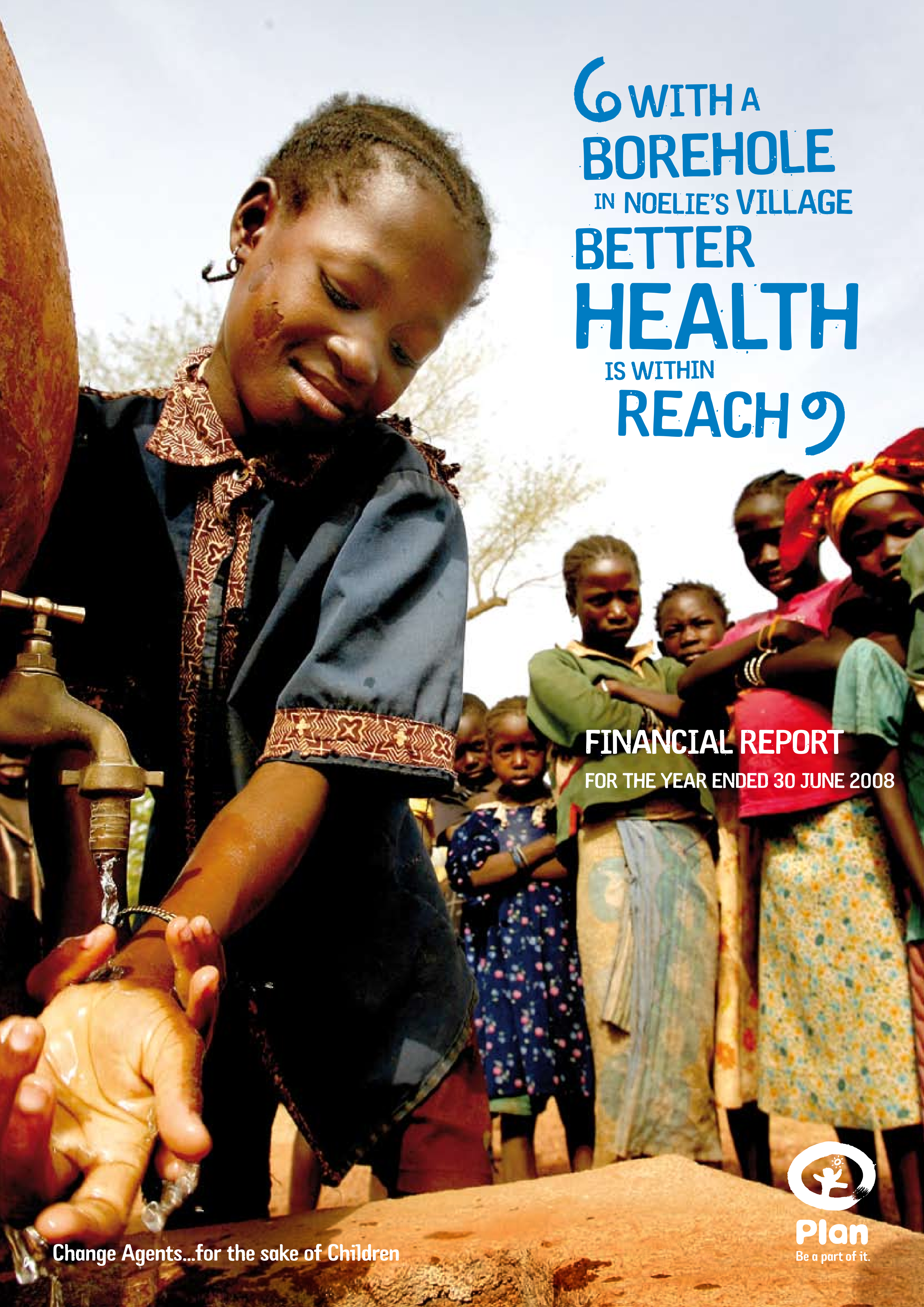


WITH A BOREHOLE IN NOELIE'S VILLAGE BETTER HEALTH IS WITHIN REACH

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

Change Agents...for the sake of Children

Plan
Be a part of it.

CONTENTS

COMPANY PARTICULARS

Honorary Board of Directors:
K Anne Skipper AM (Chair)
Margaret J Winn (Deputy Chair)
Suzanne E Bell
Tim D A Beresford
Emily J Booker
Philip L Endersbee
Russell Gordon
Claire E Hatton
Jeremy D M Ingall
Thomas J S Kane
Wendy E McCarthy AO
Neil R Thompson

Secretary:
Gerard Dell'Oste

National Executive Director:
Ian Wishart

Registered Office:
Level 1, 533 Little Lonsdale Street
Melbourne Victoria 3000
Telephone: (03) 9672 3600
Facsimile: (03) 9670 1130

Auditors:
PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
Southbank Victoria 3006

Solicitors:
Corrs Chambers Westgarth (Pro Bono Services)
600 Bourke Street
Melbourne Victoria 3000

Bankers:
Commonwealth Bank of Australia
385 Bourke Street
Melbourne Victoria 3000

Code of Conduct
We are a signatory to the Code of Conduct of the Australian Council for International Development and are committed to high standards of financial reporting, management and ethical practice. See www.acfid.asn.au.

DIRECTORS' REPORT

In respect of the financial year ended 30 June 2008, the directors of Plan International Australia (hereinafter referred to as Plan or the Company) submit the following report:

1. Directors of the Company Currently in Office

The following persons were directors of Plan during the whole financial year and up to the date of this report:
K Anne Skipper AM (Chair)
Margaret J Winn (Deputy Chair)
Tim D A Beresford
Emily J Booker
Philip L Endersbee
Russell Gordon
Jeremy D M Ingall
Thomas J S Kane
Wendy E McCarthy AO
Neil R Thompson

Suzanne E Bell was appointed on 15 July 2008 and continues in office at the date of this report.
Claire E Hatton was appointed on 15 July 2008 and continues in office at the date of this report.
Fiona J Sharkie was a director from the beginning of the financial year until her resignation on 28 September 2007.
Brian Dunkley was a director from the beginning of the financial year until his retirement on 22 November 2007.

2. Principal Activities

The principal activities of Plan during the year were raising funds for Plan International Inc. (hereinafter referred to as Plan International) for overseas development programs in developing countries, management and participation in these program activities, especially those funded by the Australian Government.

