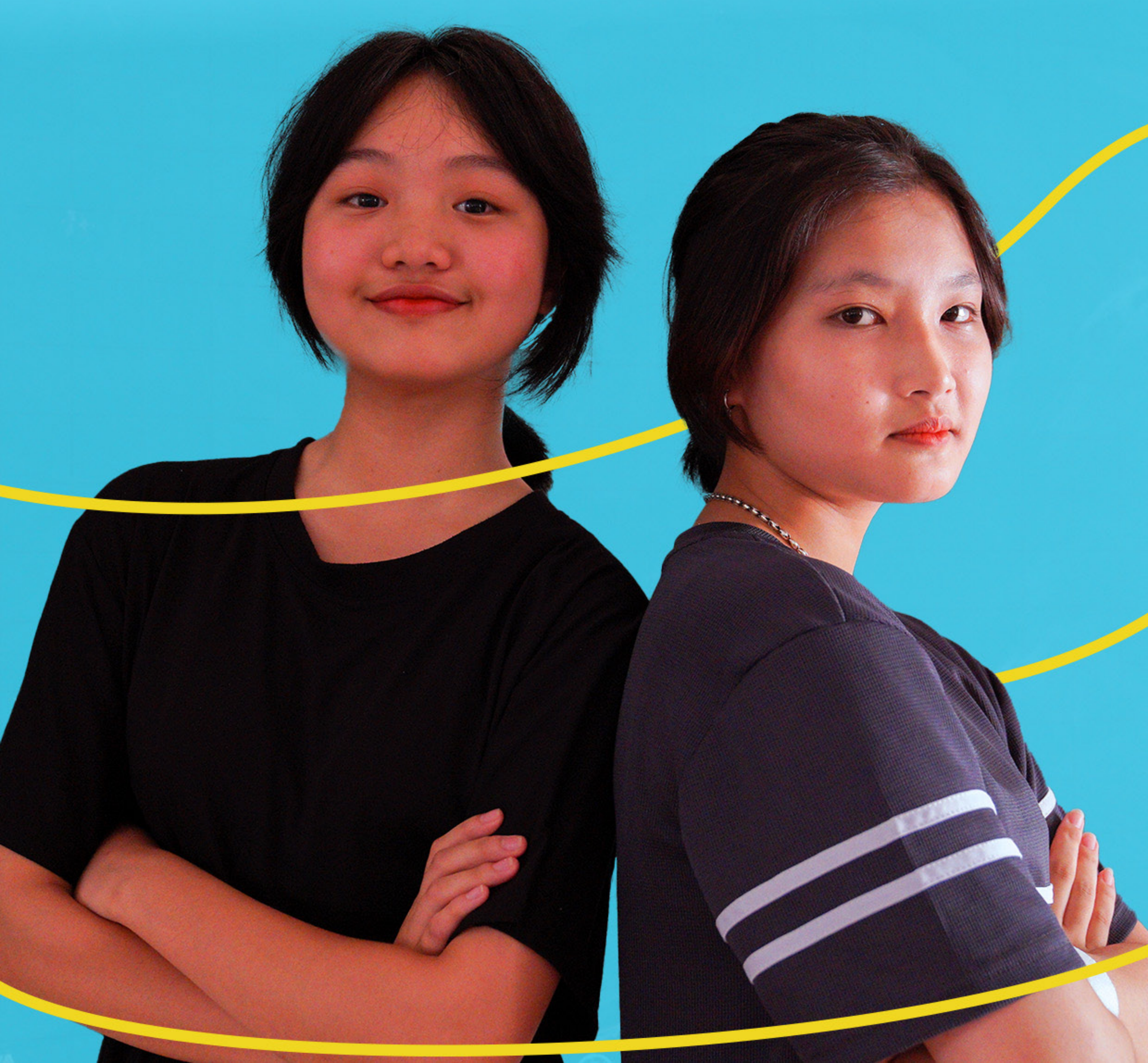
PLAN INTERNATIONAL

Until we are all equal

Plan International Worldwide

Directors' report and combined financial statements for the year ended 30 June 2023



Plan International Worldwide

Contents

Key abbreviations and definitions:

Throughout this report, the organisations and operational groupings comprising Plan International are referred to as follows:

Plan International or Plan International Worldwide	-	Plan International, Inc., its subsidiaries (including Plan Limited) and the corporate members of Plan International, Inc. and their subsidiaries combined
PI Inc	-	Plan International, Inc.
Plan Ltd	-	Plan Limited
National Organisations	-	the corporate members of PI Inc, also referred to as NOs
Country Offices	-	Development and humanitarian programme operations undertaken by PI Inc and its subsidiaries
Global Hub	-	The central organisation of Plan International comprising the PI Inc head office branch and Plan Limited

The year ended 30 June 2023 is referred to as 2023 throughout this report and similarly for prior years.

