

Plan International Australia

ABN 49 004 875 807

Annual report for the year ended 30 June 2020

Plan International Australia ABN 49 004 875 807
Annual report - 30 June 2020

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Directors

Gerald Hueston (Chair)
Julie Hamblin (Deputy Chair)
Amanda McKenzie (Resigned on 16 October 2019)
Anita George
Brian Babington (Resigned on 29 July 2019)
Jason Chuck
Jason Pellegrino
Louise Eyres
Michael Corry
Philippa Quinn (Resigned on 9 December 2019)
Sally Treeby
Tim Lo Surdo

Secretary

Steve Timmerman

Chief Executive Officer

Susanne Legena

Principal registered office in Australia

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

Auditor

PricewaterhouseCoopers Australia
2 Riverside Quay
Southbank VIC 3006

Bankers

Commonwealth Bank of Australia
385 Bourke Street
Melbourne VIC 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: main@acfid.asn.au
Tel: (02) 6285 1816

Directors' report

The Directors present their report on the Consolidated entity consisting of Plan International Australia ("Plan") and the entities it controlled ("the Consolidated entity") at the end of, or during, the year ended 30 June 2020. Hereinafter, the Consolidated entity is referred to as Plan International Australia.

Directors

The following persons were Directors of Plan International Australia during the whole of the financial year and up to the date of this report:

Gerald Hueston (Chair)
Julie Hamblin (Deputy Chair)
Amanda McKenzie (Resigned on 16 October 2019)
Anita George
Brian Babington (Resigned on 29 July 2019)
Jason Chuck
Jason Pellegrino
Louise Eyres
Michael Corry
Philippa Quinn (Resigned on 9 December 2019)
Sally Treeby
Tim Lo Surdo

Principal activities and strategy

Plan International Australia (Plan) is an independent development and humanitarian organisation that works in developing countries across the world to advance children's rights and equality for girls. It is a member of the global entity Plan International Inc.

Plan's principal activity is to raise funds to expend on development programs that are designed to deliver significant change for girls and boys, putting a special emphasis on gender equality. Development programs are guided by the 2013 Global Goals and Plan's strategy to work with 100 million girls to ensure they can learn, lead, decide and thrive.

Objectives:

Plan International Australia's objectives are to:

- (1) Empowering children, young people and communities to make vital changes that challenge the root causes of discrimination against girls, exclusion and vulnerability;
- (2) Driving change in practice and policy at local, national and global levels through our reach, experience and knowledge of the realities children face;
- (3) Working with children and communities to prepare for and respond to crises and to overcome adversity, and;
- (4) Supporting the safe and successful progression of children from birth to adulthood.

Review of operations

Overview:

FY2020 has been marked by a significant local event (bushfires) and then by a global crisis (COVID-19) that has caused the external operating environment to veer into greater uncertainty than in any recent memory. Yet through proactive responses from Plan management and the contribution of stimulus stabilisers from the Australian Government, we ended FY2020 with a modest deficit of \$251K, continuing the positive trend in reducing the year on year deficit and ultimately returning to surplus (FY2019: deficit \$484K). Year on year revenue(s) from continued operations were negatively impacted by these external events falling 9.67% year on year (FY2019: 0.07%). This impact was offset by expenditure side management with overall expenditure being reduced by 5.75% (FY2019: 2.36%).

Plan's balance sheet remains strong as it has been largely unimpacted by this outcome. With the COVID-19 situation creating ongoing challenges, a Strategic Project - Recover & Reimagine has been launched to review the business model. This work is being undertaken to allow Plan to emerge from the global crisis better aligned to the impact we expect to achieve through our mission and better configured for enduring sustainability.

The hard work on establishing the Pacific entities has been completed and their transition into the global Plan network opens up new frontiers and exciting new opportunities for impact in the Pacific.

Income tax

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

Dividends

In accordance with the Constitution, no dividends are permitted.

Significant changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments around the world in dealing with the pandemic is interfering with general activity levels within the community and the economy. However, following the COVID-19 outbreak, Plan has continued its fundraising activities and delivery of its development programs. The implementation of "stage 3" and then "stage 4" restrictions in Victoria by the state government in July and August 2020 has meant staff at Plan's Melbourne head office have had to work remotely, but that has not resulted in significant operational disruption.

The situation is unprecedented and the board and management continues to consider the potential implications of COVID-19, which may include disruptions in Plan's ability to run programs, availability of employees and reductions in future fundraising and grant income. However, at the date these financial statements were authorised, Plan was not aware of any specific, material adverse effects on the financial statements or future results as a result of COVID-19.

There have been no other significant changes in the state of affairs of Plan during the year.

Event since the end of the financial year

On 1 September 2020 control was transferred of Plan International in PNG and Plan International Australia in Solomon Islands Trust Board Inc. to Plan International IH.

Except as noted above, no other matter or circumstance has arisen since 30 June 2020 that has significantly affected Plan's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

Subject to the matters set out in this report, in the opinion of the Directors, there are no likely developments which would have a significant effect on Plan's operations or results.

Directors' benefits

The Directors receive no remuneration for their services as Directors of Plan.

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.