3. Income Tax

The Company is endorsed by the Australian Taxation Office as an Income Tax Exempt Charity (ITEC) and is therefore exempt from paying income tax.

4. Dividends

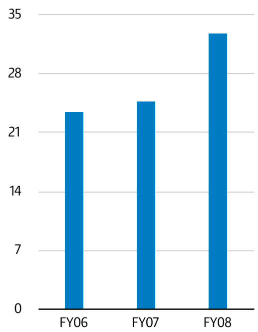
In accordance with the Memorandum of Association, no dividends are permitted.

5. Review of Operations

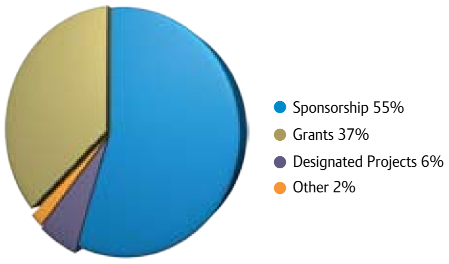
Overview: The 2008 financial year was significant for Plan which reached a number of financial milestones for the first time. Revenue exceeded $30 Million with the result of $32.8 Million representing an increase of 33.0% over last year (FY2007 $24.7 Million). Public sourced income (sponsorship & designated projects) exceeded $20 Million and government grants from AusAID exceeded $4 Million. The increase in revenue was achieved with only a modest 2.1% increase in total expenditure of $7.4 Million (FY2007 $7.2 Million). Funds remitted overseas increased by 11.3% to exceed $18 Million for the first time. Sponsorships were above 41,000.

Revenue: Following five consecutive years of total revenue over $20 Million, FY2008 exceeded $30 Million for the first time and achieved $32.8 Million. The successful year was driven by excellent results from public sourced income of $20.3 Million (FY2007 $19.5 Million) and Australian government grants (AusAID) of $4.1 Million (FY2007 $3.2 Million). FY2008 also included the participation in a significant World Food Programme distribution of food to vulnerable groups in Chiredzi, Zimbabwe. A total of 9,300 tonnes of food was distributed to over 130,000 beneficiaries with a value of $6.7 Million. A cash component of $0.8 Million was also included.

Total Revenue (million $)



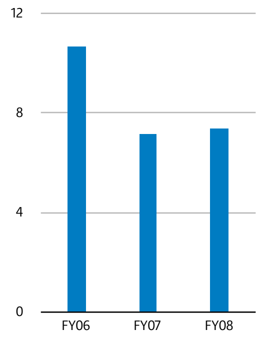
Revenue by source



5. Review of Operations (continued)

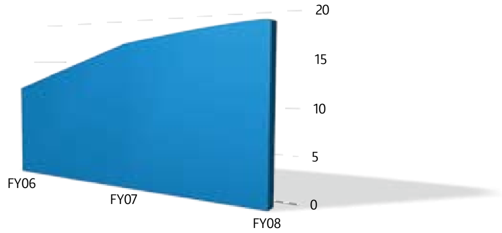
Expenditure: A refined cost structure implemented in FY2007 continued to deliver operational efficiencies in FY2008 and provided the platform for the organisation to achieve its top-line growth targets. Total expenditure of $7.4 Million was only 2.1% higher than last year with the major component, fundraising expenditure of $4.2 Million reflecting a marginal increase of 0.6% from last year. Administration costs of $1.5 Million achieved a reduction of 2% mainly due to reduced financial fees. One area of increased expenditure was Community Education which reflected the commitment by the organisation to youth development, advocacy and child protection.

Total Expenditure (million $)



Funds remitted: A strong measure of the organisations success is demonstrated by the amount of funds remitted overseas and used in the many countries Plan operates in to meet the organisations commitment to child centred community development. In FY08 very strong growth in operational revenue coupled with good cost management contributed to an amount of $18.9 Million (FY2007 $17.0 Million) remitted overseas. This was the highest amount remitted in the organisations history and represented an increase of 11.3% on top of last years previous highest amount.

Funds sent overseas (million $)



6. Significant Changes in the State of Affairs during the Financial Year.

The directors are not aware of any significant changes in the state of affairs of the Company.

7. Events Subsequent to Balance Date

The directors are not aware of any matter or circumstances not otherwise dealt with in this report that has significantly or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the company in subsequent financial years.

8. Likely Developments

In the opinion of the directors, there are no likely developments which would have a significant effect on the Company's operations or results.

9. Directors' Benefits

The directors receive no remuneration for their services as directors of the Company.

10. Directors' Interests in Contracts

Since the date of the last Directors' Report, no director has declared, pursuant to Section 231 of the Corporations Act 2001, an interest in any contract by virtue of their directorships or memberships of other entities except as reported in Note 15. Related Party Transactions.

11. Remuneration Report

Plan's remuneration policy sets salaries at the lower end of what might be earned in the general market for equivalent positions. This balances the humanitarian and not-for-profit status of the organisation against the need to attract and retain quality staff from the market. Salary ranges for each grade of position are therefore set around the 20 decile point of the market. That is, 80% of the market is above the Plan remuneration level and 20% of the market is below the Plan remuneration level. Plan remuneration is benchmarked against the general market every 2 years. In line with this policy the National Executive Director is paid a salary of $135,988 plus benefits of $16,050.

Committee and Special Responsibilities

Finance & Audit Committee:
Sub Committee of the Board:
Russell Gordon (Chair)
Brian Dunkley (to November 2007)
Philip L Endersbee
K Anne Skipper AM
Carol Pagnon (Co-opted)

Program Advisory Committee:
Sub Committee of the Board:
Emily J Booker (Chair)
Margaret J Winn
Belinda Lucas (Co-opted)

Fundraising Committee
Sub Committee of the Board:
Tim D A Beresford (Chair)
Jeremy D M Ingall
Fiona J Sharkie (to September 2007)
Neil Thompson

Corporate Governance Committee
Sub Committee of the Board:
Thomas J S Kane (Chair)
Philip L Endersbee
Wendy E McCarthy AO (to April 2008)
Fiona J Sharkie (to September 2007)
K Anne Skipper AM

Directors who have international roles and responsibilities

Plan International Board
Wendy E McCarthy AO
– Vice Chair and member of Program & Audit Evaluation Committee, Human Resources Committee and Financial Audit Committee

K Anne Skipper AM
– Member (non voting) of Program and Audit Evaluation Committee (to June 2008)