Plan International Worldwide

Directors' report

The directors of PI Inc present their directors' report and the audited combined financial statements in respect of Plan International for the year ended 30 June 2023.

1. Principal Activities

Plan International is an independent development and humanitarian organisation that advances children's rights and equality for girls. We believe in the power and potential of every child. However, this is often suppressed by poverty, violence, exclusion and discrimination. Our experience shows that it is undeniably girls who are most affected. Working together with children, young people and our supporters and partners, we strive for a just world, tackling the root causes of the challenges facing girls and all vulnerable children and young people.

Plan International has been building powerful partnerships for children for over 85 years and is now active in over 80 countries.

This year saw the start of our new global strategy: **All Girls Standing Strong Creating Global Change**. From now until 2027, we are working together to create:

- A world where all girls know and exercise their rights and live the life they choose.
- A network of supporters, communities, staff, partners, and donors, all supporting girls and young women to stand strong as they learn, lead, decide, and thrive.
- Global change, through breaking down the barriers and discrimination girls and young women currently face every minute, every hour, every day.

One of the central areas of focus for the strategy is on girls' rights. Through our programming and influencing work, we are prioritising inclusive quality education, skills and decent work, young people driving change, sexual and reproductive health and rights (SRHR), early childhood development and protection from violence.

A key priority of our global strategy is a focus on being youth-centred, with the goal of engaging with young people in the co-creation of our programming and influencing work. Through this, we are ensuring that young people and young staff are becoming better involved in decision making across the organisation in a meaningful way.

The global theme for this year's Girls Get Equal campaign and International Day of the Girl was Equal Power Now, exploring the issue of girls' and young women's political participation.

Equal Power Now was founded in the research of the 2022 State of the World's Girls report, which analysed new research into adolescent girls' attitudes towards, and experiences of, political and civic participation and institutions, surveying 29,000 girls and young women aged 15-24 from 29 countries.

With the Global Young Influencer Group, Plan International launched a Global Youth Manifesto calling on decision-makers to address the barriers and pushbacks when it comes to girls and young women participating in politics. Supporters took part in 'Dear Leaders: Write to your Decision-Maker' action, which saw letters addressed to leaders in Bangladesh, Cameroon, Indonesia, Nepal, Philippines, Sierra Leone, Senegal, Sweden, Tanzania, Timor-Leste, Uganda and Zimbabwe on the Youth Manifesto demands.

We continue to lead influencing of core girls' rights issues. In October 2022, during the General Assembly Third Committee, Plan International was co-lead for civil society engagement in the development and negotiation process of the Child, Early and Forced Marriage (CEFM) resolution. We developed briefings based on our research, programmatic evidence and policy positions, which were circulated with key Member States. At the Human Rights Council (HRC) in 2023, Plan International also briefed Missions in Geneva on CEFM ahead of negotiations beginning on the HRC resolution.

Directors' report (continued)

1. Principal Activities (continued)

During a series of activities conducted around the G7, we contributed to improving the discourse on girls' rights and feminist foreign policy, thanks to the leadership of Plan International Japan. Our Global Hub and Japanese offices worked hand-in-hand to devise key messages which were used in organising a session on Feminist Foreign Policy with the W20 – where we also participated in working groups and contributed to drafting their communiqué.

Additionally, set against a backdrop of extreme weather events – including floods, storms, droughts, heatwaves and wildfires – which are becoming more frequent and severe every year, Plan International engaged at COP27 in Egypt to support youth engagement and hold governments accountable in addressing climate change and its impacts on girls' rights.

