



Plan International Australia

ABN 49 004 875 807

Annual Financial Statements
For the year ended 30 June 2013

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Plan International Australia

ABN 49 004 875 807

Annual Financial Statements

For year ended 30 June 2013

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Plan International Australia

ABN 49 004 875 807

30 June 2013

Corporate Directory

Honorary Board of Directors:

Gerald R Hueston (Chair)
Julie C Hamblin (Deputy Chair)
Brian K Babington
Michael R Corry
Claire E Hatton
Julie A Hood
Philippa F Quinn
Neil R Thompson
Anne L Trimmer

Secretary:

Gerard Dell'Oste

Chief Executive Officer:

Ian Wishart

Registered Office:

Level 18, 60 City Road
Southbank Victoria 3006
Telephone: (03) 9672 3600
Facsimile: (03) 9670 1130
Website: www.plan.org.au

Auditors:

PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
Southbank Victoria 3006

Solicitors (Pro Bono Services):

Corrs Chambers Westgarth
600 Bourke Street
Melbourne Victoria 3000

Lander and Rogers
600 Bourke Street
Melbourne VIC 3000

Bankers:

Commonwealth Bank of Australia
385 Bourke Street
Melbourne Victoria 3000



AUSTRALIAN
COUNCIL
FOR
INTERNATIONAL
DEVELOPMENT

Plan International Australia is member of the Australian Council for International Development (ACFID) and is a signatory to the ACFID Code of Conduct. The Code requires members to meet high standards of corporate governance, public accountability and financial management.

More information about the ACFID Code of Conduct can be obtained from www.plan.org.au and from ACFID at:

Website: www.acfid.asn.au

Email: code@acfid.asn.au

Tel: (02) 6281 9222

Fax: (02) 6285 1720

Directors' Report

In respect of the financial year ended 30 June 2013, 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 for the whole of the financial year and up to the date of this report unless otherwise stated:

Gerald R Hueston (Chair) *(Appointed 6 July 2012)*

Julie C Hamblin (Deputy Chair)

Brian K Babington

Michael R Corry

Claire E Hatton

Julie A Hood *(Appointed 6 July 2012)*

Philippa F Quinn

K Anne Skipper AM *(Retired 15 November 2012)*

Neil R Thompson

Anne L Trimmer *(Appointed 9 July 2012)*

2. Principal Activities & Strategy

The principal activities of Plan during the year were the raising of 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 and becoming a 'champion for child rights'.

Objectives:

Globally, the focus of Plan's work is on children. Plan's global vision is of "a world in which all children realize their full potential in societies which respect people's rights and dignity" and our program interventions target children, their families and communities. Over the past decade, Plan International's approach to addressing the needs of children has evolved from being grounded in child sponsorship to gaining momentum to a child rights framework. Child sponsorship enabled us to extend our reach at a local level and engage directly with children living in poverty. A rights framework, however, enables us to tackle the very causes of poverty and injustice and to address these through a full spectrum of development interventions, ranging from service delivery, partnerships, and disaster relief right through to public advocacy and global campaigning.

Plan International Australia has provided financial and technical support to Plan's global programs from sponsorship contributions to 73 globally managed programs in 50 countries across 4 regions in 7 Thematic program areas.

The corporate strategy for 2012 – 2016 is grounded in our understanding of the potential for further and sustained growth. It places our highest emphasis on quality impact and influence for children while recognizing that growth in income and corporate identity are essential to realize these higher goals. It outlines a strategic framework which will direct growth and guide programming in ways that have positive and lasting impacts for children.

Over the next three years, Plan's work will be guided by the aspiration that child rights needs to be positioned as a major component in the development contexts we work in. We must continue to grow in scale and reach but also strengthen our thought leadership on child rights issues and continue to give children a voice in determining their futures. We will need the income and internal capabilities to fulfil this leading role. There must also be a heightened focus on capacity building, and investing in program partners as they join us on this journey if we are to be successful together.

Goals:

- 1: A significant and lasting impact on the fulfilment of child rights for more children around the world
- 2: A tangible influence on the perceptions, policies and practices that uphold child rights
- 3: An income portfolio that supports our expanded child rights programming for children
- 4: A strong identity as the leading child rights agency in Australia

Directors' Report (continued)

3. Review of Operations

Overview:

Plan continued to grow in FY2013 with total revenue of \$52.9M, a 7.2% increase over the previous year. Revenue from public income decreased by \$1.2M, from the previous year primarily as a result of the fact that there were no major emergency relief situations requiring appeals and a drop in bequest income which was \$1.0M lower than the previous year. Overseas Grants and World Food Program income increased by \$6M from the previous year, having the greatest impact on Plan's growth. Local and AusAid grant revenue was lower than expected with a decrease of \$1.4M from the previous year although significant grants were won which will be reflected in revenue in FY14. Expenses increased to \$22.2M (FY2012 \$18.4M) as part of Plan's strategy to grow its donor base and deliver a stronger engagement experience for stakeholders.

Revenue:

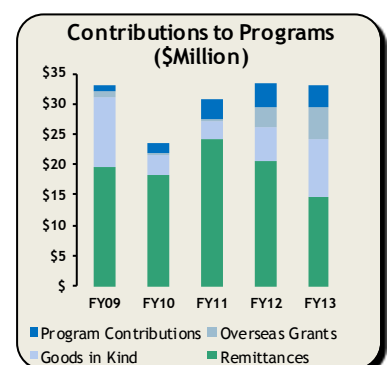
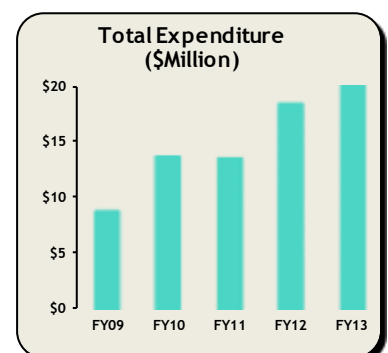
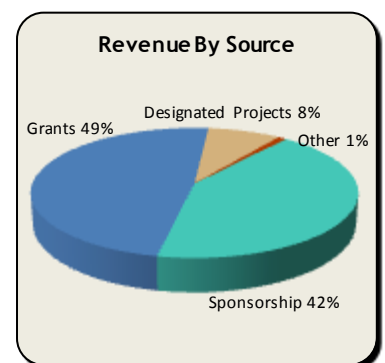
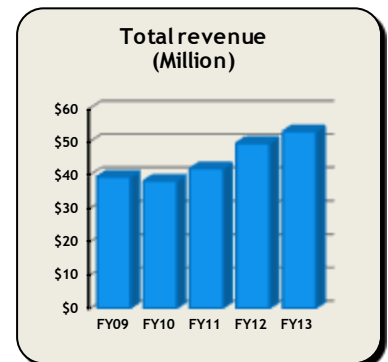
Total revenue of \$52.9M (FY2012 \$49.3M) increased by \$3.5M driven primarily by a \$4.4M increase in World Food Program revenue and a \$1.7M increase in Other Overseas Grants. Sponsorship revenue, which comprised 42.3% of total revenue, saw a \$273K decrease from the previous year despite the fact that sponsorship numbers increased significantly in the year. Sponsorship revenue primarily reflects 12 months of giving from the sponsorships obtained in the previous FY. In line with this, sponsorship growth in FY13 is expected to flow through as increased revenue in FY14. Designated Projects increased by \$100K, with a good result from Girls fund income due to increased investment. The Children in Crisis Fund income was \$213K less than the previous year as a result of no major emergencies during the year from which to launch fundraising appeals. AusAID Government Grants (19.0% of total revenue) were below expectations for FY2013, mainly due to timing of grants and the non receipt of disaster related grants due to the lack of a major disaster in the year. Plan's involvement with the World Food Program increased with \$9.97M recorded for FY2013 (FY2012 \$5.3M).

Expenditure:

Total expenditure of \$20.2M (FY2012 \$18.4M) increased by \$1.8M (9.8%) from the previous year. Public fundraising of \$13.3M was \$1.3M higher than FY2012 due to a continuing strategic marketing initiative to grow the number of regular givers (sponsorship & non-sponsorship) as well as strengthen single gift giving. The investment made in FY13 has brought in close to 10,000 new donors which will be reflected in giving in FY14. Program support costs (Other Project Costs) of \$4.2M were 26.1% higher than FY2012 reflecting the increase grant portfolio. Administration costs were 29.3% higher than the previous year, mainly driven by an increase of \$112K in support for program delivery and \$622K associated with network support and software licensing as part of the investment in a major IT upgrade as well as new administration positions.

Contributions to Programs:

Plan's contribution to programs had a marginal decrease of \$104K from the previous year (FY13 – \$33.1M and FY12 – \$33.2M). The lower contribution was driven by a reduced remittance of grant and sponsorship funds, attributable to a shortfall in AusAid Grant Income for the year and the one off capital cost of the replacement Customer Relationship Management IT Project. There was a considerable increase (43.6%) in in-kind contributions for the year as part of the continuing commitment to the World Food Program in Zimbabwe; Cambodia and South Sudan. Overseas Grant contributions also increased (35.9%) from the previous year for programs that include Pakistan; Philippines; Vietnam; South Sudan and Zimbabwe.



Directors' Report (continued)

4. 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.

5. Dividends

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

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 25 decile point of the market. That is, 75% of the market is above the Plan remuneration level and 25% 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 Chief Executive Officer is paid a base salary of \$226,070 plus Superannuation of \$20,346.

Remuneration (incl Superannuation)	Number of Executives in group
\$240,000- 259,999	1
\$220,000- 239,999	
\$200,000- 119,999	
\$180,000- 199,999	
\$160,000- 179,999	3

Directors' Report (continued)

Committee and Special Responsibilities

Finance & Audit Committee

Sub Committee of the Board:

Michael R Corry (*Chair*)

Julie A Hood

Gerald R Hueston

Anne Trimmer (*appointed 17 May 2013*)

Corporate Governance Committee

Sub Committee of the Board:

Gerald R Hueston (*Chair*)

Julie C Hamblin

K Anne Skipper (*Retired 15 November 2012*)

Anne L Trimmer

Program Advisory Committee

Sub Committee of the Board:

Brian K Babington (*Chair*)

Julie C Hamblin

K Anne Skipper (*Retired 15 November 2012*)

Kathryn Robinson (*Co-opted*)

Directors who have international roles and responsibilities

Plan International Board - Programme Committee

Brian K Babington

Plan International Board - People and Culture Committee

K Anne Skipper (*Retired 15 November 2012*)

Marketing & Fundraising Committee

Sub Committee of the Board:

Claire E Hatton (*Chair*)

Philippa F Quinn

Neil R Thompson

Plan Members' Assembly

Brian K Babington

Gerald R Hueston

Statement of Directors' Meetings Attendance from 1 July 2012 to 30 June 2013:

Director	Full meetings of Directors		Meetings of Committees							
	Held	Attended	Finance & Audit		Program Advisory		Corporate Governance		Marketing & Fundraising	
			Held	Attended	Held	Attended	Held	Attended	Held	Attended
K Anne Skipper	3	3	3	0	2	0				
Brian K Babington	5	4			4	4				
Michael R Corry	5	5	5	5						
Julie C Hamblin	5	4			4	3	2	2		
Claire E Hatton	5	5							4	3
Philippa F Quinn	5	4							4	3
Neil R Thompson	5	4							4	3
Anne L Trimmer	5	3					2	2		
Julie A Hood	5	5	5	5						
Gerald R Hueston	5	4	5	3			2	2		

Directors' Report (continued)

12. Information on Directors

Gerald R Hueston (Chair)

BSc, Bcom

Gerald Hueston recently retired as President of BP in Australasia after a 34 year career with BP in Australia, NZ, UK and Europe. He is a past board member of the Business Council of Australia, a past Chairman and board member of the Australian Institute of Petroleum and a former member of the Chairman's Panel of the Australian Great Barrier Reef Foundation. He is currently a Commissioner with the Australian Climate Commission.