Committee and special responsibilities

Finance & Audit Committee

Sub Committee of the Board:

Michael Corry (Chair)
Gerald Hueston
Philippa Quinn
Vanessa Ng (Youth ambassador)
Kawal Randhawa (Observer)

Program & Influence Committee (previously Program Advisory Committee)

Sub Committee of the Board:

Brian Babington (Chair)
Julie Hamblin
Sally Treeby
Kathryn Robinson (Independent advisor)

Fundraising & Brand Committee (previously Marketing & Fundraising Committee)

Sub Committee of the Board:

Sally Treeby (Chair)
Jason Pellegrino
Amanda McKenzie
Philippa Quinn
Brian Babington
Jason Chuck
Alan White (Youth ambassador)

Corporate Governance Committee

Sub Committee of the Board:

Gerald Hueston (Chair)
Julie Hamblin
Jason Pellegrino

Directors who have international roles and responsibilities

Plan International Board Member

Gerald Hueston

Plan International Board - Program Advisory Committee

Brian Babington

Plan Members' Assembly

Brian Babington
Julie Hamblin

Meetings of directors

The numbers of meetings of Plan's board of Directors and of each board committee held during the year ended 30 June 2020, and the numbers of meetings attended by each Director were:

	Full meetings of Directors			Meeting of Committees											
				Finance & Audit			Program & Influence			Corporate Governance			Fundraising & Brand		
	Held	Eligible to Attend	Attended	Held	Eligible to Attend	Attended	Held	Eligible to Attend	Attended	Held	Eligible to Attend	Attended	Held	Eligible to Attend	Attended
Gerald Hueston (Chair)	5	5	5	4	4	4	-	-	-	4	4	4	-	-	-
Julie Hamblin (Deputy Chair)	5	5	5	-	-	-	5	5	5	4	4	4	-	-	-
Amanda McKenzie (Resigned on 16 October 2019)	5	2	1	-	-	-	-	-	-	-	-	-	6	2	-
Anita George	5	5	5	4	4	4	5	5	3	-	-	-	-	-	-
Brian Babington (Resigned on 29 July 2019)	5	1	1	-	-	-	1	1	1	-	-	-	6	1	-
Jason Chuck	5	5	4	-	-	-	5	5	5	-	-	-	6	6	4
Jason Pellegrino	5	5	4	-	-	-	-	-	-	4	4	4	6	6	4
Louise Eyres	5	5	2	4	4	2	-	-	-	-	-	-	6	6	3
Michael Corry	5	5	4	4	4	4	-	-	-	4	1	1	-	-	-
Philippa Quinn (Resigned on 9 December 2019)	5	3	1	2	2	-	-	-	-	-	-	-	6	3	-
Sally Treeby	5	5	5	-	-	-	5	5	4	-	-	-	6	6	6
Tim Lo Surdo	5	5	5	4	4	3	5	5	4	-	-	-	6	6	6

Information on Directors

Dr Brian Babington

BA (Hons.), MA, PHD.

Dr Brian Babington is the Chief Executive Officer of Families Australia; Convenor of the National Coalition on Child Safety and Wellbeing; Co-Chair of the National Forum for Protecting Australian's Children. Brian is a member of the Plan International Inc. "and" Program Advisory Committee.

Jason Chuck

B. App Sci (Computer Engineering), MBA (Hons. List)

Jason Chuck is the co-founder and Chief Executive Officer of LJ Hooker Avnu. Prior to that, he was the Asia Pacific Managing Director for Houzz, founding their Sydney office and APAC businesses.

Jason has spent over 15 years growing and scaling international technology businesses, with a focus on strategy, sales and marketing with Etsy (as their MD ANZ), eHarmony (as AU founder and VP of International) and Google (as head of marketing for Australia and New Zealand).

Jason holds a Bachelor's degree in Computer Engineering from the University of British Columbia and an MBA (Distinction) from INSEAD.

Michael Corry

MA, FCA ANZ, FGIA, MAICD

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.

Julie Hamblin (Deputy Chair)

BA LLB (Hons) LLM, GAICD

Julie Hamblin is an experienced health lawyer, with expertise in clinical risk, health ethics, privacy, medical research and public health policy. She also works as a consultant to the disability and not-for-profit sectors, particularly in relation to child protection, institutional risk and critical incident management.

She has extensive experience in international development having worked with the United Nations Development Programme and other organisations on projects relating to public health and HIV/AIDS 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.

Gerald 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, a former member of the Chairman's Panel of the Australian Great Barrier Reef Foundation. He is currently Chairman of the Climate Council and a member of the Plan International board.

Information on Directors (continued)

Amanda McKenzie

B Laws (Hons.) B Arts (Political Science)

Amanda McKenzie is Chief Executive Officer of the Climate Council of Australia. Amanda worked previously as a senior communications advisor to the Climate Commission, and spent four years as National Director of the Australian Youth Climate Coalition. Amanda is also a member of the board of the Centre for Australian Progress.

Philippa Quinn

Philippa Quinn is the Founder and Director of a national aged care start-up, The Care List. An online platform that aims to offer more choice and control to older people who need to access aged care services. This follows on from two decades as an award winning journalist with the ABC working on flagship programs that included Australian Story, Lateline and 7.30. For over six years Philippa was a Newsgathering Editor, overseeing the daily national news agenda across television, radio and online. She also has extensive public relations experience both here and overseas working as a private consultant and for the Queensland Government.

Jason Pellegrino

BComm (Accounting), MBA (Hons. List)

Jason Pellegrino is the Managing Director & CEO of Domain Holdings Ltd, a leading Australian publicly listed real estate media and technology business.

Prior to this, Jason spent a decade at Google across a variety of commercial, strategy and finance roles in Australia and Asia Pacific, most recently as Managing Director for Australia and New Zealand.

Prior to Google, Jason spent over 15 years in Corporate Strategy, Mergers & Acquisitions and Sales & Marketing in retail, technology and consumer product industries with LEK Consulting, PepsiCo International & KPMG.

Jason holds a Bachelor's degree in Commerce from the University of Wollongong and an MBA (Distinction) from The London Business School, where he served as President of the Student Association and as a member of the school's Board of Governors.