Our focus was on the key issue of 'loss and damage' – the consequences of climate change that go beyond what people can adapt to – collaborating with the Loss and Damage Youth Coalition to develop a report examining the meaning and impact of loss and damage through an intersectional, youth-centred, gender-equality lens. The report presented an urgent youth-centred call-to-action with key recommendations to decision-makers.

COP27 marked a historic moment, with a decision on establishing a loss and damage fund which has the potential to advance climate justice and support developing countries. We continue to advocate for a child rights approach to the Loss and Damage Fund towards COP28.

Scaling up our humanitarian impact – working with local communities, partner organisations, local governments and UN agencies – is another core priority of our global strategy.

In June 2023, the Global Humanitarian Overview painted a grim picture: the number of people in need of humanitarian assistance had increased to 362 million worldwide. The UNHCR (United Nations High Commissioner for Refugees) reported that by the end of 2022, the number of people forcibly displaced had reached a record high of 108.4 million.

With the unfolding of the largest global food crisis in modern history – driven by conflict, climate shocks and the looming threat of global recession – this year has seen the continuation of the Red Level Alert for the Global Hunger Crisis. Initially declared in June 2022, this is Plan International's highest level of humanitarian response, requiring prioritised support from all parts of the global organisation.

As part of the global scale up, Plan International prioristised eight countries; Burkina Faso, Ethiopia, Haiti, Kenya, Mali, Niger, Somalia and South Sudan, for funding response efforts such as food distributions, cash and voucher assistance, school meals, malnutrition screening, child protection and education in emergencies. These are seen as critical to tackling some of the secondary consequences of hunger, such as girls dropping out of school due to lack of access to school meals.

Plan International set up a global fund, Open to All, for contributions from across the Federation. The response had raised € 35.33 million out of the required € 100 million for the Global Hunger Crisis by 30 June 2023. We responded to the hunger crisis with an amount of € 8.4 million through cash and voucher assistance (CVA), reaching an estimated 115,209 individuals as of March 2023. Around 29% of these are women, 25% girls, 24% boys and 22% men.

We were able to quickly fundraise through CVA modality from internal sources, including a repurposed fund amounting to € 1.4 million, and an additional € 2.5 million from Plan International's Global Hub and multiple sources from different National Offices, via Open to All.

Total deployments supporting the global hunger crisis (including the Haiti scale-up) came to 47 across the eight countries. Similar to previous years, the most requested and filled roles were Emergency Response Managers and Child Protection in Emergencies Specialists.

Elsewhere, with the conflict in Ukraine in its second year, we have continued our work with partners in Poland, Moldova, Romania and Ukraine. Plan International deployed 38 people to support the Ukraine Crisis response across these four countries.

Directors' report (continued)

1. Principal Activities (continued)

Other large-scale crises to which we have responded include the Central Sahel and Lake Chad crises, rapid responses in Myanmar and Bangladesh following Cyclone Mocha, the Türkiye-Syria Earthquake, the fallout of the Sudan crisis and providing support to refugees in surrounding countries: Egypt, Ethiopia, South Sudan, Chad and Central African Republic (CAR).

In terms of influencing activities, Plan International has collaborated with other humanitarian agencies to advocate for improved assistance and funding to tackle the global hunger crisis during the G7 and G20 summits, and throughout the year. Plan International also worked to influence pledges for the High-Level Pledging Conference on the Horn of Africa and was one of the few INGOs to have a seat at the table at the United Nations.

We also continued influencing the humanitarian sector, donors and diplomats on situations of children and girls in armed conflict – from shining a light on grave violations against them, to calling for action on neglected crises, and serving as a key thought-leader on children, especially girls, associated with armed forces and groups.

A key enabler of our ambition to deliver more impact for girls is our organisational transformation programme, Programme Y.O.D.A. (Your Organisation's Data and Analytics). This is designed to strengthen and improve our core project delivery processes and reporting, enabled by an integrated suite of systems. Programme Y.O.D.A. is enabling us to more efficiently and effectively manage our development and humanitarian projects, measure, analyse and report on the cost and impact of our programmes and influencing activity, and generate data and insights to advance our work.

2023 saw focus on the broader global adoption of our new Monitoring, Evaluation, Research and Learning system and the completion of further rounds of testing for the core build. Work has continued on the customisations of the system across all functions, and the start of localisations for our pilot countries. We have also engaged with our new delivery partner to build specialist capability and capacity within the programme and focus on unblocking key technical issues that have been impacting delivery timelines to date.

