-	-	239	1,900
	3,301	27,013	26,282	-	4,032
Restricted funds	10,028	27,235	29,270	-	7,993
Total funds	13,329	54,248	55,552	-	12,025

CHARITY	Balance 1 July 2011	Total incoming resources	Total resources expended	Transfers	Balance 30 June 2012
Unrestricted funds:	£'000	£'000	£'000	£'000	£'000
General reserve	1,604	27,009	26,281	(239)	2,093
Designated funds					
Tangible fixed asset fund	1,661	-	-	239	1,900
	3,265	27,009	26,281	-	3,993
Restricted funds	9,299	24,056	25,806	-	7,549
Total funds	12,564	51,065	52,087	-	11,542

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:

GROUP RESTRICTED FUNDS	Balance 1 July 2011	Total incoming resources	Total resources expended	Balance 30 June 2012
	£'000	£'000	£'000	£'000
DFID	1,010	6,405	6,904	511
European Commission	7,996	6,520	9,982	4,534
ECHO	-	1,924	1,257	667
DEC	-	1,877	657	1,220
Other official bodies	623	2,381	2,390	614
Gates Foundation	-	965	856	109
Other donations and appeals	399	7,163	7,224	338
Total restricted funds	10,028	27,235	29,270	7,993

11. Analysis of net assets between funds

GROUP	Unrestricted funds		Restricted funds	Total funds
	General	Designated		
	£'000	£'000	£'000	£'000
Fund balances at 30 June 2012 are represented by:				
Tangible fixed assets	-	1,900	-	1,900
Current assets	3,456	-	8,959	12,415
Current liabilities	(1,325)	-	(965)	(2,290)
Total net assets at 30 June 2012	2,131	1,900	7,994	12,025
Total net assets at 30 June 2011	1,640	1,661	10,028	13,329

CHARITY	Unrestricted funds		Restricted funds	Total funds
	General	Designated		
	£'000	£'000	£'000	£'000
Fund balances at 30 June 2012 are represented by:				
Tangible fixed assets	-	1,900	-	1,900
Current assets	3,573	-	7,549	11,122
Current liabilities	(1,480)	-	-	(1,480)
Total net assets at 30 June 2012	2,093	1,900	7,549	11,542
Total net assets at 30 June 2011	1,604	1,661	9,299	12,564

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 that can be attributed to restricted activities.

12. Investments – subsidiary undertakings

CHARITY	2012	2011
	£	£
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 main activity is the sale of the use of the Plan trademark to third parties. It is the policy of the subsidiary to make a charitable donation of any financial surplus to Plan UK.

SUBSIDIARY – FPPI	2012	2011
	£'000	£'000
Total turnover	43	42
Total expenditure	(2)	(6)
Donation to Plan UK	(41)	(36)
Net income / (expenditure) for the year	-	-
Surplus brought forward	-	-
Total net assets	-	-

SUBSIDIARY – INTERACT	2012	2011
	£'000	£'000
Statement of financial activities		
Incoming resources	3,293	3,364
Resources expended	(3,578)	(2,838)
Net incoming / (outgoing) resources for the year	(285)	526
Balance sheet		
Funds brought forward at the start of the period	730	204
Funds carried forward at the end of the period	445	730

13. Related parties

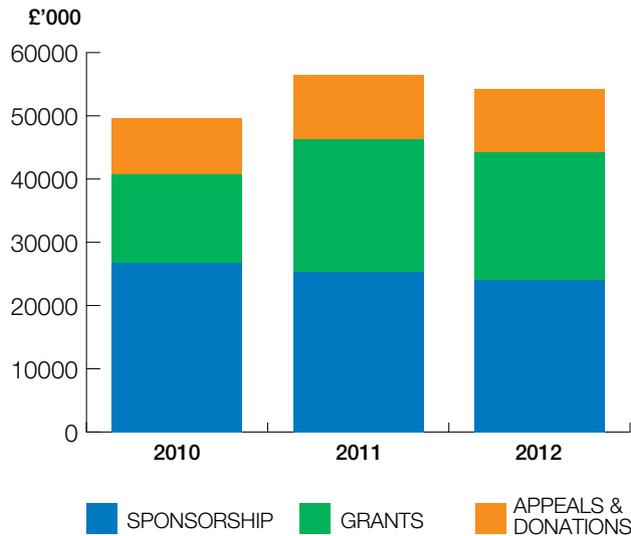
Plan Inc allocates back to the National Organisations the interest it earns on the funds transmitted to it by the National Organisations. This allocation is based on the timing and size of the remittances from each National Organisation during the fiscal year in which the interest is earned. The accompanying statements of activities include allocated interest income of £106,857 and £67,631 for the years ended 30 June 2012 and 2011, respectively. Note 3b above describes the income received under a deed of covenant from Plan Ltd, Plan Inc's central service organisation.