Jason is a member of the Innovation Taskforce of the Business Council of Australia, a member of ASIC's External Advisory Panel and a Board member of Plan International

Sally Treeby

Masters Business (Mkt), Bachelor Business, GAICD

Sally Treeby is an experienced non-executive director whose board positions also include a private investment company and a philanthropic foundation. Her career has spanned executive and non-executive roles in financial services, agriculture and the philanthropic and community sectors in Australia and the United Kingdom covering the disciplines of strategy, marketing, line management, general management and ethics. Sally and her husband own a bull stud in southern NSW.

Anita George

Anita George is a lawyer specialising in global public health, human rights, gender equality, sustainable development and international law. She is a member of World Cancer Research Fund International's Policy Advisory Group, Australia Awards Women's Leadership Initiative mentor and a 2012 General Sir John Monash Foundation Scholar. She holds first class honours degrees in Law and Psychology from UTAS and a Master of Public Affairs (Summa Cum Laude) from Sciences Po Paris.

Information on Directors (continued)

Louise Eyres

B.Bus, M.B.A, GAICD

Louise Eyres is a strategic marketing executive with expertise across mining, financial services, government, health and sport sectors. An experienced change leader she has lead transformative programs at some of Australia's largest corporations as well as at a Federal Government level. She is also a Non-Executive Director of Greater Bank and a past Non-Executive Director of Williamstown VFL Football Club, The Advertising Standards Bureau and the Australian Association of National Advertisers.

Tim Lo Surdo

Tim is the Founder and National Director of Democracy in Colour - Australia's first racial and economic justice organisation led by people of colour. Previously, he was a Senior Organiser at United Voice where he helped low-paid workers start Hospo Voice - a new union in hospitality. He has led campaigns at Oaktree, been an adviser to two Senators, was the Campaigns Director at Jhatkaa, led national communications at UN Youth Australia, and co-founded Open Sky - one of India's most well-known performance art communities. Tim is also on the Boards of Plan International Australia, the Southern Migrant & Refugee Centre, Stop the Traffik, Climate for Change, and The Wilderness Society (Vic).

Insurance of officers and indemnities

Plan International provides cover for officers and directors of Plan. 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 Plan) 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.

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 International Australia are aware, there has been no breach of any relevant legislation. The organisation is not subject to significant environmental regulation.

Corporate governance

Corporate governance information is included on page 11.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* is set out on page 10.

Auditor

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

Members' guarantee

Plan is limited by guarantee. If Plan 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 Plan. There were 12 members as at 30 June 2020.

Rounding of amounts

Plan is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, to the nearest dollar.

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



Gerald Hueston (Chair)
Director



Michael Corry
Director

Melbourne
09.11.2020



Auditor's Independence Declaration

As lead auditor for the audit of Plan International Australia for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Plan International Australia and the entities it controlled during the year.

David Kennett
Partner
PricewaterhouseCoopers

Melbourne
_____ 2020

PricewaterhouseCoopers, ABN 52 780 433 757

2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
Telephone +61 3 8603 1000, Facsimile +61 3 8603 1999, www.pwc.com.au

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Corporate governance statement

The Board of Directors and its Committees

The Board is responsible for the overall Corporate Governance of Plan 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 Plan including a system of internal controls and the establishment of appropriate ethical standards.

Composition of the Board

The names of the Directors of Plan in office during the year and at the date of this statement are set out in the Directors' Report on page 2.

Ethical Standards

The Board sets out the standards in accordance with which each Director, manager and employee of Plan 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 Plan.

Role of the Corporate Governance Committee (CGC)

- (a) Reviewing financial information and statements;
- (b) Monitor the people and performance of the Board, Directors and Chief Executive Officer by annual assessment.
- (c) 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 (FAC)

The FAC meets prior to each Board meeting.

The responsibilities of the FAC 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 Plan's 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 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;
- (h) Reviewing the monthly financial statements, annual budget, business strategy and the annual report and making recommendations to the Board; and
- (i) Oversight and governance of Plan's investment portfolio.

Role of the Program & Influence Committee (PIC)

The PIC 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, PIC 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 of 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 DFAT 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) 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, PIC 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 Fundraising, Advocacy and Brand Committee (FAB)

- (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; and
- (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 Plan's state of affairs. Information is communicated to stakeholders as follows:

- The Annual Report is made available to all stakeholders via Plan's website: www.plan.org.au. The Board ensures that the Annual Report includes relevant information about the operations of Plan and details of future developments, in addition to other disclosures required under the *Australian Charities and Not-for-profits Commission Act 2012*.

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

Plan International Australia ABN 49 004 875 807

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These financial statements are consolidated financial statements that cover Plan International Australia and its subsidiaries of which Plan International Australia is the sole member. These being Plan International in PNG Inc and Plan International Australia in Solomon Islands Trust Board Inc. The financial statements are presented in the Australian currency and rounded to the nearest \$1,000.

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

Plan International Australia
Level 18
60 City Road
Southbank VIC 3006

A description of the nature of the consolidated entity's operations and its principal activities is included in the Directors' report on page 2, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on _____ 2020. 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 Plan. All press releases, financial statements and other information are available on our website: www.plan.org.au.