Margaret J Winn
– Member (non-voting) of Program and Audit Evaluation Committee

Members Assembly
K Anne Skipper AM
– Member of the Audit & Compliance Committee

Margaret J Winn

Statement of Directors' Meetings Attendance:

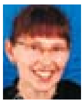
	Full meetings of directors		Meetings of committees							
			Finance and Audit		Program Advisory		Fundraising		Corporate Governance	
Director	**Held ***	**Attended**	**Held ***	**Attended**	**Held ***	**Attended**	**Held ***	**Attended**	**Held ***	**Attended**
Wendy E McCarthy AO	5	5							4	3
Fiona J Sharkie*	1	0					2	1	2	1
Tim D A Beresford	5	4					9	8		
Emily J Booker	5	5			5	5				
Brian F Dunkley*	3	2	3	3						
Philip L Endersbee	5	4	5	4					5	4
Russell Gordon	5	3	5	5						
Jeremy D M Ingall	5	3					9	6		
Thomas J S Kane	5	5							5	5
K Anne Skipper AM	5	5	5	3					5	5
Margaret J Winn	5	5			5	5				
Neil Thompson	5	4					9	7		

* Reflects the number of meetings held during the time the director held office

* Board Directors who have since resigned from office

12. Information on Directors

K Anne Skipper AM (Chair) Dip Nursing FAICD, FAIM
Board member since July 2003. Elected Chair November 2006. An experienced business woman currently consulting in corporate governance. A diverse portfolio working in government, private sector and community based organisations in public health, media, woman's affairs, leadership, children and young people and more recently corporate governance. Presenter for the Australian Institute of Company Directors and currently on the following boards: Deputy Chair for the South Australian Tourism Commission Board; Director, Savings & Loans Credit Union; Chair, Royal District Nursing Service; Council Member, University of SA and Director Aboriginal Foundation SA.



Margaret J Winn (Deputy Chair) BA Dip Ed
Board member since November 1998. Deputy Chair, Plan. Member of Plan International's Member's Assembly and Program Committee. Health and Development Consultant specialising in sexual and reproductive health, water and sanitation and microfinance in Asia, Africa and the Pacific.

Suzanne E Bell CA, BCom
Board member since 15 July 2008. Suzanne is a partner in KPMG Audit and Assurance practice. She has 16 years of audit and advisory experience, specialising in the audits of large, multi-national, listed clients in the consumer and industrial markets industry. Suzanne is an Associate of the Institute of Chartered Accountants in Australia (ICAA). Board member of the Melbourne Fringe Festival and Chair of the Future Summit Leadership Awardee program.

Tim D A Beresford BEc (Hons) LLB MPhil (International Relations) ASIA
Board Member since July 2003. Head of Strategy, Consumer Financial Services, Westpac Banking Corporation. Advisory Council Sydney Youth Orchestra. Previously Senior Manager, McKinsey & Co.

Emily J Booker BA MA (Mass Comm.)
Board Member since March 2005. Former newspaper and television journalist. Worked as a senior executive in media and government relations with UNICEF in New York and Bangkok for 14 years. Member of the Expert Advisory Committee of the NSW Commission for Children and Young People. Currently working as a consultant in development and communication.

Philip L Endersbee BBus (Administration)
Board member since October 2003. Managing Director and owner, Wilderness Wear Australia Pty Ltd.; Director of Three Peaks Outdoor Gear Pty Ltd; Member, Rotary Club of Melbourne; Deputy Chair, East Timor Embassy Building Project Pty Ltd.; Fellow, Leadership Victoria ; Independent Trustee and Director, John T Reid Charitable Trust.

Russell Gordon CA MBA BBus (Acc)
Board member since February 2002. Chartered Accountant. General Manager, Alltruck Bodies Pty Ltd and previously a Director at KPMG, specialising in the area of financial advisory services.

Claire E Hatton MBA, BSc (Hons)
Board Member since 15 July 2008. Claire is the Head of Travel for Google Australia/New Zealand. She has over 15 years of experience in the travel industry having worked in the airline industry, online travel, distribution and travel wholesaling in Australia and the Asia Pacific region. She has extensive digital expertise and is a regular speaker on Online Marketing in the Asia Pacific region. Claire has an MBA from IMD, Lausanne, Switzerland and a BSc Hons in Business and Marketing from University of Cardiff, UK.

Jeremy D M Ingall
Board Member since July 2005. Over twenty years experience in investment banking and investment management in Australia and the United States. Executive Chairman of Andover Group, a Sydney based private investment banking business. Board member of MEARS Technologies, Inc. (Boston); 3D Clinic Pty Limited (Sydney); and Music Icon, LLC (New York). Studied finance, accounting and economics at the University of New South Wales.

Thomas J S Kane FAICD
Board member since April 2004. Managing Director and founder, The Grey Group Pty Ltd. Chartered Member, Australian Human Resources Institute. Extensive career in the resources and manufacturing sectors in Australia and overseas. Prior to establishing The Grey Group, was CEO of an Industry Association and managing partner of a consulting practice. Previously sat on the boards of a major superannuation fund, a manufacturing business and a property development company.

12. Information on Directors (contineud)

Wendy E McCarthy AO BA Dip Ed, MSICD, Hon Dr Uni SA
Board member since May 1996. Elected Chair November 1998. Elected Vice Chair of Plan's International Board for 3 years in January 2007. Held a wide range of positions in Australia's public and private corporations in health, family planning, education, media, heritage and the environment. Currently Chair of McGrath Estate Agents; Chair of the NSW Sustainable Access Priority Taskforce; Chair of Circus Oz; Member of the NSW Health Advisory Council; Chair of Sydney Community Foundation, Patron of the Australian Reproductive Health Alliance and Executive Director of McCarthy Mentoring, Women's Business and Corporate Good Works.

Neil R Thompson BA Hons, Grad studies Beijing University
Board Member since February 2007. Chair of Hong Kong Taskforce. Independent CRM/marketing consultant. Previously Group General Manager Customer Relationship Marketing, Qantas Airways. Twenty years experience in the aviation and tourism industry. Extensive experience in business development, in Asia. Board director of the Trust for Indigenous Culture & Health (USA); former board director of Australia China Business Council and Australian Direct Marketing Association

13. Indemnification And Insurance Of Officers

Plan International provides cover worldwide which includes officers of national organisations. The policy does not specify the premium for each national organisation nor individual directors and executive officers. The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability to persons (other than the Company) incurred in their position as director or executive officer unless the conduct involves a willful breach of duty or an improper use of inside information or position to gain advantage.