No Directors received fees during the year ended 30 June 2012. The charity has taken advantage of the exemption provided by Financial Reporting Standard No 8 to not disclose balances with or transactions between related parties eliminated on consolidation.

How Plan UK spends funds



Where Plan UK's funds come from



Global expenditure by activity

	2012 %	2011 %
Healthy start in life	15.5	12.6
Sexual and reproductive health	2.3	2.1
Education	12.7	14.4
Water and sanitation	7.6	7.9
Economic security	6.2	7.0
Child protection	4.5	2.9
Child participation	11.4	10.1
Managing disasters	9.6	8.2
Communications	8.4	9.2



See more: Girls' education in Malawi.
For instructions see inside front cover.

Thank you

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:

Institutions

British High Commission
Department for International
Development (DFID)
European Commission
European Commission Humanitarian
Aid Office (ECHO)
Disaster Preparedness Programme of
ECHO (DIPECHO)
UNICEF
The Big Lottery Fund
Comic Relief
Force of Nature Aid Foundation
Jersey Overseas Aid Commission
Guernsey Overseas Aid Commission
United Nations Development
Programme (UNDP)

Trusts and Foundations

The Allan and Nesta Ferguson
Charitable Trust
Brian Woolf Trust
Ernest Ingham Charitable Trust
Four Acre Charitable Trust
Lovering Charitable Trust
The Mercury Phoenix Trust
Pears Foundation
The Penny Appeal
Sir Halley Stewart Trust
Souter Charitable Trust
Spears-Stutz Charitable Trust

Corporate supporters, including:

Accor UK
Anglo American Group Foundation
AstraZeneca
Autonomous Research Charitable Trust
Aviva
Barclays plc
Capital International
Corporate Mobile Recycling
City Screen Ltd:
The Picturehouse Cinemas
Credit Suisse
Exodus Travels Ltd
Hobsons
Lincolnshire Co-operative
The One Foundation
The Property Race Day
Prudential plc
Reed Elsevier
Study Group
Teneo
Turner Broadcasting
Uniglobe Travel (British Isles)
Vitol Charitable Foundation

Donors

Mr Cross
Mr and Mrs David
Mr Hellier
Mr Horwich
Mr Jackson
Mr and Mrs Laing
Mr and Mrs Letcher
Dr Morgan
Mr and Mrs Pankhurst
Mr and Mrs Sinnett
Ms Van Almsick
Mr and Mrs West
Mr Williams
Mr Windsor
Mr and Mrs Witter
And several other anonymous donors



Plan

Finsgate
5-7 Cranwood Street
London
EC1V 9LH

Tel: 0300 777 9777 (UK) +44 (0)20 7608 1311 (Non-UK)
Fax: 0300 777 9778 +44 (0)20 7253 9989 (Non-UK)

Email: mail@plan-uk.org Web: www.plan-uk.org



Join us

www.facebook.com/planuk



Engage with us

www.twitter.com/planuk

© Plan UK

No part of this publication can be reproduced without the permission of Plan UK

Registered Charity no: 276035

Registered in England no: 1364201

Officially recognised by the Economic and Social Council of the United Nations and with the consultative status with UNICEF

Editors: Jo Holmes, Jane Belton and Alex Betti

Photo research: Simone Schneider

Design and artwork: nim design