Plan International Australia
Consolidated statement of comprehensive income
For the year ended 30 June 2020

	Notes	Consolidated entity	
		2020 \$'000	2019 \$'000
Revenue from continuing operations	5	51,680	57,223
Other income	6	282	707
Expenses			
World Food Program emergency food distribution	7	(7,866)	(13,104)
Other overseas projects	7	(24,889)	(24,996)
Other project costs		(6,681)	(6,660)
Community education		(1,365)	(1,321)
Fundraising costs - public		(8,191)	(8,779)
Fundraising costs - government, multilateral and private sector		(24)	(156)
Administration		(3,197)	(3,401)
Deficit for the year		(251)	(487)
Other comprehensive (loss)/income for the year, net of tax		(20)	3
Total comprehensive loss		(271)	(484)

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

Plan International Australia
Consolidated statement of financial position
As at 30 June 2020

	Notes	Consolidated entity 2020 \$'000	2019 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	8	6,107	2,333
Receivables	9	745	325
GST receivable		-	149
Financial assets at amortised cost	10	1,072	1,054
Total current assets		<u>7,924</u>	<u>3,861</u>
Non-current assets			
Property, plant and equipment	11	433	293
Right-of-use assets	14	2,805	-
Intangible assets	12	86	158
Financial assets at fair value through profit or loss	13	7,900	8,097
Total non-current assets		<u>11,224</u>	<u>8,548</u>
Total assets		<u>19,148</u>	<u>12,409</u>
LIABILITIES			
Current liabilities			
Trade and other payables	15	2,025	1,492
Lease liabilities	14	565	-
Provisions	16	1,181	725
Deferred revenue		6,112	3,019
GST payable		13	-
Total current liabilities		<u>9,896</u>	<u>5,236</u>
Non-current liabilities			
Lease liabilities	14	2,241	-
Provisions	17	256	147
Total non-current liabilities		<u>2,497</u>	<u>147</u>
Total liabilities		<u>12,393</u>	<u>5,383</u>
Net assets		<u>6,755</u>	<u>7,026</u>
EQUITY			
Reserves	18	6,755	7,026
Total equity		<u>6,755</u>	<u>7,026</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Plan International Australia
Consolidated statement of changes in equity
For the year ended 30 June 2020

Consolidated entity	Notes	Grant support reserve \$'000	Investment reserve \$'000	Memorial fund reserve \$'000	Operating reserve \$'000	Foreign currency translation reserve \$'000	Retained earnings reserve \$'000	Total reserves \$'000
Balance at 1 July 2018		1,898	1,267	683	3,638	19	5	7,510
Surplus/(Deficit) for the year	18	51	102	853	-	-	(1,493)	(487)
Other comprehensive income/(loss)	18	-	-	-	-	3	-	3
Total comprehensive income/(loss) for the year		51	102	853	-	3	(1,493)	(484)
Balance at 30 June 2019		1,949	1,369	1,536	3,638	22	(1,488)	7,026
Balance at 1 July 2019		1,949	1,369	1,536	3,638	22	(1,488)	7,026
(Deficit)/Surplus for the year	18	(449)	(125)	101	-	-	222	(251)
Other comprehensive income/(loss)	18	-	-	-	-	(20)	-	(20)
Total comprehensive (loss)/income for the year		(449)	(125)	101	-	(20)	222	(271)
Balance at 30 June 2020		1,500	1,244	1,637	3,638	2	(1,266)	6,755

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

Plan International Australia
Consolidated statement of cash flows
For the year ended 30 June 2020

		Consolidated entity	
		2020	2019
Notes		\$'000	\$'000
Cash flows from operating activities			
	Receipts from donors	23,341	24,924
	Government and other grants received	27,294	21,349
	Payments to suppliers and employees	(32,124)	(33,101)
	Payments to Plan International worldwide group for programs and services	(14,041)	(15,119)
	interest, dividends and distributions received	289	273
	Cash paid relating to finance component of lease liabilities	(21)	-
	Net cash inflow (outflow) from operating activities	4,738	(1,674)
24			
Cash flows from investing activities			
	Receipts/(payments) for property, plant and equipment	(112)	(80)
	Receipts/(payments) for software development	(174)	(84)
	Receipts/(payments) for financial assets at fair value through profit or loss	(621)	(387)
	Net cash (outflow) from investing activities	(907)	(551)
Cash flows from financing activities			
	Principal elements of lease payments	(565)	-
	Net cash (outflow) from financing activities	(565)	-
Net increase (decrease) in cash and cash equivalents			
		3,266	(2,225)
	Cash and cash equivalents at the beginning of the financial year	2,333	3,069
	Cash held with managed fund	508	1,489
	Cash and cash equivalents at the end of the financial year	6,107	2,333
8			

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

Plan International Australia's (the "Group") financial statements have been reported on a consolidated basis, consisting of Plan International Australia ("Plan") and the entities it controls (the "consolidated entity") for the year ended 30 June 2020.

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. Plan was incorporated on 16 April 1971.

Each Member of Plan undertakes to contribute to Plan's property if Plan 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 Plan'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 worldwide 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 worldwide group as the service arm of the worldwide group. Plan's achievements are made possible by pooled resources across the Plan International worldwide group.

Plan International Headquarters is located in Dukes Court, Block A, Duke Street, Woking, Surrey, GU21 SBH 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 *Australian Charities and Not-for profits Commission Act 2012*. Plan International Australia is a not-for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The consolidated financial statements for Plan International Australia and its controlled entities comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) Historical cost convention

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

1 Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

(iii) Going concern

The financial statements have been prepared on a going concern basis, which assumes continuity of normal activities and the realisation of assets and the settlement of liabilities in the ordinary course of Plan's ongoing operations.

Plan was in a net current liability of \$1,972k at 30 June 2020 (30 June 2019: net current liability of \$1,375k). However Plan continues to be in a strong net asset position at 30 June 2020 of \$6,755k (30 June 2019: \$7,026k), carried in non-current assets, consistent with Plan's intention to hold these investments medium to long-term.

Current liabilities at 30 June 2020 includes deferred revenue of \$6,112k, which relate to grant income amounts received in FY2020 for programs to be delivered in future periods. This balance will be realised as the obligations and activities under the related grant agreements are delivered and is therefore not expected to be settled in cash.

Excluding deferred revenue, Plan is in a current asset position of \$4,140k, putting it in a strong position to manage any negative impacts of COVID-19 over the coming year. Plan is forecasting a moderate surplus in FY2021, which assumes costs can be reduced as necessary to offset small to moderate reductions in donation or grant income. Plan has successfully managed costs in this way since the outbreak of COVID-19 in the second half of FY2020.