Julie C Hamblin (Deputy Chair)

BA LLB(Hons) LLM (McGill)

Partner of HWL Ebsworth Lawyers. Julie has worked for more than 20 years in the fields of health law, bioethics and public health. Her legal practice spans clinical risk, medical negligence, privacy, medical research and health ethics. She also has extensive experience in international development, particularly in relation to HIV/AIDS, having worked with the United Nations Development Programme and other organisations in more than 20 countries in Asia, the Pacific, Africa and Eastern Europe. Government appointments have included the Australian Research Integrity Committee, the NSW Health Clinical Ethics Advisory Panel, the Australian National Council on HIV/AIDS and Related Diseases, and the Attorney-General's International Pro Bono Advisory Group.

Brian Babington

BA (Hons.), MA, Grad Dip Management, Grad Dip Community Counselling

Brian Babington is Chief Executive Officer, Families Australia; Coordinator of the Coalition of Organisations Committed to the Safety and Wellbeing of Australia's Children; a member of the Australian Government's National Children and Family Roundtable; and a member of the Implementation Working Group for the National Framework for Protecting Australia's Children. Brian is a member of the Plan International Inc. Program Advisory Committee

Michael R Corry

MA, FCA, FCSA

Michael Corry is a finance professional with extensive experience across a range of enterprises in both commercial and community arenas. He is a Chartered Accountant and Chartered Secretary and holds an MA in Economics from Christ's College, Cambridge. Michael runs his own business providing interim Chief Financial Officer services to a range of organisations.

Claire E Hatton

MBA, BSc (Hons)

Claire Hatton is Industry Director for Google Australia and NZ. She leads a team of industry experts to help local businesses, government, education and travel businesses make the most of their presence online. She has extensive strategy, marketing and leadership experience in the travel, finance and media industries across Asia Pacific.

Directors' Report (continued)

Julie A Hood

EMBA, BCom, DipArch

Julie is an Ernst & Young Partner. She advises senior Executives and Boards who are acquiring, separating and transforming their business operations. During Julie's 12 years with Ernst & Young she has supported clients across a broad range of industries and has established a deep level of transactional understanding across the financial services, industrial and consumer products, power and utilities, infrastructure and government sectors within Australia, Europe and the US. Prior to joining Ernst & Young, Julie spent several years working in the Higher Education Sector in operational leadership positions. Additionally, as a qualified Architect she has run her own design consulting and construction business.

Philippa F Quinn

Philippa Quinn has been a public relations and media professional for over 18 years. She joined the board of Plan International Australia in late 2010.

Neil R Thompson

BA Hons (Melbourne) Grad studies Beijing University, GAICD

Board Director since February 2007. Past Director, Plan International Hong Kong. Chief Executive, Velocity Frequent Flyer, Virgin Australia. Previously Head of Loyalty Practice, Seabury Aviation, New York; Group General Manager CRM, Qantas Airways. Extensive experience in business development in Asia. Former Board Director of Australia China Business Council and Australian Direct Marketing Association

Anne L Trimmer

BA, LLB

Anne Trimmer practised law in Canberra, Tasmania and Sydney before becoming the Chief Executive Officer of the Medical Technology Association of Australia Limited in 2006. Anne holds a number of related board and advisory positions, including Research Australia Limited, and the Centre of Excellence in Vision Sciences at the Australian National University. Anne is deeply experienced in working with the Australian Government and has been appointed by the Government to chair working groups and make recommendations. Anne has held several leadership positions in professional and educational bodies, including a period as President of the Law Council of Australia, Deputy Chancellor of the University of Canberra and Chair of the Australian Government's Advisory Council on Intellectual Property.

Directors' Report (continued)

13. Indemnification And Insurance of Officers

Plan International provides cover worldwide which includes officers of national organisations. Plan International provides cover worldwide which includes officers of national organisations. 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 wilful 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 the directors of Plan are aware there has been no breach of any relevant legislation. The organisation is not subject to significant environmental regulation.

15. Corporate Governance

Corporate governance information is included on page 13 of the annual report.

16. Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12.

17. Auditor

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

18. 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 58 members as at 30 June 2013.

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



Gerald R Hueston
DIRECTOR



Anne L Trimmer
DIRECTOR

Melbourne
20 September 2013



Auditors' Independence Declaration

As lead auditor for the audit of Plan International Australia for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

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

A handwritten signature in blue ink that reads 'D Rosenberg'.

D Rosenberg
Partner
PricewaterhouseCoopers

Melbourne
20 September 2013

Corporate Governance Statement

The 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 5 of this Annual Report.

Ethical Standards

The Board sets out the standards in accordance with which each Director, manager and employee of the Company is 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 the Board, Directors and Chief Executive Officer 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) reviewing accounting procedures and controls on a regular basis to ensure their integrity and accuracy;
- (g) utilising 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.

Corporate Governance Statement (continued)

Role of the Program Advisory Committee (PAC)

The PAC has an important role to play in promoting an appropriate understanding of strategic and operational program matters at the Board level, especially in relation to performance and effectiveness/impact, compliance and strategic directions.

Specifically, PAC acts to:

- (a) be a guardian of the Board's duty to ensure that the organisation fulfils its mission to have a positive impact on children's lives;
- (b) analyse and provide advice to the Board about the overarching strategic directions of Plan International Australia's overseas and in-Australia programs;
- (c) provide advice to the Board about Plan International Australia's performance in relation to the strategic direction of Plan International Australia's overseas and in-Australia programs, especially by keeping under critical review significant changes in the operating environment and emerging trends;
- (d) advise on oversee the annual program effectiveness review and reflection process;
- (e) maintain a watching brief on Plan International Australia's performance in relation to program compliance matters (for example, the AusAid accreditation process)
- (f) be a place for the critical testing of program assumptions and planning ideas;
- (g) from time-to-time or on a rolling basis, examine specific program strategy or policy matters;
- (h) remain aware of, and advise on, developments at the Plan International Members' Assembly, the International Board and the International Board Program Committee and provide strategic advice to Plan International Australia's representative/s at these forums; and
- (i) ensure an appropriate representation of the perspectives of children and young people in Plan International Australia discussions.