14. Environmental Regulation

Plan is committed to comply with all environmental legislation, regulations, standards and codes of practice relevant to its particular activities. It is also committed to keeping abreast of all occupational, health and safety issues.

As far as Plan is aware there has been no breach of any relevant legislation. The Company is not subject to significant environmental regulation.

15. Corporate Governance

Corporate governance information is included on page 9 of the Annual Report.

16. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

17. Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors.

K Anne Skipper AM **DIRECTOR**	**Russell Gordon** **DIRECTOR**

Melbourne
30 September 2008

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331L
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999

AUDITORS' INDEPENDENCE DECLARATION

As lead auditor for the audit of Plan International Australia for the year ended 30 June 2008, I declare that to the best of my knowledge and belief, there have been:

(a) no contravention of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contravention of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Plan International Australia during the period.

PR Lewis
Partner
PricewaterhouseCoopers

Melbourne
30 September 2008

CORPORATE GOVERNANCE STATEMENT

Board of Directors and its Committees

The Board is responsible for the overall Corporate Governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The Board has also established a framework for the management of the Company including a system of internal controls and the establishment of appropriate ethical standards.

Composition of the Board

The names of the Directors of the company in office at the date of this statement are set out in the Directors' Report on page 3 of this Annual Report.

Ethical Standards

The Board sets out the standards in accordance with which each Director, manager and employee of the Company are expected to act. The requirement to comply with these ethical standards is communicated to all employees.

All Directors, managers and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Company.

Role of the Corporate Governance Committee

- Review the board and management policies.
- Monitor the people and performance of board, directors and executive director by annual assessment.
- Ensure a succession plan is in place for the Board, Chair, International Board positions and Board Sub-Committees to ensure there is a sufficient mix of skills, expertise and calibre of directors with the time commitments to adequately fulfil these roles.

Role of the Finance and Audit Committee

The Finance and Audit Committee meets prior to Board meetings.

The responsibilities of the Finance and Audit Committee include, but are not restricted to:

(a) reviewing financial information and statements;
(b) liaising with the external auditors to ensure that the statutory audits are conducted in an efficient and cost effective manner;
(c) reviewing external audit reports to ensure that prompt remedial action is taken by management to rectify major deficiencies or breakdowns in controls or procedures which have been identified;
(d) monitoring procedures to ensure compliance with statutory requirements;
(e) monitoring procedures to ensure that company assets are protected from defalcation, fraud, theft and other forms of diminution.
(f) review accounting procedures and controls on a regular basis to ensure their integrity and accuracy;
(g) utilise a risk assessment framework with a particular focus on child protection across Plan to review and make recommendations as to the organisation's risk assessment practices and procedures and risk management systems in respect to all aspects of its operations.

The committee reviews the monthly financial statements, annual budget, business strategy and the annual report and makes recommendations to the Board for their acceptance or otherwise.

Role of the Program Advisory Committee

(a) Consider the implications of Child Centred Community Development (CCCD) for Plan, encompassing the international program, governance, advocacy, development education and communication with sponsors/donors and increasing the scope for the participation of children and youth in organisational structures, communications and decision-making.
(b) Develop a framework and undertake an annual review of Plan's international program in relation to CCCD.
(c) Adopt and review Plan's international program strategy (including geographical and sectoral focus). It is expected that the annual review will include a consideration of the program strategy's continuing relevance, with major reviews of the strategy undertaken on a three to five year basis.
(d) Review Plan's policies, procedures and systems in relation to delivering program effectiveness that also contributes to meeting criteria and standards for AusAID accreditation as a program agency.
(e) Advise in relation to significant project proposals for submission to AusAID, other institutional donors and projects funded by the Australian public.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Role of the Fundraising Committee

(a) To monitor that adequate funds are raised to ensure the organisation is able to conduct and implement its business.
(b) To provide guidance and assistance to the Plan staff on fundraising opportunities by way of introductions to key contacts and corporate donors.
(c) To review and monitor methods of fundraising, including regular giving, child sponsorship, corporate donors, work-place giving, capital funds, endowments and events.
(d) Overview the costs of fundraising and expenditure associated with marketing and promotions.

Internal Control Framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities.

The Role of Stakeholders

The Board of Directors aims to ensure that the stakeholders are informed of all major developments affecting the Company's state of affairs. Information is communicated to stakeholders as follows:

- the Annual Report is distributed to all stakeholders (unless a stakeholder has specifically requested not to receive the document). The Board ensures that the Annual Report includes relevant information about the operations of the Company and details of future developments, in addition to other disclosures required under the Corporations Act 2001.

The Board encourages full participation of stakeholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

PLAN INTERNATIONAL AUSTRALIA ABN 49 004 875 807
ANNUAL FINANCIAL REPORT – 30 JUNE 2008

Contents **Page**

The financial report covers Plan International Australia as an individual entity. The financial report is presented in the Australian currency.

Plan International Australia is a company limited by guarantee, incorporated and domiciled in Australia.
Its registered office and principal place of business is:

Level 1, 533 Little Lonsdale Street
Melbourne Victoria 3000
Telephone: (03) 9672 3600
Facsimile: (03) 9670 1130

A description of the company's operations and its principal activities is included in the review of operations and activities on pages 3 and 4 respectively, of the directors' report, both of which are not part of this financial report.

The financial report was authorised for issue by the directors on 30 September 2008. The company has the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the company. All press releases, financial reports and other information are available on our website: www.plan.org.au.

INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 $	2007 $
Revenue from continuing operations	2	32,784,103	24,658,166
EXPENSES			
World Food Program emergency food distribution		7,500,351	942,395
Other overseas projects		18,088,323	16,978,632
Other project costs		1,448,619	1,344,305
Community education		153,695	103,466
Fundraising costs			
* public		4,239,865	4,206,596
* government, multilateral and private sector		4,319	13,215
Administration		1,509,861	1,539,890
Surplus (deficit) for the year		**(160,930)**	**(470,333)**

The above income statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

AS AT 30 JUNE 2008

	Notes	2008 $	2007 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	2,133,943	2,373,956
Trade and other receivables	5	195,943	152,316
Held-to-maturity investments	6	1,220,000	1,220,000
Total Current Assets		**3,549,886**	**3,746,272**
Non-Current Assets			
Property, plant & equipment	7	155,691	98,843
Intangible assets	8	201,174	268,459
Total Non-Current Assets		**356,865**	**367,302**
TOTAL ASSETS		**3,906,751**	**4,113,574**
LIABILITIES			
Current Liabilities			
Trade and other payables	9	1,114,218	1,361,549
Provisions	10	248,997	185,675
Total Current Liabilities		**1,363,215**	**1,547,224**
Non-Current Liabilities			
Provisions	11	10,599	41,465
Total Non-Current Liabilities		**10,599**	**41,465**
TOTAL LIABILITIES		**1,373,814**	**1,588,689**
NET ASSETS		**2,532,937**	**2,524,885**
EQUITY			
Reserves	12	2,532,937	2,524,885
TOTAL EQUITY		**2,532,937**	**2,524,885**

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 $	2007 $
Total equity at the beginning of the financial year		2,524,885	2,459,578
Excess of revenue over expenses	12(b)	(160,930)	(470,333)
Deficit (surplus) transferred to Plan International	12(b)	168,982	535,640
Total equity at the end of the financial year		**2,532,937**	**2,524,885**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 $	2007 $
Cash flows from operating activities			
Receipts from donors		20,790,377	19,728,512
Payments to suppliers and employees		(7,268,950)	(7,908,120)
		13,521,427	11,820,392
Interest received		395,129	284,175
Government grants received		4,098,246	3,703,084
Other overseas grants received		816,013	942,395
Payments to Plan International for programs and services		(18,904,337)	(16,978,632)
Net cash inflow (outflow) from operating activities	18	**(73,521)**	**(228,586)**
Cash flows from investing activities			
Payments for property, plant and equipment		(120,914)	(38,223)
Payment of development costs		(45,578)	(96,967)
Net cash (outflow) from investing activities		**(166,492)**	**(135,190)**
Net increase (decrease) in cash and cash equivalents		(240,013)	(363,776)
Cash and cash equivalents at the beginning of the financial year		2,373,956	2,737,732
Cash and cash equivalents at end of year	4	**2,133,943**	**2,373,956**

The above cash flow statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Company Limited by Guarantee

Plan is a Company limited by guarantee, having no share capital. The Company was incorporated on 16 April 1971.

Each Member of the Company undertakes to contribute to the Company's property if the Company is wound up while he, she or it is a member or within one year after he, she or it ceases to be a member, for payment of the Company's debts and liabilities contracted before he, she or it ceased to be a member and of the costs, charges and expenses of winding up and for an adjustment of the rights of contributors among themselves such amount as may be required not exceeding twenty dollars ($20.00).

A. Organisation and purpose

The Plan International group (hereinafter referred to as Plan International) is an international, humanitarian, child focused development organisation, without religious, political or governmental affiliation.

Plan's prime purpose is to provide sustainable community development programs for the alleviation of poverty and the advancement of the education, health, habitat and livelihood of needy children, their families and communities in developing countries or where such programs may be needed because of war, disaster or other major social disturbances. Plan is an independent non-sectarian, not-for-profit Company limited by guarantee. Plan's purpose in Australia is to raise awareness and funds for sustainable community development programs in the developing world as well as manage and participate in Plan's program activities, especially those funded by the Australian Government. Plan also works to build understanding and relationships between the children, their families and communities in the developing world, and sponsors and donors in Australia who provide ongoing financial support.

Plan is an autonomous member of the Plan International worldwide group, made up of a number of similar legal entities. These separate national supporting entities are located in Australia, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Japan, Republic of Korea, Netherlands, Norway, Spain, Sweden, Switzerland, United Kingdom, and United States of America. The members jointly subscribe to an agreement that establishes Plan International as the service arm of the worldwide group. Plan's achievements are made possible by pooled resources across the Plan world.

B. Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board (AASB), and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

New accounting standards and interpretations

Management assessment indicates that there are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the company's financial report in the period of initial application.

C. Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transaction. Foreign currency receivables and payables at balance date are translated at exchange rates at balance date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Revenue recognition

Revenue is recognised for the major business activities as follows:

Donation and Grant Income

Revenues relating to donations are recognised upon receipt of the funds. Revenues relating to grant income are recognised when they are received.

World Food Program emergency food distribution revenue is recognised in the Income Statement upon receipt of official documentation from the World Food Program and converted to Australian dollars based upon the average monthly exchange rate of the month when food distribution took place. Original documentation is stated in United States dollars.

Interest Received

Funds are regularly transmitted to Plan International in accordance with a predetermined schedule of funding requirements. However, if any funds transmitted to Plan International are in excess of current disbursement needs, these are invested by Plan International. Interest income earned on these investments is then allocated back to the respective national organisations in accordance with an established formula, which is based primarily on the ratio that each national organisation's contribution bears to the total contribution from all national organisations. Interest is recognised on an accrual basis.

Donations of Goods and Services

Resources received in the form of intangible income such as donated facilities, voluntary help or beneficial loan arrangements, the value of which cannot be accurately quantified, are not included in the financial statements. Donated services, such as community-service radio, television announcements and press advertisements, the value of which cannot be accurately quantified, are not included in the financial statements.

Nevertheless, the Directors recognise and appreciate the inestimable value to Plan of the resources received and services voluntarily given by corporations, groups and individuals.

E. Income tax

Plan is exempt from the payment of income tax under Subdivision 50-B of the Income Tax Assessment Act 1997.

F. Leases

There were no finance leases in operation during the year. Other leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (note 14). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement over the period of the lease.

G. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

H. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

I. Trade receivables

Trade receivables are recognised at fair value and are due for settlement no more than 30 days from the date of recognition. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

J. Investments

Plan's investments are classified as held-to-maturity investments which are non-derivative financial assets with fixed or determinable payments and fixed maturities that management has the positive intention and ability to hold to maturity.

Investments are initially recognised at fair value. Interest income is presented in the income statement within investment income in the period in which it arises. The Directors assess at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Plant & equipment	3 - 10 years
Computer equipment	3 years
Leasehold improvements	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(G)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

L. Intangible assets

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include directly attributable labour costs. Amortisation is calculated on a straight line basis over a period of 3 years.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the company has an intention and ability to use the asset.