As such, the directors have satisfied themselves that the continued application of the going concern basis is appropriate as Plan will be able to fully repay its debts as and when they fall due for at least the next 12 months.

(iv) New and amended standards adopted by Plan

Plan has applied the following standards and amendments for the first time for their annual reporting period commencing 1 July 2019:

- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

Plan had to change its accounting policies as a result of adopting AASB 16, AASB 15 and AASB 1058. The impact of adoption has been disclosed at note 2. None of these new standards or amendments had an impact on the amounts recognised in prior years.

Plan also elected to adopt the following amendments early:

- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material*.
- AASB 2020-4 *Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(c) Principles of consolidation and equity accounting

Subsidiaries

Subsidiaries are all entities (including structured entities) over which Plan has control. Plan controls an entity when Plan has the power to govern the financial and operating policies generally accompanying its sole membership of its not-for-profit subsidiaries. Subsidiaries are fully consolidated from the date on which control is transferred to Plan. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by Plan.

1 Summary of significant accounting policies (continued)

(c) Principles of consolidation and equity accounting (continued)

Subsidiaries (continued)

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by Plan.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the consolidated entities are measured using the currency of the primary economic environment in which the entities operate ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Plan's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other income or other expenses. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that consolidated statement of financial position,
- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income.

(e) Revenue recognition

Revenue is recognised for each major stream in accordance with AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from contracts with customers.

Donations, gifts and bequests

Revenue is recognised upon receipt of the related funds.

1 Summary of significant accounting policies (continued)

(e) Revenue recognition (continued)

Grant income

Generally, government and other funding received or receivable clearly outlines the specified services to be delivered, or conditions to be fulfilled, and create obligations on Plan to deliver. Funding received in advance is recognised as deferred income, and revenue is recognised as services are performed or conditions fulfilled, being the expenditure incurred relating to the specified program. Unless prohibited by contract terms, if funds remain unspent after programs are completed or program completion date is reached, these unspent funds are immediately recognised as income.

Where grants do not clearly define services to be performed, such grants will be recognised in income at the 'point in time' Plan obtains control or the right to receive a contribution, it is probable that the economic benefits comprising the contribution will flow to the entity, and the amount of the grant can be measured reliably.

World Food Program emergency food distribution revenue is recognised a revenue 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. The original documentation states amounts in United States dollars.

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.

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

Interest and dividend income

Interest income is recognised using the effective interest method and is recognised on financial assets held at fair value through profit and loss as well as financial assets held at amortised cost.

Dividends are received from financial assets measured at fair value through profit or loss. Dividends are recognised as Investment income when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

(f) Income tax

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

(g) Leases

As explained in note b, Plan has changed its accounting policy for leases where Plan is the lessee. The impact of the change in adopting AASB 16 has been explained in Note 2.

Until 30 June 2019, leases in which a significant portion of the risks and rewards of ownership were not transferred to Plan as lessee were classified as operating leases (note 20). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the year of the lease. From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Plan.

Plan only holds a lease for office space. The leases for this space have varied between 5 and 10 years, but may have extension options.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,

1 Summary of significant accounting policies (continued)

(g) Leases (continued)

- amounts expected to be payable by Plan under residual value guarantees,

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in Plan, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Plan:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Plan International Australia, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Plan is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(h) 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.

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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.

1 Summary of significant accounting policies (continued)

(j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost and are due for settlement no more than 90 days from the date of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Plan applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

(k) Investments

Plan has two categories of financial assets that are classified as Investments. These are categorised as follows:

Financial assets held at amortised cost

These assets represent short term deposits held with banks. These assets are held solely for the purpose of collecting contractual cash flows where those cash flows are interest measured at amortised cost.

Financial assets held at fair value through profit and loss

These assets represent equity investments for which a designation to recognise them as fair value through other comprehensive income has not been made.

(l) 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 Plan and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

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

- | | |
|--------------------------|--------------|
| • Plant and 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 the end of each reporting year.

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(h)).

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

(m) Intangible assets

Information technology 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.

1 Summary of significant accounting policies (continued)

(m) Intangible assets (continued)

Information technology development and software (continued)

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

(n) Trade and other payables

These amounts represent liabilities for goods and services provided to Plan prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

(o) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when Plan has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

(p) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service 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 long service 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 consolidated statement of financial position if the consolidated 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.

(q) Reserves and retained surpluses

Refer to note 18 for accounting policies in respect of these items.

(r) 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 consolidated statement of financial position.

1 Summary of significant accounting policies (continued)

(r) Goods and Services Tax (GST) (continued)

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 flows.

(s) Rounding of amounts

Plan is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

(t) Parent entity financial information

The financial information for the parent entity, Plan International Australia, disclosed in note 25 has been prepared on the same basis as the consolidated financial statements.

2 Changes in accounting policies

This note explains the impact of the adoption of AASB 16 *Leases* as well as AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* on Plan's financial statements.

AASB16 Leases

As indicated in note 1(b) above, Plan has adopted AASB 16 Leases retrospectively from 1 July 2019, but has not restated comparatives for the 2019 reporting year, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 July 2019. The new accounting policies are disclosed in note 1(g).

On adoption of AASB 16, Plan recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 3.09%.

(i) Measurement of lease liabilities

	2020
	\$'000
Operating lease commitments disclosed as at 30 June 2019	4,681
Discounted using the lessee's incremental borrowing rate of at the date of initial application	(588)
Adjustments as a result of lease incentives	(744)
Lease liability recognised as at 1 July 2019	<u>3,349</u>

Of which are:

Current lease liabilities	544
Non-current lease liabilities	2,805
	<u>3,349</u>

AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-for-Profit entities

These standards largely supersede the not-for-profit income recognition requirements previously contained in AASB 1004 Contributions as well as previous revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit entities.