In terms of its annual work plan and processes, PAC should:

- (j) consider, endorse and submit to the Board the program strategy, the annual effectiveness review and the annual proposed CCCD budget;
- (k) consider, endorse and submit ad hoc program policy proposals to the Board as required; and
- (l) consider and advise the Board on Plan International Australia's internal and external pre-accreditation report.

Role of the Marketing and 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 Statements

For year ended 30 June 2013

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These financial statements cover Plan International Australia as an individual entity. The financial statements are 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 18, 60 City Road
Southbank Victoria 3006
Telephone: (03) 9672 3600
Facsimile: (03) 9670 1130
Website: www.plan.org.au

A description of the nature of the company's operations and its principal activities is included in the review of operations and activities on pages 5 and 6 respectively, of the Directors' report, neither of which are part of these financial statements.

The financial statements were authorised for issue by the directors on 20 September 2013. The directors have the power to amend and reissue the financial statements.

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 statements and other information are available on our website: www.plan.org.au.

Plan International Australia

ABN 49 004 875 807

30 June 2013

Statement of Comprehensive Income

	Notes	2013	2012
		\$	\$
Revenue from continuing operations	2	52,887,882	49,347,322
Expenses			
World Food Program emergency food distribution	3	9,971,552	5,577,645
Other overseas projects	3	19,478,663	23,772,593
Other project costs		4,224,057	3,349,017
Community education		605,177	710,417
Fundraising costs			
* public		13,337,846	12,063,953
* government, multilateral and private sector		141,405	73,235
Administration		3,095,162	2,429,764
Surplus for the year		<u>2,034,020</u>	<u>1,370,698</u>

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

Statement of Financial Position

	Notes	2013 \$	2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	6,887,490	7,479,498
Trade and other receivables	5	2,556,253	760,682
Held-to-maturity investments	6	601,290	0
Total Current Assets		<u>10,045,033</u>	<u>8,240,180</u>
Non-Current Assets			
Property, plant & equipment	7	789,285	786,600
Intangible assets	8	2,163,245	1,458,184
Total Non-Current Assets		<u>2,952,530</u>	<u>2,244,784</u>
TOTAL ASSETS		<u>12,997,563</u>	<u>10,484,964</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	9	1,585,387	1,280,064
Provisions	10	735,213	615,657
Total Current Liabilities		<u>2,320,600</u>	<u>1,895,721</u>
Non-Current Liabilities			
Provisions	11	716,341	662,641
Total Non-Current Liabilities		<u>716,341</u>	<u>662,641</u>
TOTAL LIABILITIES		<u>3,036,941</u>	<u>2,558,362</u>
NET ASSETS		<u>9,960,622</u>	<u>7,926,602</u>
EQUITY			
Reserves	12	9,960,622	7,926,602
TOTAL EQUITY		<u>9,960,622</u>	<u>7,926,602</u>

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

Plan International Australia

ABN 49 004 875 807

30 June 2013

Statement of changes in Equity

		Retained Earnings Reserve	Memorial Fund Reserve	General Fund Reserve	Capital Reserve	Investment Fund Reserve	Total Reserves
	Note	\$	\$	\$	\$	\$	\$
Balance at 30 June 2011		3,233,224	1,830,882	824,262	667,536	0	6,555,904
Total comprehensive income for the year as reported in the 2012 financial statements	12 (b)	<u>(874,252)</u>	<u>1,214,412</u>	<u>1,030,538</u>	<u>0</u>	<u>0</u>	<u>1,370,698</u>
Balance at 30 June 2012		2,358,972	3,045,294	1,854,800	667,536	0	7,926,602
Total comprehensive income for the year as reported in the 2013 financial statements	12 (b)	<u>542,821</u>	<u>192,179</u>	<u>1,097,730</u>	<u>0</u>	<u>201,290</u>	<u>2,034,020</u>
Balance at 30 June 2013		2,901,793	3,237,473	2,952,530	667,536	201,290	9,960,622

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

Statement of Cash flows

	Notes	2013 \$	2012 \$
Cash flows from operating activities			
Receipts from donors		27,545,844	28,199,198
Payments to suppliers and employees		<u>(21,014,346)</u>	<u>(17,857,322)</u>
		6,531,498	10,341,876
Interest received		276,935	273,182
Government grants received		7,861,296	11,306,829
Other overseas grants received		603,360	288,863
Payments to Plan International for programs and services		<u>(14,673,580)</u>	<u>(20,700,000)</u>
Net cash inflow (outflow) from operating activities	18	<u>599,509</u>	<u>1,510,750</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(179,427)	(128,989)
Payments for software development		<u>(1,012,090)</u>	<u>(1,127,572)</u>
Net cash (outflow) from investing activities		<u>(1,191,517)</u>	<u>(1,256,561)</u>
Net increase (decrease) in cash and cash equivalents			
		(592,008)	254,189
Cash and cash equivalents at the beginning of the financial year		<u>7,479,498</u>	<u>7,225,309</u>
Cash and cash equivalents at end of year	4	<u><u>6,887,490</u></u>	<u><u>7,479,498</u></u>

The above statement of cash flows 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 statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Company Limited by Guarantee

Plan International Australia (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 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, Colombia, Denmark, Finland, France, Germany, Hong Kong; India; 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.

Plan International Headquarters is located in Dukes Court, Block A, Duke Street, Working, Surry, GU21 5BH United Kingdom.

B. Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Plan International Australia is a not-for-profit entity for the purpose of preparing the financial statements.

Notes to the financial statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of preparation (continued)

Historical cost convention

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

Critical accounting estimates

The preparation of the financial statements in conformity with Australian Accounting Standards require 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 and amended accounting standards

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods

Financial statement presentation

Plan has applied the revised AASB 101 Presentation of Financial Statement which became effective on 1 January 2012. The revised standard requires the separate presentation of a statement of comprehensive income and a statement of changes in equity.

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.

D. Revenue recognition

Revenue is recognised for the major business activities as follows:

Donations 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 or there is a right to receive cash or other form of asset.

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.

Notes to the financial statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Revenue recognition (continued)

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. The current lease agreement has a life time of 10 years.

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. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

Notes to the financial statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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
Computer software	3 – 5 years
Leasehold improvements	5 – 10 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.