M. Trade and other payables

These amounts represent liabilities for goods and services provided to the organisation prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

N. Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages, salaries and annual leave expected to be settled within 12 months of the reporting date are recognised in Current Liabilities - Provisions in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised and measured in accordance with the above note in respect to annual leave.

The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in Non-Current Liabilities - Provisions and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) Superannuation

Contributions to employee superannuation plans are recognised as an expense as they become payable. Superannuation contributions by the Company comply with the Superannuation Guarantee rate of 9% with some employees contributing additional payments.

O. Reserves and retained surpluses

Refer to Note 12. Reserves and Retained Surplus for accounting policies in respect of these items.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

2. REVENUE

	2008 $	2007 $
From continuing operations		
Revenue		
Donations and Gifts - Monetary and Non-Monetary		
Child sponsorship	18,273,430	17,491,034
Designated projects	2,023,755	2,057,535
	20,297,185	19,548,569
Legacies and bequests	43,489	97,205
	20,340,674	19,645,774
Grants		
World Food Program emergency food distribution	7,500,351	942,395
AusAID	4,067,434	3,240,904
Other Australian	393,306	462,180
Other Overseas	79,245	0
	12,040,336	4,645,479
Other revenue		
Investment income	395,129	284,175
Other income	7,964	82,738
	403,093	366,913
	32,784,103	24,658,166

3. EXPENSES

	2008 $	2007 $
Surplus includes the following specific expenses:		
Depreciation		
Plant and equipment	11,613	17,388
Computer equipment	50,039	58,190
Leasehold improvements	1,397	3,117
Total depreciation	63,049	78,695
Amortisation		
Website	95,326	7,757
Computer software	17,537	49,465
Total amortisation	112,863	57,222
Rental expense relating to operating lease		
Minimum lease payments	116,638	112,152
Individually significant items		
Expenses		
World Food Program funds remitted to Plan International	7,500,351	942,395
Surplus funds remitted to Plan International	18,088,323	16,978,632
Remittances to Burnet Institute	760,000	760,000

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2008 $	2007 $
Cash and deposits at call	2,133,943	2,373,956

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows.
Cash at bank is bearing a floating interest rate of 3% (2007 - 3%)

Deposits at call
The deposits are bearing an interest rate of 5.10% (2007 - 5.10%).

Fair value
The carrying amount of cash and cash equivalents equals the fair value.

5. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2008 $	2007 $
Trade receivables	0	0
Other receivables	193,995	136,850
Prepayments	1,948	15,466
	195,943	152,316

Other receivables
These amounts generally arise from transactions outside the usual operating activities of the organisation.

6. CURRENT ASSETS - HELD-TO-MATURITY INVESTMENTS

	2008 $	2007 $
Investments	1,220,000	1,220,000

The investments are to be held to their maturity in one year or less and carry fixed interest rates of between 6.70% and 8.10% (2007 - 6.00% and 6.50%).

7. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Plant & Equipment $	Computer Equipment $	Leasehold Improvements $	Total $
At 1 July 2006				
Cost	81,488	184,549	25,542	291,579
Accumulated depreciation	(47,550)	(85,972)	(18,742)	(152,264)
Net book amount	33,938	98,577	6,800	139,315
Year ended 30 June 2007				
Opening net book amount	33,938	98,577	6,800	139,315
Additions	7,948	30,275	0	38,223
Disposals	0	0	0	0
Depreciation charge	(17,388)	(58,190)	(3,117)	(78,695)
Closing net book amount	24,498	70,662	3,683	98,843
At 30 June 2007				
Cost	89,436	214,824	25,542	329,802
Accumulated depreciation	(64,938)	(144,162)	(21,859)	(230,959)
Net book amount	24,498	70,662	3,683	98,843
Year ended 30 June 2008				
Opening net book amount	24,498	70,662	3,683	98,843
Additions	14,827	70,848	35,239	120,914
Disposals	0	(1,016)	0	(1,016)
Depreciation charge	(11,613)	(50,039)	(1,397)	(63,049)
Closing net book amount	27,712	90,455	37,525	155,691
At 30 June 2008				
Cost	104,263	284,656	60,781	449,700
Accumulated depreciation	(76,551)	(194,202)	(23,256)	(294,009)
Net book amount	27,712	90,455	37,525	155,691

8. NON-CURRENT ASSETS - INTANGIBLE ASSETS

	Website* $	Computer Software $	Total $
At 1 July 2006			
Cost	256,183	152,130	408,313
Accumulated amortisation	(90,566)	(89,033)	(179,599)
Net book amount	165,617	63,097	228,714
Year ended 30 June 2007			
Opening net book amount	165,617	63,097	228,714
Additions	90,760	6,207	96,967
Amortisation charge**	(7,757)	(49,465)	(57,222)
Closing net book amount	248,620	19,839	268,459
At 30 June 2007			
Cost	346,944	158,337	505,281
Accumulated amortisation	(98,324)	(138,498)	(236,822)
Net book amount	248,620	19,839	268,459
Year ended 30 June 2008			
Opening net book amount	248,620	19,839	268,459
Additions	28,067	17,511	45,578
Amortisation charge**	(95,326)	(17,537)	(112,863)
Closing net book amount	181,361	19,813	201,174
At 30 June 2008			
Cost	375,011	175,848	550,859
Accumulated amortisation	(193,650)	(156,035)	(349,685)
Net book amount	181,361	19,813	201,174

* The Website is an internally generated intangible asset.
** Amortisation of $112,863 (2007 - $57,222) is included in depreciation and amortisation expense in the income statement.