Programme Y.O.D.A was a key operational priority this year – and will remain so in 2024 and 2025 – as we continue to advance business strengthening activity, as a cornerstone of our ambition to reach 200 million girls as part of our global strategy.

As Plan International looks to the future with our new global strategy in place, we know from experience that when girls thrive in a more equal world, we are all stronger for it. We strive for a world where all girls can claim and exercise their rights and live the life they choose. Together with our partners, with local communities and with boys and men, we will break down the barriers and discrimination that girls face and help shift the power until we are all equal.

The time is now. Together, we will be led by girls for girls.

Directors' report (continued)

2. Membership and structure

Plan International has 20 NOs that are members of PI Inc, and three prospective members, Brazil, Indonesia, and Nigeria. All three prospective members are current subsidiaries of PI Inc, although the Brazilian and Indonesian prospective members will become full members in 2024. The 20 member NOs, together, fully control PI Inc and have agreed to comply with the operating standards prescribed by the By-laws of PI Inc. Each is established as a separate legal entity in its own country, with objectives, purposes and constitutions which are substantially similar to those of PI Inc. The NOs carry out fundraising, development education, some programming and advocacy and those in India and Colombia also carry out development programmes and humanitarian operations in their respective countries. PI Inc manages the allocation, distribution and use of funds raised by NOs for work in developing countries.

PI Inc is registered in New York State as a not-for-profit corporation with its registered office in New York, USA. PI Inc operates in 60 programme countries, coordinated through four regional offices. Plan International's Global Hub is primarily located in the United Kingdom. PI Inc has four liaison offices. These include an office in New York, U.S.A. to liaise with the United Nations delegations (which also serves as the Corporation's registered address); an office in Brussels, Belgium operating as Plan International Europe to liaise with the European Union; an office in Geneva, Switzerland to liaise with the United Nations and an office in Addis Ababa, Ethiopia to liaise with the African Union. In 2022, PI Inc registered a branch office in Chad, and in response to the crisis in Ukraine, PI Inc registered branch offices in Moldova and Ukraine, and subsidiary offices in Poland and Romania. In September 2022, PI Inc created the Global Girls' Foundation ("GGF") as a foundation registered in Zurich, Switzerland. GGF is a not-for-profit entity in which PI Inc has a majority voting interest and an economic interest and operates as a fundraising entity.

3. Members' Assembly

The Members' Assembly is the highest decision-making body of PI Inc and is responsible for setting the high-level strategy and approving the budget of PI Inc and receiving the combined financial statements for Plan International and approving the financial statements for PI Inc. The Members' Assembly also elects the Board of Directors of PI Inc and ratifies the appointment of the Chief Executive Officer of PI Inc. The Members' Assembly consists of one or more delegates from each NO. Each NO is entitled to a minimum of one delegate and one vote. Entitlement to further delegates and votes is determined by the level of funds transferred to PI Inc or to PI Inc approved programmes. From November 2023, the Members' Assembly also includes a youth delegation with voting rights comprised of two people under the age of 24 who are not affiliated with NOs.

4. Directors

The Board of Directors of PI Inc ("International Board") directs the activities of PI Inc, supervises its Chief Executive Officer and is responsible for ensuring that the management of PI Inc is consistent with the By-laws and with the strategic goals of Plan International as determined by the Members' Assembly to whom it is accountable. The Members' Assembly elect up to 11 non-executive directors to form the International Board.

As at 30 June 2023 there were 11 directors on the International Board, including six directors who also sit on the Board of an NO, one director that is an "emeritus member" of an NO Board, and four directors who are independent of Plan International. All directors have fiduciary duties to act in the interests of PI Inc. Members of the International Board are appointed on the basis that they provide a range of skills and experiences of most importance to PI Inc as well as geographical, age, racial and gender diversity according to criteria defined by the Members' Assembly. International Board directors hold office for a term of three years, upon completion of which they are eligible for re-election for up to two further consecutive terms. The Chair of the Members' Assembly, currently Gunvor Kronman, who started her term as Chair on 21 November 2020, is also Chair of the International Board. In June 2023, Gunvor Kronman was re-elected for her second and final three-year term as Chair, commencing on 1 January 2024.