Notes to the financial statements (continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period on government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

O. Reserves and retained surpluses

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

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.

Notes to the financial statements (continued)**2. REVENUE**

	2013	2012
	\$	\$
From continuing operations		
Donations and Gifts - Monetary and Non-Monetary		
Child sponsorship	22,357,303	22,629,963
Designated projects	<u>4,420,816</u>	<u>4,320,703</u>
	26,778,119	26,950,666
Legacies and bequests	<u>192,179</u>	<u>1,214,412</u>
	<u>26,970,298</u>	<u>28,165,078</u>
Grants		
World Food Program emergency food distribution	9,971,552	5,577,645
AusAID	10,069,996	11,916,829
Other Australian	539,993	39,688
Other Overseas	<u>4,994,813</u>	<u>3,298,711</u>
	25,576,354	20,832,873
Other revenue		
Investment income - Interest	305,677	344,939
Other income	<u>35,553</u>	<u>4,432</u>
	<u>341,230</u>	<u>349,371</u>
	<u>52,887,882</u>	<u>49,347,322</u>

3. EXPENSES

	2013	2012
	\$	\$
Surplus includes the following specific expenses:		
Depreciation		
Plant and equipment	6,880	6,900
Computer equipment	91,297	99,601
Leasehold improvements	<u>78,565</u>	<u>76,717</u>
Total depreciation	<u>176,742</u>	<u>183,218</u>
Amortisation		
Website	63,893	22,630
Computer software	<u>243,136</u>	<u>25,295</u>
Total amortisation	<u>307,029</u>	<u>47,925</u>
Rental expense relating to operating lease		
Minimum lease payments	322,191	305,995
Employee benefit expense	5,308,215	4,858,456
World Food Program funds remitted to Plan International	9,971,552	5,577,645
Surplus funds remitted to Plan International	19,478,663	23,740,141
Remittances to other National Offices	0	32,452
Remittances to other institutions	1,181,158	207,400

Notes to the financial statements (continued)

4. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2013	2012
	\$	\$
Cash and deposits at call	6,067,490	6,259,498
Fixed term deposits (maturity less than three months)	820,000	1,220,000
	<u>6,887,490</u>	<u>7,479,498</u>

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

Cash at bank is bearing a floating interest rate of 3% (2012 - 3%).

Deposits at call

The deposits are bearing an interest rate between 1.45% and 4.55% (2012 - 2.20% and 4.25%).

Fixed term deposits

The term deposits are to be held to their maturity in one year or less and carry fixed interest rates between 4.05% and 5.45% (2012 - 4.62% and 6.00%).

Fair value

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

Risk exposure

The company's exposure to market, credit and liquidity risk is discussed in note 19. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

5. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	2013	2012
	\$	\$
Other receivables	2,539,071	646,589
Prepayments	17,182	114,093
	<u>2,556,253</u>	<u>760,682</u>

Fair value and credit risk

The maximum exposure to credit risk at the end of each reporting period is the carrying amount of each class of receivables mentioned above. Refer to note 19 for more information on the financial risk management of the company.

6. CURRENT ASSETS - HELD-TO-MATURITY INVESTMENTS

	2013	2012
	\$	\$
Fixed term deposits (maturity greater than three months)	<u>601,290</u>	<u>0</u>

The investments are to be held to their maturity in one year or less and carry fixed interest rates between 4.05% and 4.60% (2012 - 5.50% - 6.10%).

Risk exposure

Information about the company's exposure to market, credit and liquidity risk is provided in note 19. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the fixed term deposits mentioned above.

Notes to the financial statements (continued)**7. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT**

	Plant & Equipment	Computer Equipment	Leasehold Improvements	Total
	\$	\$	\$	\$
At 1 July 2011				
Cost	126,970	489,779	830,926	1,447,675
Accumulated depreciation	(103,932)	(361,082)	(142,692)	(607,706)
Net book amount	<u>23,038</u>	<u>128,697</u>	<u>688,234</u>	<u>839,969</u>
Year ended 30 June 2012				
Opening net book amount	23,038	128,697	688,234	839,969
Additions	3,214	107,160	19,475	129,849
Disposals	0	0	0	0
Depreciation charge	(6,900)	(99,601)	(76,717)	(183,218)
Closing net book amount	<u>19,352</u>	<u>136,256</u>	<u>630,992</u>	<u>786,600</u>
At 30 June 2012				
Cost	130,184	596,939	850,401	1,577,524
Accumulated depreciation	(110,832)	(460,683)	(219,409)	(790,924)
Net book amount	<u>19,352</u>	<u>136,256</u>	<u>630,992</u>	<u>786,600</u>
Year ended 30 June 2013				
Opening net book amount	19,352	136,256	630,992	786,600
Additions	2,044	43,335	134,048	179,427
Disposals	0	0	0	0
Depreciation charge	(6,880)	(91,297)	(78,565)	(176,742)
Closing net book amount	<u>14,516</u>	<u>88,294</u>	<u>686,475</u>	<u>789,285</u>
At 30 June 2013				
Cost	132,228	640,274	984,449	1,756,951
Accumulated depreciation	(117,712)	(551,980)	(297,974)	(967,666)
Net book amount	<u>14,516</u>	<u>88,294</u>	<u>686,475</u>	<u>789,285</u>

Notes to the financial statements (continued)

8. NON-CURRENT ASSETS – INTANGIBLE ASSETS

	Website*	Computer Software**	Total
	\$	\$	\$
At 1 July 2011			
Cost	411,786	565,727	977,513
Accumulated amortisation	(393,922)	(209,314)	(603,236)
Net book amount	<u>17,864</u>	<u>356,413</u>	<u>374,277</u>
Year ended 30 June 2012			
Opening net book amount	17,864	356,413	374,277
Additions	135,246	996,586	1,131,832
Disposals	0	0	0
Amortisation charge***	(22,630)	(25,295)	(47,925)
Closing net book amount	<u>130,480</u>	<u>1,327,704</u>	<u>1,458,184</u>
At 30 June 2012			
Cost	547,032	1,562,313	2,109,345
Accumulated amortisation	(416,552)	(234,609)	(651,161)
Net book amount	<u>130,480</u>	<u>1,327,704</u>	<u>1,458,184</u>
Year ended 30 June 2013			
Opening net book amount	130,480	1,327,704	1,458,184
Additions	109,422	902,668	1,012,090
Disposals	0	0	0
Amortisation charge***	(63,893)	(243,136)	(307,029)
Closing net book amount	<u>176,009</u>	<u>1,987,236</u>	<u>2,163,245</u>
At 30 June 2013			
Cost	656,454	2,464,981	3,121,435
Accumulated amortisation	(480,445)	(477,745)	(958,190)
Net book amount	<u>176,009</u>	<u>1,987,236</u>	<u>2,163,245</u>

* Website is an internally generated intangible asset.