The timing of income recognition depends on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

2 Changes in accounting policies (continued)

The new standards were effective from 1 July 2019 and the Plan has adopted the modified retrospective approach to their adoption. As such, all contracts that were active at June 2019, and June 2020 were assessed to ensure correct revenue recognition under AASB 15 and AASB 1058. Plan has adopted the practical expedient available on transition to the new standards and has not applied them to contracts that were completed by the date of initial application. Based on its detailed review, Plan has determined that at the date of adoption there is no change to current revenue recognition outcomes.

Key requirements of AASB 1058 *Income of Not-for-Profit entities*

The core principle of the new income recognition requirements in AASB 1058 is when Plan enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately (e.g., a donation received by Plan will generally not be "acquired" for any consideration and so the amount recognised as revenue is equal to the donated amount).

Key requirements of AASB 15: Revenue from contracts with customers

Plan considers whether AASB 15 applies to revenue stream and individual contracts by way of assessing whether the performance obligation(s) arising from the contract are 'sufficiently specific' and 'enforceable'. The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition. Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied (i.e., when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer).

Under AASB 15, Plan must recognise revenue either at a point in time or over time as and when the customer obtains control of the goods and services. Revenue is recognised "over time" if the customer simultaneously receives and consumes the benefits provided by the company. The majority of revenue contracts recognised under AASB 15 are considered over time, as set out in the accounting policies in Note 1(e). Where a revenue contract is measured at a point in time, Plan recognises revenue once the performance obligations has been met, when it has a present right to payment and the customer has obtained the ability to direct the use of goods and services provided.

When AASB 15 does not apply to a transaction or part of a transaction, Plan's revenue recognition policy is designed based on the requirements of AASB 1058.

3 Financial risk management

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

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

3 Financial risk management (continued)

Plan holds the following financial assets and liabilities:

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	6,107	2,333
Receivables	745	325
Financial assets at amortised cost	1,072	1,054
Financial assets at fair value through profit or loss	7,900	8,097
	15,824	11,809
Financial liabilities		
Trade and other payables	2,025	1,492
	2,025	1,492

(a) Market risk

Plan's investments primarily include fixed interest debt instruments and equity investments in predominantly Australian listed companies (with a small amount invested in non-Australian listed companies). As a result of these investments, operating cash flows are exposed, although not materially, to changes in the market interest rates. The fair value of the equity investments, held at fair value through profit and loss, are exposed to movements in the share price for those investments. Under the direction of the Finance and Audit Committee, Plan engages an external fund manager to actively manage this investment portfolio to maximise returns and manage downside risk through share selection, trading and asset allocation.

(b) Credit risk

Credit risk arises from cash and cash equivalents, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to, including outstanding receivables and committed transactions.

Plan has no significant concentrations of credit risk. At year end the consolidated entity 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 consolidated entity aims to maintain flexibility in funding by keeping adequate cash resources, liquid investments and credit lines available.

4 Critical estimates, judgements and errors

The preparation of the financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying Plan'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.

5 Revenue

	Consolidated entity	
	2020	2019
	\$'000	\$'000
From continuing operations		
Donations and Gifts - Monetary and Non-Monetary		
Child sponsorship	16,195	17,825
Designated projects	6,179	5,339
	22,374	23,164
Legacies and bequests	114	906
	22,488	24,070
Grants		
World Food Program emergency food distribution - point in time	7,866	13,104
DFAT - over time	6,494	6,355
Other Australian - over time	9,424	7,926
Other Overseas - point in time	5,264	5,621
	29,048	33,006
Other revenue		
Other revenue	144	147
	51,680	57,223

6 Other income

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Jobkeeper Government assistance	800	-
Net fair value (losses)/gains on financial assets recognised through the profit or loss (unrealised)	(807)	434
Realised investment income	289	273
	282	707

7 Expenses

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Surplus/(deficit) includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	4	7
Computer equipment	43	66
Leasehold improvements	56	88
Total depreciation	103	161

7 Expenses (continued)

	2020	2019
	\$'000	\$'000
<i>Amortisation</i>		
Website	122	2
Computer software	124	118
Right-of-use assets	356	-
Total amortisation	<u>602</u>	<u>120</u>
Employee benefits expenses	9,849	8,847
<i>Rental expense relating to operating lease</i>		
Minimum lease payments	-	681
World Food Program funds remitted to Plan International	7,866	13,104
Surplus funds remitted to Plan International	27,086	19,244
Remittances to other institutions	5,507	3,239

8 Current assets - Cash and cash equivalents

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Cash	<u>6,107</u>	<u>2,333</u>

Cash at bank

Cash at bank is bearing a floating interest rate between 0.00% and 0.25% (2019: 1.00% and 1.50%).

9 Current assets - Receivables

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Trade and other receivables	672	229
Prepayments	73	96
	<u>745</u>	<u>325</u>

Further information related to receivables from related parties is set out in note 21.

10 Current assets - Financial assets at amortised cost

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Fixed term deposits (maturity greater than three months)	<u>1,072</u>	<u>1,054</u>

10 Current assets - Financial assets at amortised cost (continued)

The investments are to be held to their maturity in one year or less and carry fixed interest rates between 0.00% and 0.20% (2019: 2.30% and 2.43%).