	2008 $	2007 $
9. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES		
Trade payables	367,258	406,227
Other payables	120,568	160,262
Plan International (note 15)	626,392	795,060
	1,114,218	1,361,549

10. CURRENT LIABILITIES - PROVISIONS

	2008 $	2007 $
Employee benefits	248,997	185,675

11. NON-CURRENT LIABILITIES - PROVISIONS

	2008 $	2007 $
Employee benefits	10,599	41,465

12. RESERVES AND RETAINED SURPLUS

(a) Reserves

	2008 $	2007 $
Memorial fund	1,508,535	1,465,046
General fund	356,866	367,303
Capital reserve	667,536	667,536
Tsunami reserve	0	25,000
	2,532,937	2,524,885
Movements		
Memorial funds		
Balance 1 July	1,465,046	1,367,841
Transfer of bequests received during the year from retained surplus	43,489	97,205
Balance 30 June	1,508,535	1,465,046
General funds		
Balance 1 July	367,303	368,027
Transfer to (from) retained surplus	(10,437)	(724)
Balance 30 June	356,866	367,303
Tsunami reserve		
Balance 1 July	25,000	56,174
Transfer to retained surplus	(25,000)	(31,174)
Balance 30 June	0	25,000

(b) Retained surplus (deficit)

Movements in retained surplus were as follows:

	2008 $	2007 $
Balance 1 July	0	0
Net surplus (deficit) for the year	(160,930)	(470,333)
Transfers from (to) Memorial funds	(43,489)	(97,205)
Transfers from (to) General funds	10,437	724
Transfers from (to) Tsunami reserve	25,000	31,174
Funds transferred to Plan International unappropriated surplus (deficit)	168,982	535,640
Balance 30 June	0	0

12. RESERVES AND RETAINED SURPLUS (continued)

(c) Nature and purpose of reserves

(i) Memorial fund

The memorial fund reserve represents the principal of contributions held in accordance with the wishes of the donor, to remain in perpetuity in Australia for use by Plan Australia.

(ii) General fund

Amounts expended on the acquisition of property, plant and equipment are appropriated from the revenue and expenditure account to the general fund during the year of acquisition, or at the time the asset is held ready for use. As the property, plant and equipment are utilised in the operations of Plan Australia, the depreciation charge is included as an operating expense and an equivalent amount is released from the general fund. On the disposal of property, plant and equipment, the gain/loss is included as part of the operating expense and the book value is released from the general fund.

(iii) Capital Reserve

The reserve represents the surplus over the book value of a property donated to Plan Australia and transferred by resolution of the Board to reserves, to be held in reserves and utilised in the event of a major publicity campaign or such other event deemed appropriate by resolution of the board of directors.

13. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditor of the organisation, and its related practices:

	2008 $	2007 $
Audit services		
PricewaterhouseCoopers Australian firm Audit and review of financial reports and other audit work under the *Corporations Act 2001*	26,150	23,050

14. COMMITMENTS

Operating leases

The organisation leases its offices under non-cancellable operating leases expiring in 2 years. On renewal, the terms of the lease are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	2008 $	2007 $
Within one year	122,086	117,390
Later than one year but not later than 5 years	148,977	381,102
	271,063	498,492

15. RELATED PARTY TRANSACTIONS

Parent entities

The nature of the organisation's activities and relationship with Plan International is described in Note 1 to the financial statements.

Controlled entities

Foster Parents Plan of Australia Pty Ltd is a dormant shelf company formed in 1991 for the purpose of facilitating the change of name from Foster Parents Plan of Australia to Plan International Australia. The paid-up capital of $4 is held on trust by two members.

Plan New Zealand is a charitable trust established in February 2003 with Plan International Australia as its corporate trustee. The Trust was formed to operate in New Zealand for exclusively charitable objects and purposes in deriving income or receiving gifts. The Trust is currently inactive.

Key management personnel

The following persons were directors of Plan at the end of the financial year:
K A Skipper; M J Winn; T D A Beresford; E J Booker; P L Endersbee; R Gordon; J D M Ingall; T J S Kane; W E McCarthy; N R Thompson; Suzanne Bell; Claire Hatton.

Remuneration and retirement benefits

The Directors serve in an honorary capacity and do not receive remuneration for their services as Directors of the Company. No amounts were paid on retirement from office or to prescribed superannuation funds in respect of Directors of the company.

Other transactions with directors and director-related entities

Kathleen Townsend Executive Solutions Pty Ltd has previously provided recruitment services to Plan on discounted commercial terms and conditions. The principal of Kathleen Townsend Executive Solutions Pty Ltd, Kathleen Townsend, is the wife of director Thomas J Kane.

Aggregate amounts brought to account in relation to types of other transactions with directors and their director-related entities.

	2008 $	2007 $
Recruitment Services	-	18,000

Amounts receivable from or payable to related parties

Aggregate amounts (receivable from) / payable to related parties		
Plan International		
Retained / Unappropriated surpluses	626,392	795,060
	626,392	795,060

Other transactions with related parties

Amounts are transferred to Plan International for program and services expenditures. The directors are not paid any remuneration for their services as directors of the Plan International Board or as members of the Plan International Members Assembly. Interest is received from Plan International on remitted funds.

16. MEMBERS GUARANTEE

The Company is limited by guarantee. If the Company is wound up, the articles of association states that each member is required to contribute a maximum of $20 each towards meeting any outstanding obligations of the Company. There were 64 members as at 30 June 2008.

17. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The directors are not aware of any matter or circumstance not otherwise dealt with in the Directors' Report of the financial statements that has, or may, significantly affect the operations of Plan, the results of those operations or the state of affairs of the company in subsequent financial years.

18. RECONCILIATION OF SURPLUS FROM ORDINARY ACTIVITIES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Notes	2008 $	2007 $
Excess of revenue over operating expenses		25,427,745	17,450,694
Payments to Plan International		(25,588,675)	(17,921,027)
Surplus (deficit) for the year		(160,930)	(470,333)
Depreciation and amortisation	3	175,912	135,917
Net loss on sale of non-current assets	3	328	0
Change in operating assets and liabilities			
Decrease (increase) in trade and other debtors	5	(43,627)	42,302
Decrease in trade creditors	9	(38,969)	(7,577)
(Decrease) increase in other operating liabilities		(38,692)	17,123
Increase in other provisions	10 - 11	32,456	53,982
Net cash (outflow) inflow from operating activities		(73,521)	(228,586)

19. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

Risk management is carried out on a day to day basis by the Company's management under guidance from the Board of Directors.

The Company holds the following financial instruments

	2008 $	2007 $
Financial assets		
Cash and cash equivalents	2,133,943	2,373,956
Trade and other receivables	195,943	152,316
Held-to-maturity investments	1,220,000	1,220,000
	3,549,886	3,746,272
Financial liabilities		
Trade and other payables	1,114,218	1,361,549

(a) Market risk

The company has significant held-to-maturity type investments. These investments are considered to be liquid in nature. Refer to Note 2 for the investment income from these held-to-maturity type investments. As a result of these investments the operating cash flows of the company are exposed, although not materially to changes in the market interest rates. The investments are held to their maturity in one year or less and carry fixed interest rates of between 6.78% and 8.10% (2007: 6.00% and 6.50%).

The company has no significant interest bearing liabilities.