** Computer Software includes Payment Card Industry Data Security Standard (PCIDSS) compliance and computer upgrade projects.

*** Amortisation of \$307,029 (2012 - \$47,925) is included in depreciation and amortisation expense in the income statement.

Computer software includes payroll and accounting software additions; Business continuity system and Plan System and Process Improvement with a carrying amount of \$1,822,028 at 30 June 2013. The remaining amortisation period is up to 5 years.

Notes to the financial statements (continued)**9. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES**

	2013	2012
	\$	\$
Trade payables	879,409	752,888
Other payables	705,978	527,176
	<u>1,585,387</u>	<u>1,280,064</u>

10. CURRENT LIABILITIES

Employee benefits	626,720	522,013
Lease incentives	108,493	93,644
	<u>735,213</u>	<u>615,657</u>

11. NON CURRENT LIABILITIES

Employee benefits	52,637	22,743
Lease incentives	663,704	639,898
	<u>716,341</u>	<u>662,641</u>

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes accrued annual leave, vesting sick leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of \$626,720 (2012 - \$522,013) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations. Based on past experience, the company expects all employees to take the full amount of accrued leave or require payment within the next 12 months.

Notes to the financial statements (continued)

12. RESERVES AND RETAINED SURPLUS

	2013	2012
	\$	\$
(a) Reserves		
Memorial fund	3,237,473	3,045,294
General fund	2,952,530	1,854,800
Capital reserve	667,536	667,536
Investment Reserve	201,290	0
Retained Earnings	<u>2,901,793</u>	<u>2,358,972</u>
	<u>9,960,622</u>	<u>7,926,602</u>
Movements		
Memorial funds		
Balance 1 July	3,045,294	1,830,882
Transfer of bequests received during the year (to) from retained surplus	<u>192,179</u>	<u>1,214,412</u>
Balance 30 June	<u>3,237,473</u>	<u>3,045,294</u>
General funds		
Balance 1 July	1,854,800	824,262
Transfer (to) from retained surplus	<u>1,097,730</u>	<u>1,030,538</u>
Balance 30 June	<u>2,952,530</u>	<u>1,854,800</u>
Capital Reserve		
Balance 1 July	667,536	667,536
Transfer (to) from retained surplus	<u>0</u>	<u>0</u>
Balance 30 June	<u>667,536</u>	<u>667,536</u>
Investment Reserve		
Balance 1 July	0	0
Transfer (to) from retained surplus	<u>201,290</u>	<u>0</u>
Balance 30 June	<u>201,290</u>	<u>0</u>
Retained Earnings		
Balance 1 July	2,358,972	3,233,224
Transfer (to) from retained surplus	<u>542,821</u>	<u>(874,252)</u>
Balance 30 June	<u>2,901,793</u>	<u>2,358,972</u>
(b) Retained surplus (deficit)		
Movements in retained surplus were as follows:		
Balance 1 July	0	0
Net surplus for the year	2,034,020	1,370,698
Transfers (to) from Memorial funds	(192,179)	(1,214,412)
Transfers (to) from General funds	(1,097,730)	(1,030,538)
Transfers (to) from Capital Reserve	0	0
Transfers (to) from Investment Reserve	(201,290)	0
Funds transferred (to) from Retained Earnings	<u>(542,821)</u>	<u>874,252</u>
Balance 30 June	<u>0</u>	<u>0</u>

Notes to the financial statements (continued)

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.

(iv) Retained funds

Amounts representing restricted and unrestricted funds to be distributed for program and other designated use.

(v) Investment reserve

Amounts representing the capital reserve to support Plan programs that help vulnerable families in Africa and Asia to achieve long-term food security.

Notes to the financial statements (continued)

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:

	2013	2012
	\$	\$
Audit services		
PricewaterhouseCoopers Australian firm		
Audit and review of financial statements and other audit work under the <i>Corporations Act 2001</i>	<u>29,600</u>	<u>28,100</u>

14. COMMITMENTS

Operating leases

The organisation leases its offices under non-cancellable operating leases expiring in 10 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:

Within one year	639,767	512,285
Between one and five years	2,825,417	2,262,414
More than five years	<u>1,471,808</u>	<u>1,829,532</u>
	<u>4,936,992</u>	<u>4,604,231</u>

15. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL

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 compensation

Short-term employee benefits	<u>765,163</u>	<u>721,452</u>
	<u>765,163</u>	<u>721,452</u>

There were no other transactions with key management personnel in the year.

Notes to the financial statements (continued)

15. RELATED PARTY TRANSACTIONS AND KEY MANAGEMENT PERSONNEL (Continued)

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

There was no transaction with the Directors and Director related entities during the year.

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.

Transactions with related parties

As disclosed in note 3, Plan has the following transactions with related parties:

	2013	2012
	\$	\$
World Food Program funds remitted to Plan International	9,971,552	5,577,645
Surplus funds remitted to Plan International	19,478,663	23,740,141
Remittances to other National Offices	0	32,452

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 58 members as at 30 June 2013.

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 Australia, the results of those operations or the state of affairs of the company in subsequent financial years.