11 Non-current assets - Property, plant and equipment

Consolidated entity	Plant and equipment \$'000	Leasehold improvements \$'000	Computer equipment \$'000	Total \$'000
At 1 July 2018				
Cost	75	962	588	1,625
Accumulated depreciation	(58)	(671)	(521)	(1,250)
Net book amount	17	291	67	375
Year ended 30 June 2019				
Opening net book amount	17	291	67	375
Additions	-	-	80	80
Depreciation charge	(7)	(88)	(67)	(162)
Closing net book amount	10	203	80	293
At 30 June 2019				
Cost	73	962	551	1,586
Accumulated depreciation	(63)	(759)	(471)	(1,293)
Net book amount	10	203	80	293
Consolidated entity				
Year ended 30 June 2020				
Opening net book amount	10	203	80	293
Additions	233	-	10	243
Depreciation charge	(4)	(56)	(43)	(103)
Closing net book amount	239	147	47	433
At 30 June 2020				
Cost	309	962	566	1,837
Accumulated depreciation	(70)	(815)	(519)	(1,404)
Net book amount	239	147	47	433

12 Non-current assets - Intangible assets

Consolidated entity	Website * \$'000	Computer software ** \$'000	Total \$'000
At 1 July 2018			
Cost	836	3,379	4,215
Accumulated amortisation and impairment	(834)	(3,189)	(4,023)
Net book amount	<u>2</u>	<u>190</u>	<u>192</u>
Year ended 30 June 2019			
Opening net book amount	2	190	192
Additions	-	86	86
Amortisation charge	(2)	(118)	(120)
Closing net book amount	<u>-</u>	<u>158</u>	<u>158</u>
At 30 June 2019			
Cost	836	3,455	4,291
Accumulated amortisation and impairment	(836)	(3,297)	(4,133)
Net book amount	<u>-</u>	<u>158</u>	<u>158</u>
Consolidated entity			
Year ended 30 June 2020			
Opening net book amount	-	158	158
Additions	122	52	174
Amortisation charge	(122)	(124)	(246)
Closing net book amount	<u>-</u>	<u>86</u>	<u>86</u>
At 30 June 2020			
Cost	958	3,507	4,465
Accumulated amortisation and impairment	(958)	(3,421)	(4,379)
Net book amount	<u>-</u>	<u>86</u>	<u>86</u>

* Website is an internally generated intangible asset.

** Computer Software includes Payment Card Industry Data Security Standard (PCIDSS) compliance, Customer Relationship Management software and computer upgrade projects.

13 Financial assets at fair value through profit or loss

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Opening net book amount	8,097	6,174
Additions	2,430	4,891
Disposals	(1,809)	(3,402)
Adjustment to fair value	(818)	434
Closing net book amount	7,900	8,097

14 Leases

This note provides information for leases where Plan is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	Consolidated entity	
	30 June 2020	1 July 2019
	\$'000	\$'000
Right-of-use assets		
Buildings	2,805	3,349
Lease liabilities		
Current	565	544
Non-current	2,241	2,805
	2,806	3,349

Additions to the right-of-use assets during the 2020 financial year were \$nil.

(b) Amounts recognised in the statement of profit or loss

The consolidated income statement shows the following amounts relating to leases:

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Depreciation charge of right-of-use assets		
Buildings	356	-

The total cash outflow for leases in 2020 was \$585,900.

15 Current liabilities - Trade and other payables

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Trade and other payables	505	759
Payables to related parties	744	-
Other payables	776	733
	2,025	1,492

Further information related to payables to related parties is set out in note 21.

16 Current liabilities - Provisions

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Employee benefits	1,181	712
Lease incentives	-	13
	1,181	725

17 Non-current liabilities - Provisions

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Employee benefits	125	66
Make good provision	131	-
Lease incentives	-	81
	256	147

18 Reserves and retained (deficit)

(a) Reserves

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Grant support reserve	1,500	1,949
Investment reserve	1,244	1,369
Memorial fund	1,637	1,536
Operating reserve	3,638	3,638
Foreign currency translation reserve	2	22
Retained earnings reserve	(1,266)	(1,488)
	6,755	7,026

18 Reserves and retained (deficit) (continued)

(a) Reserves (continued)

	Consolidated entity	
	2020 \$'000	2019 \$'000
Movements:		
<i>Grant support reserve</i>		
Opening balance	1,949	1,898
Transfer (to)/from other reserves	(449)	51
Balance 30 June	1,500	1,949
<i>Investment reserve</i>		
Opening balance	1,369	1,267
Transfer (to)/from other reserves	(125)	102
Balance 30 June	1,244	1,369
<i>Memorial fund</i>		
Opening balance	1,536	683
Transfer (to)/from other reserves	101	853
Balance 30 June	1,637	1,536
<i>Operating reserve</i>		
Opening balance	3,638	3,638
Transfer (to)/from other reserves	-	-
Balance 30 June	3,638	3,638
<i>Foreign currency translation reserve</i>		
Opening balance	22	19
Transfer (to)/from other reserves	(20)	3
Balance 30 June	2	22
<i>Retained earnings reserve</i>		
Opening balance	(1,488)	5
Transfer (to)/from other reserves	222	(1,493)
Balance 30 June	(1,266)	(1,488)

(i) Nature and purpose of other reserves

Grant support reserve

The grant support reserve represents unrestricted funds that can be distributed for program use. The grants support reserve is a fund used to guarantee grant matches in any particular year or to pre-finance a grant where the donor only pays in arrears or after results.

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. This includes The Food for Life Fund which receives donations from major donors in the form of living gifts or bequests for the express purpose of assisting with food needs of children.

18 Reserves and retained (deficit) (continued)

(a) Reserves (continued)

(i) Nature and purpose of other reserves (continued)

Operating reserve

The operating reserve is maintained for business continuity reasons. It provides a healthy buffer for daily operations as well as acting as a risk mitigation measure in the event of some major breakdown either within Plan or in the building, city or nation. The operating reserve would enable Plan to continue operating albeit at reduced capacity for a minimum of 3 months.

The operating reserve also serves as store of equity to provide guarantees and bonds for ongoing business. Two examples are the Lease Guarantee and the Credit Card Bond.