(b) Credit risk

The company has no significant concentrations of credit risk. At year end the company does not have any significant amounts that are receivable from external parties.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and liquid investments and the availability of funding through an adequate amount of committed credit facilities. The company aims to maintain flexibility in funding by keeping adequate cash resources, liquid investments and credit lines available.

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 12 to 27 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the Company's financial position as at 30 June 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

K Anne Skipper AM
DIRECTOR

Russell Gordon
DIRECTOR

Melbourne
30 September 2008

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLAN INTERNATIONAL AUSTRALIA

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Plan International Australia (the Company), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1B, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

(a) the financial report of Plan International Australia is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the company's financial position as at 30 June 2008 and of it's performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1B.

PricewaterhouseCoopers   Paul Lewis

PricewaterhouseCoopers   **PR Lewis,**
Partner   Melbourne, 30 September 2008

INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991

	2008 $	2007 $
Authority Condition 7(1)(a): Statement of income and expenditure (fundraising)		
Revenue		
Donations and Gifts - Monetary and Non-Monetary		
Child sponsorship	18,273,430	17,491,034
Christmas Appeal	0	476,748
End of Financial Year Appeal	0	795,130
Other Appeals	0	30,786
Designated projects	2,023,755	754,871
Legacies and bequests	43,489	97,205
	20,340,674	19,645,774
Total Fundraising costs	4,239,865	4,206,596
Surplus of revenue over disbursements from fundraising activities	**16,100,809**	**15,439,178**

Authority Condition 7(1)(b): Balance sheet
Please refer to Balance Sheet

Authority Condition 7(2)(a): Accounting principles
Please refer to Note 1 in Notes to financial statements

Authority Condition 7(2)(b): Material matter or occurrence
Please refer to Directors report

Authority Condition 7(2)(c): Direct services, charitable objects, costs of administration
Please refer to Directors report

Authority Condition 7(2)(d): Appeals in which traders were engaged

	2008 $	2007 $
Gross Income *	1,381,536	3,166,488
Direct expenditure	1,167,223	1,885,570

* Gross income has been extrapolated to reflect the full expected benefit from the acquisition of a sponsor at the annual rate of $468 for the year. On average sponsors contribute for six years.

INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 (CONTINUED)

		2008 $	2007 $
Authority Condition 7(2)(e): Comparisons			
(i) total costs of fundraising (FR) to the gross income from fundraising			
	Total FR Costs	4,239,865	4,206,596
	Gross FR Income	20,340,674	19,645,774
	Ratio	21%	21%
(ii) net surplus from fundraising to the gross income from fundraising			
	Net FR Surplus	16,100,809	15,439,178
	Gross FR Income	20,340,674	19,645,774
	Ratio	79%	79%
(iii) total costs of services provided by the authority holder to the total expenditure			
	Total Costs	7,356,359	7,207,472
	Total Expenditure	32,945,033	25,128,499
	Ratio	22%	29%
(iv) total costs of services provided by the authority holder to the total income received			
	Total Costs	7,356,359	7,207,472
	Total Income	32,784,103	24,658,166
	Ratio	22%	29%

Authority Condition 7(3): Statement of income and expenditure for fundraising appeals
Please refer to Statement of income and expenditure (fundraising)

INFORMATION AND DECLARATIONS TO BE FURNISHED UNDER THE CHARITABLE FUNDRAISING ACT 1991 (CONTINUED)

DIRECTORS' DECLARATION IN ACCORDANCE WITH AUTHORITY CONDITION 7 (4)

The directors declare that:

(a) the income statement gives a true and fair view of all income and expenditure of the organisation for the year ended 30 June 2008 with respect to fundraising appeals, and

(b) the balance sheet gives a true and fair view of the state of affairs of the organisation as at 30 June 2008 with respect to fundraising appeals conducted by the organisation, and

(c) the provisions of the Act, the regulations under the Act and the conditions attached to the authority have been complied with by the organisation, and

(d) the internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

This declaration is made in accordance with a resolution of the directors.

K Anne Skipper AM
DIRECTOR

Russell Gordon
DIRECTOR

Melbourne
30 September 2008

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INDEPENDENT AUDIT REPORT IN ACCORDANCE WITH SECTION 24 OF THE CHARITABLE FUNDRAISING ACT 1991 (THE ACT)

SCOPE

The financial report and directors' responsibility

The preparation of the financial report, comprising the income statement, balance sheet, statement of changes in equity, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for the Company, for the year ended 30 June 2008 and the preparation of the information and declarations made under the Charitable Fundraising Act 1991 for the year ended 30 June 2008 are the responsibility of the directors of the Company.

AUDIT APPROACH

We conducted an independent audit in order to express an opinion to the members of the company. Our audit was conducted in accordance with Australian Auditing Standards, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected. For further explanation of an audit, visit our website http://www.pwc.com/au/financialstatementaudit.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Charitable Fundraising Act 1991, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the company's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the directors.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

INDEPENDENCE

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the *Corporations Act 2001*.

PRICEWATERHOUSECOOPERS

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INDEPENDENT AUDIT REPORT IN ACCORDANCE WITH SECTION 24 OF THE CHARITABLE FUNDRAISING ACT 1991 (THE ACT) (CONTINUED)

AUDIT OPINION

In our opinion, the information and declarations made by Plan International Australia (the Organisation/Company), under the Charitable Fundraising Act 1991 for the year ended 30 June 2008:

a) presents a true and fair view of all income and expenditure and the financial result with respect to fundraising appeals;
b) presents a statement of financial position that gives a true and fair view of the state of affairs with respect to fundraising appeals conducted by the Organisation;
c) complies with the provisions of the Act, the regulations under that Act and the conditions attached to the authority by the Organisation; and

In addition, we also note, in accordance with our obligations under the Act, that in our opinion:

- the accounts and associated records have been properly kept during the year;
- the internal controls exercised by the Organisation are appropriate and effective in accounting for all income received and applied by the Organisation from any of its fundraising appeals;
- the money received as a result of fundraising appeals conducted during the year has been properly accounted for and applied in accordance with this Act and the regulations;
- The Company is solvent and there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- there have been no contraventions of the Act;

This opinion must be read in conjunction with rest of our audit report.

PricewaterhouseCoopers   Paul Lewis

PricewaterhouseCoopers   **PR Lewis,**
Partner   Melbourne, 30 September 2008

Plan

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