Notes to the financial statements (continued)

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

	Notes	2013 \$	2012 \$
Excess of revenue over operating expenses		31,484,235	30,720,936
Payments to Plan International		(29,450,215)	(29,350,238)
Surplus (deficit) for the year		2,034,020	1,370,698
Depreciation and amortisation	3	483,771	231,143
Change in operating assets and liabilities			
(Increase) Decrease in trade and other debtors	5	(1,795,571)	(553,500)
Increase (Decrease) in trade creditors	9	126,521	(175,652)
Increase (Decrease) in other operating liabilities		(422,488)	641,682
Increase (Decrease) in other provisions	10-11	134,601	90,022
Increase (Decrease) in other liabilities	10-11	38,655	(93,643)
Net cash Inflow (outflow) from operating activities		599,509	1,510,750

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:

	2013 \$	2012 \$
Financial assets		
Cash and cash equivalents	6,067,490	6,259,498
Fixed term deposits	820,000	1,220,000
Trade and other receivables	2,556,253	760,682
Held-to-maturity investments	601,290	0
	<u>10,045,033</u>	<u>8,240,180</u>
Financial liabilities		
Trade payables	879,409	752,888
Other payables	705,978	527,176
	<u>1,585,387</u>	<u>1,280,064</u>

Notes to the financial statements (continued)

19. FINANCIAL RISK MANAGEMENT (Continued)

(a) Market risk

The company has significant held-to-maturity type investments and term deposits. These financial assets are considered to be liquid in nature. Refer to Note 2 for the investment income from these held-to-maturity type financial assets. 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. These financial assets are held to their maturity in one year or less and carry fixed interest rates between 4.05% and 5.45% (2012 - Between 4.62% and 6.10%).

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

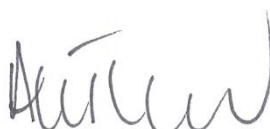
In the Directors' opinion:

- (a) the financial statements and notes set out on pages 15 to 35 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Australian 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 2013 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.



Gerald R Hueston
DIRECTOR



Anne L Trimmer
DIRECTOR

Melbourne
20 September 2013

Information and declarations to be furnished under the Charitable Fundraising Act 1991**Authority Condition 7(1)(a): Statement of income and expenditure (fundraising)**

	2013	2012
	\$	\$
Revenue		
Donations and Gifts - Monetary and Non-Monetary		
Child sponsorship	22,357,303	22,629,963
Appeals	471,746	1,023,656
Designated projects	3,949,070	3,297,047
Legacies and bequests	192,179	1,214,412
	<u>26,970,298</u>	<u>28,165,078</u>
Total Fundraising costs	13,337,846	12,063,953
Surplus of revenue over disbursements from fundraising activities	<u>13,632,452</u>	<u>16,101,125</u>

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

Gross Income *	4,899,420	2,442,228
Direct expenditure	5,396,611	2,388,563

* Gross income has been extrapolated to reflect the full expected benefit from the acquisition of a sponsor at the annual rate of \$516 for the year.

On average sponsors contribute for five years.

Information and declarations to be furnished under the Charitable Fundraising Act 1991 (continued)

Authority Condition 7(2)(e): Comparisons

	2013	2012
	\$	\$
(i) total costs of fundraising (FR) to the gross income from fundraising		
Total FR Costs	13,337,846	12,063,953
Gross FR Income	26,970,298	28,165,078
Ratio	49%	43%
(ii) net surplus from fundraising to the gross income from fundraising		
Net FR Surplus	13,632,452	16,101,125
Gross FR Income	26,970,298	28,165,078
Ratio	51%	57%
(iii) total costs of services provided by the authority holder to the total expenditure		
Total Costs	21,403,647	18,626,386
Total Expenditure	50,853,862	47,976,625
Ratio	42%	39%
(iv) total costs of services provided by the authority holder to the total income received		
Total Costs	21,403,647	18,626,386
Total Income	52,887,882	49,347,322
Ratio	40%	38%

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 2013 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 2013 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.



Gerald R Hueston
DIRECTOR



Anne L Trimmer
DIRECTOR

Melbourne
20 September 2013



Independent audit 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 statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then 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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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.

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757

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**Independent auditor's report to the members of
Plan International Australia (Continued)**

Report on the financial report (continued)

Auditor's opinion

In our opinion, the financial report of Plan International Australia is in accordance with the Corporations Act 2001, including:

- (a) giving a true and fair view of the Plan International Australia financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Report on the requirements of the Charitable Fundraising Act 1991 (NSW) and Charitable Fundraising Regulations 2008 (NSW)

We have audited the financial report as required by Section 24(2) of the Charitable Fundraising Act 1991 (NSW). The directors of the Company are responsible for the preparation and presentation of the financial report in accordance with the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulations 2008 (NSW). Our responsibility is to express an opinion on the financial report based on our audit.

Auditor's opinion

In our opinion:

- (a) the financial report of Plan International Australia has been properly drawn up, and the associated records have been properly kept for the year from 1 July 2012 to 30 June 2013 in accordance with:
 - (i) section 20(1) and section 22(1-2) of the Charitable Fundraising Act 1991 (NSW) (the act);
 - (ii) section 10 of the Charitable Fundraising Regulation 2008 (NSW) (the Regulations) and section 7 of Schedule 1 to the Regulations; and
- (b) money received as a result of fundraising appeal activities conducted during the year from 1 July 2012 to 30 June 2013 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 (NSW) and the Charitable Fundraising Regulations 2008 (NSW).

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'D Rosenberg', written in a cursive style.

D Rosenberg
Partner

Melbourne
20 September 2013

Plan International Australia

ABN 49 004 875 807

30 June 2013

Summarised Reports

Statement of Comprehensive Income

For the year ended 30 June 2013

	2013	2012
	\$	\$
REVENUE		
Donations and Gifts		
• Monetary		
- Child Sponsorship	22,357,303	22,629,963
- Appeals	471,746	1,023,656
- Other Cash Donations	3,949,070	3,297,047
	26,778,119	26,950,666
• Non-Monetary	0	0
Bequests and Legacies	192,179	1,214,412
Grants		
• AusAID	10,069,996	11,916,829
• Other Australian	539,993	39,688
• World Food Program	9,971,552	5,577,645
• Other Overseas	4,994,813	3,298,711
	25,576,354	20,832,873
Investment Income	305,677	344,939
Other Income	35,553	4,432
Revenue for International Political or Religious Adherence Promotion Programs	0	0
Total Revenue	52,887,882	49,347,322
EXPENDITURE		
International Aid and Development Programs Expenditure		
International Programs		
• Funds to International Programs	29,450,215	29,350,238
• Program Support Costs	3,042,899	3,141,617
• Remittances to associated parties	1,181,158	207,400
	33,674,272	32,699,255
Community Education	605,177	710,417
Fundraising Costs		
• Public	13,337,846	12,063,953
• Government, Multilateral and Private	141,405	73,235
	13,479,251	12,137,188
Accountability and Administration	3,095,162	2,429,764
Non-Monetary Expenditure	0	0
Total International Aid and Development Programs Expenditure	50,853,862	47,976,624
International Political or Religious Adherence Promotion Programs Expenditure	0	0
Domestic Programs Expenditure	0	0
Total Expenditure	50,853,862	47,976,624
Excess / (Shortfall) of Revenue Over Expenditure	2,034,020	1,370,698