Directors' report (continued)

4. Directors (continued)

The responsibilities and powers of the International Board are prescribed by the By-laws and include the following: the management of PI Inc's affairs in a manner consistent with the By-laws; the preparation of recommendations to the Members' Assembly; implementing the vision, mission and overall strategic goals and policies set by the Members' Assembly; overseeing the development and implementation of budgets and long-term financial plans approved by the Members' Assembly; the selection and evaluation of the performance of the Chief Executive Officer; measurement and evaluation of PI Inc's programme, financial and other performance; and assuring the financial integrity of PI Inc including reporting the results of assurance activities to the Members' Assembly.

In this financial year, the International Board oversaw the first year of implementation of Plan International's new five-year Global Strategy for 2022-2027 entitled ***All Girls Standing Strong Creating Global Change*** which was approved by the Member's Assembly in February 2022 and launched on 1 July 2022.

Through its Programme, People and Culture, and Financial Audit Committees, the International Board reviewed senior management's proposals and responses to the major programmatic, human resources and financial changes and challenges facing Plan International. The Financial Audit Committee has reviewed Plan International's financial performance and oversaw the external audit process.

The International Board of Directors as at 30 June 2023 (and up to the date of signing) comprised:

Gunvor Kronman – Gunvor joined the International Board as Vice Chair in November 2014. She was elected by the Members' Assembly as its Chair and Chair of the International Board, effective from 21 November 2020. She has a wealth of experience in the field of international development, previously working for 16 years in the International Red Cross movement and serving on several humanitarian missions. She has chaired the Development Policy Committee for 10 years, advising three Finnish governments on global issues, and has experience in child rights. She has served as the Vice Chair of Crisis Management Initiative, an independent organisation that works to prevent and resolve violent conflicts and has held Board Memberships with UN Live and Friends of the UN, amongst others. She also sits on the Plan International Finland board. From September 2022 to March 2023, Gunvor served a 6 month secondment as the Senior Visiting Fellow at the European University Institute in Florence, Italy.

Carlos Aparicio – Carlos joined the International Board in November 2015. He is a specialist in academic, administrative and financial education. A certified public accountant from the Central University in Colombia with a diploma in financial and administrative management, he has served as the chancellor and legal representative of UNITEC University in Colombia. Carlos has worked as director and teacher at the Central University, Iberoamericana University, Libertadores University and the University of the Andes. He has been an advisor to the Deputy Minister of Higher Education in Colombia, a consultant for the Organization of the Iberoamerican States, and coordinator of interinstitutional relations at Pan American Association of Educational Credit Institutions. Carlos has been involved with Plan International for over 46 years having previously been a sponsored child. Carlos is a board member of Fundación Plan (Colombia).

Axel Berger – Axel joined the Board in November 2017. He spent most of his professional career working for the German arm of the accounting firm KPMG, 14 years of which was as managing partner of the Cologne and Munich offices. He is also the former Vice-President of the German Financial Reporting Enforcement Panel. He received an Honorary Doctorate from the University of Eichstätt. Axel has sat on the board of Plan International Germany since 2004.

Elbia Castillo Calderon – Eliba joined the International Board in November 2017. Elbia currently serves as the Senior Vice President of Scotiabank Mexico and was previously Vice President of Audit, Security and Research of Scotiabank Peru S.A.A. Elbia holds a Bachelor's degree in Economics from Universidad de Lima. She is an independent board director.

Directors' report (continued)

4. Directors (continued)

Amanda Ellingworth – Amanda joined the Board in November 2017. Amanda's first career was in UK local government social work, specialising in children services and child protection. She has since held a 'portfolio' of chair or directorships, in the UK public sector and on not-for-profit boards, always working with vulnerable people, especially children. Amanda is currently on the boards of Plan International U.K., Barnardo's and Great Ormond Street Hospital among other organisations. She is the Chair of the People and Culture Committee. Her term on the Board expires in December 2023.