Retained earnings reserve

Amounts representing restricted and unrestricted funds to be distributed for program and other designated use. Retained earnings reserve is the retained earnings of the business at any point in time that is not held in other designated reserves. It generally represents the available float of funds held by the business that is awaiting distribution.

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 for purposes specified by the donor.

(b) Retained earnings/(deficit)

Movements in retained (deficit) were as follows:

	Consolidated entity	
	2020 \$'000	2019 \$'000
Balance 1 July	-	-
Net surplus/(deficit) for the year	(251)	(487)
Transfers from/(to) grant support reserve	449	(51)
Transfers from/(to) investment reserve	125	(102)
Transfers (to) memorial fund	(101)	(853)
Funds transferred (to)/from retained earnings reserve	(222)	1,493
Balance 30 June	-	-

19 Contingencies

Plan International Australia provides a security deposit guarantee of \$513,506 at 30 June 2020 by Plan's bank in favour of The Trustee Company Limited, as lessor of the office lease (2019: \$513,506).

20 Commitments

Lease commitments: Plan as lessee

Non-cancellable operating leases

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

From 1 July 2019, Plan has recognised right-of-use assets for these leases, except for short-term and low-value leases, see note 2 for further information.

20 Commitments (continued)

Lease commitments: Plan as lessee (continued)

Non-cancellable operating leases (continued)

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	-	794
Later than one year but not later than five years	-	3,887
	-	4,681

21 Related party transactions

(a) Parent entities

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

(b) Subsidiaries

Plan International Australia is the sole member of Plan international in PNG Inc.

Plan International is the sole member of Plan International Australia in Solomon Islands Trust Board Inc.

(c) Key management personnel compensation

	Consolidated entity	
	2020	2019
	\$	\$
Employee benefits	1,028,783	1,374,512

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

(d) Remuneration and retirement benefits

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

(e) Other transactions with Directors and Director-related entities

There were no transactions with the Directors and Director related entities during the year other than reimbursement of out of pocket expenses.

21 Related party transactions (continued)

(f) Transactions with related parties

As disclosed in note 7, Plan has the following transactions with related parties:

	Consolidated entity	
	2020	2019
	\$	\$
World Food Program funds remitted to Plan International	7,866,091	13,104,447
Surplus funds remitted to Plan International	27,085,613	19,244,031

Amounts are transferred to Plan International Australia for program and services expenditures. Directors are not paid any remuneration for their services as Directors of Plan International Australia Board or as members of Plan International Inc.

(g) Outstanding balances arising from transactions with related parties

There were \$744,405 related parties payable to Plan International IH as at 30 June 2020 (2019.: \$nil).

22 Members' guarantee

Plan is limited by guarantee. If Plan is wound up, the constitution states that each member is required to contribute a maximum of \$20 each towards meeting any outstanding obligations of Plan. There were 12 members as at 30 June 2020.

23 Events occurring after the reporting period

On 1 September 2020 control was transferred of Plan International in PNG and Plan International Australia in Solomon Islands Trust Board Inc. to Plan International IH.

No other matters or circumstances have occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of Plan, the results of those operations or the state of affairs of Plan or economic entity in subsequent financial years.

24 Cash flow information

Reconciliation of surplus/(deficit) from ordinary activities to net cash inflow/(outflow) from operating activities

	Consolidated entity	
	2020	2019
	\$'000	\$'000
Surplus/(deficit) for the year	(251)	(487)
Adjustment for		
Depreciation and amortisation	799	281
Fair value loss/(gains) on financial assets at fair value through profit or loss	817	(434)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(444)	829
Increase in trade and other payables	534	226
Increase/(decrease) in other operating liabilities	3,093	(1,955)
Increase/(decrease) in other provisions	659	(21)
(Decrease) in other liabilities	(469)	(113)
Net cash inflow/(outflow) from operating activities	4,738	(1,674)

25 Parent entity financial information

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2020	2019
	\$'000	\$'000
Balance sheet		
Current assets	7,449	2,020
Total assets	19,119	12,296
Current liabilities	9,224	5,182
Total liabilities	12,488	5,279
<i>Shareholders' equity</i>		
Reserves		
Grant support reserve	1,500	1,949
Investment reserve	1,244	1,369
Memorial fund	1,637	1,536
Operating reserve	3,638	3,638
Revaluation reserve	2	(22)
Retained earnings	(1,390)	(1,453)
	6,631	7,017
Deficit for the year	(557)	(483)
Total deficit	(557)	(483)

(b) Contingent liabilities of the parent entity

The parent entity provides a security deposit guarantee of \$513,506 at 30 June 2020 by Plan's bank in favour of The Trustee Company Limited, as lessor of the office lease (2019: \$513,506).

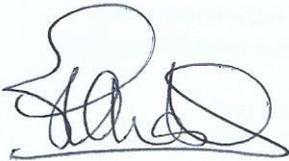
Also, a total of \$US250,000 in pre-financing is required for a related party project in Zimbabwe. Plan International Headquarters will provide this pre-financing to Plan Zimbabwe. Farmers benefiting from this project are expected to re-pay this amount. However, should Plan Zimbabwe be unable to recoup the full \$US250,000 in pre-financing, Plan Australia will reimburse Plan International Headquarters any shortfall in farmer re-payments through a Funding Agreement Document (FAD) addendum at the end of the repayment period.

**Plan International Australia
Directors' declaration
30 June 2020**

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 38 are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:
 - (i) complying with Accounting Standards - Reduced Disclosure Requirements, the ACNC regulations and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the consolidated entity 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 Hueston (Chair)
Director



Michael Corry
Director

Melbourne
09.11.2020

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

{The Auditor's report will be provided by your Auditor.}