Summarised Reports (continued)

Statement of Financial Position

As at 30 June 2013

	2013	2012
	\$	\$
ASSETS		
Current Assets		
Cash and Cash Equivalents	6,887,490	7,479,498
Trade and Other Receivables	2,556,253	760,682
Inventories	0	0
Assets Held for Sale	0	0
Other Financial Assets	601,290	0
Total Current Assets	10,045,033	8,240,180
Non-Current Assets		
Trade and Other Receivables	0	0
Other Financial assets	0	0
Property, Plant & Equipment	789,285	786,600
Investment Property	0	0
Intangibles	2,163,245	1,458,184
Other Non-current Assets	0	0
Total Non-Current Assets	2,952,530	2,244,784
TOTAL ASSETS	12,997,563	10,484,964
LIABILITIES		
Current Liabilities		
Trade and Other Payables	1,585,387	1,280,064
Borrowings	0	0
Current Tax Liabilities	0	0
Other Financial Liabilities	0	0
Provisions	735,213	615,657
Other	0	0
Total Current Liabilities	2,320,600	1,895,721
Non-Current Liabilities		
Borrowings	0	0
Other Financial Liabilities	0	0
Provisions	716,341	662,641
Other	0	0
Total Non-Current Liabilities	716,341	662,641
TOTAL LIABILITIES	3,036,941	2,558,362
NET ASSETS	9,960,622	7,926,602
EQUITY		
Reserves	7,058,829	5,567,630
Retained Earnings	2,901,793	2,358,972
TOTAL EQUITY	9,960,622	7,926,602

Summarised Reports (continued)

Statement of Changes in Equity

For the year ended 30 June 2013

	Retained Earnings \$	Reserves \$	Total \$
Balance at 1 July 2012	2,358,972	5,567,630	7,926,602
Adjustment or changes in equity due to, for example, adoptions of new accounting standards	0	0	0
changes in equity, for example from changes in asset fair value transactions	0	0	0
Excess of revenue over expenses	2,034,020	0	2,034,020
Other amounts transferred (to) or from reserves	(1,491,199)	1,491,199	0
Balance at 30 June 2013	<u>2,901,793</u>	<u>7,058,829</u>	<u>9,960,622</u>

Table of Cash Movements for Designated Purposes

For the year ended 30 June 2013

	Cash available at beginning of year \$	Cash raised during year \$	Cash disbursed during year \$	Cash available at end of year \$
Grants for Programs	925,844	8,464,656	(7,240,415)	2,150,085
Donations for Programs	1,211,196	4,420,816	(4,666,303)	965,709
Total for other purposes	5,342,458	23,401,964	(24,972,726)	3,771,696
Total	<u>7,479,498</u>	<u>36,287,436</u>	<u>(36,879,444)</u>	<u>6,887,490</u>

Directors' Declaration


The Directors of Plan International Australia declare that:

- (a) the summarised reports and notes set out on pages 42 to 44 are in accordance with the Corporations Act 2001, and:
 - (i) comply with Australian Accounting Standards as applicable; and
 - (ii) give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the Company;
- (b) in the Directors' opinion 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.



Gerald R Hueston
DIRECTOR



Anne L Trimmer
DIRECTOR

Melbourne
20 September 2013



Independent auditor's report to the members of Plan International Australia

Report on the Summarised Reports

The accompanying summarised reports of Plan International Australia, comprising the summary balance sheet as at 30 June 2013, the summary income statement, the summary statement of changes in equity for the year then ended and the table of cash movements for designated purposes, are derived from the audited financial report of Plan International Australia for the year ended 30 June 2013. We expressed an unmodified auditor's opinion on that financial report in our auditor's report dated 20 September 2013.

The summarised reports do not contain all the disclosures required by Australian Accounting Standards applied in preparation of audited financial report of Plan International Australia. Reading the summarised reports, therefore is not a substitute for reading the audited financial report of Plan International Australia.

Directors' responsibility for the summarised reports

The Directors are responsible for the preparation of the summarised reports on the basis described in Note 1 to the audited financial report, to the extent applicable to the summarised reports.

Auditor's responsibility

Our responsibility is to express an opinion on the summarised reports based on our procedures, which were conducted in accordance with Australian Auditing Standard ASA810 Engagements to Report on Summary Financial Statements.

Auditor's opinion

In our opinion, the summarised reports derived from the audited financial report of Plan International Australia for the year ended 30 June 2013 are consistent in all material respects, with that audited financial report, on the basis described in Note 1.



**Independent auditor's report to the members of
Plan International Australia (continued)**

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the audited financial report, which describe the basis of accounting. The summarised reports have been prepared to assist Plan International Australia to meet the requirements of its members. As a result, the summarised reports may not be suitable for another purpose. Our report is intended solely for the members of Plan International Australia.

Matters relating to the electronic presentation of the audited financial report

This auditor's report relates to the summarised reports of Plan International Australia (the company) for the year ended 30 June 2013 included on Plan International Australia's web site. The company's directors are responsible for the integrity of the Plan International Australia's web site. We have not been engaged to report on the integrity of this web site. The auditor's report refers only to the financial report named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the financial report. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report presented on this web site.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'D Rosenberg', written in a cursive style.

D Rosenberg
Partner
PricewaterhouseCoopers

Melbourne
20 September 2013