Rabia Garib – Rabia joined the International Board in November 2019. She has been an entrepreneur in the area of technology media since 1999 and produces business-technology content for web, television and radio. In 2007, she brought the world's largest business-technology magazine, CIO, to Pakistan. She co-founded ToffeeTV in 2010 which develops local language content, making learning fun through animated songs and stories and producing e-learning content for several companies. ToffeeTV is now expanding into curriculum-aligned educational content. In 2017, Rabia co-established The New Spaces, a website dedicated to AI, Fintech, IOT and Infosec content. She was previously the head of the Pakistan chapter of Eisenhower Fellows. She is an independent board director and is Chair of the Programme Committee.

Günter Haag – Günter joined the International Board in November 2014. He worked for KPMG in Zurich, Geneva and San Francisco in a number of roles as an advisor, auditor and various management positions. He served as a member of the Executive Board of KPMG Switzerland initially as Head of Financial Advisory Services and later as Head of Audit. Günter specialised in audit, consulting, corporate governance, due diligence and capital market transactions. He is the Chair of the Financial Audit Committee and an independent board director. His term on the Board will expire in December 2023.

Madhukar Kamath – Madhukar joined the International Board in June 2020 and was appointed by the International Board as its Vice Chair in January 2021. He is a marketing services professional, with over four decades of experience. Madhukar is currently the Chair Emeritus of the DDB Mudra Group, a Mentor for Interbrand India and the Chair of Multiplier Brand Solutions. He has served as Chair of the Advertising Agencies Association of India (AAAI), Advertising Standards Council and the Audit Bureau of Circulation. Madhukar also helped build MICA into India's foremost strategic marketing and communication management business school. He served on the Board of Plan India from 2013 to August 2023 and from August 2023 will be an "emeritus member" of the Plan India Board, meaning that he attends Plan India Board meetings but does not have a vote.

Sibongani Kayola – Sibongani was elected to the International Board in June 2022. She is a mental health professional whose career has focused on providing psychosocial, mental health and social protection services to children and families affected by HIV and AIDS, conflict, and poverty. Sibongani currently works in Sudan where she leads a team delivering projects that cover the triple nexus approach with projects interlinking the humanitarian, development and peace sectors. Sibongani holds an Msc in Evidence Based Social Intervention and Policy Evaluation from the University of Oxford and an Msc in Child and Adolescent Mental Health from the University of Ibadan. She is an independent member of the Board.

Mark de Smedt – Mark joined the Board in November 2020. Mark has over 30 years of experience in marketing, operations and human resources at Apple and Citigroup. He moved to the Adecco Group in 2013 where he was on the Executive Committee until 2019. Mark is currently on the boards of the Copus Group and SD Worx and serves on the Plan International Belgium Board. He is passionate about people and supporting young entrepreneurs.

Ikufumi Tomimoto – Tomi joined the Board in November 2020. Tomi is a Professor of the Faculty of Economics and Advisor to the Vice President of International Cooperation of Yamaguchi University in Japan. He worked for the Japan International Cooperation Agency (JICA) from 1974 to 2010 and served as a Director of JICA in its Paris, Vienna, Washington DC and Bangkok offices. He is an expert in the fields of international public management and development cooperation. Tomi serves on the Board of Plan International Japan.

Plan International Worldwide

Directors' report (continued)

5. Management team

Key management in Plan International includes the Senior Management of PI Inc and Plan Ltd and the National Directors of the NOs. Members of these groups during the year to 30 June 2023 and up to the date of approval of this report, unless otherwise stated, are listed below:

International Senior Management

Director	Role	Term
Stephen Omollo	Chief Executive Officer	
Tara Camm	Executive Director Resources	Resigned 30 September 2022
Tara Camm	Deputy Chief Executive Officer	Appointed 1 October 2022
Damien Queally	Executive Director Delivery, Performance and Accountability	Resigned 30 September 2022
Damien Queally	Global Director, Programmes and Operations	Appointed 1 October 2022
Alison Currie	Executive Director Finance and IT	Resigned 30 September 2022
Lawrence Ncube	Chief People Officer	Appointed 1 July 2022
Sagar Dave	Director Global Assurance	
David Thomson	Executive Director Strategy and Collaboration	Resigned 28 August 2023
Debora Cobar Urquizu	Executive Director Region of the Americas and Sponsorship	Resigned 30 November 2022
Debora Cobar Urquizu	Regional Director Region of the Americas	Appointed 1 December 2022
Rotimy Djossaya	Regional Director West and Central Africa	Resigned 7 April 2023
Bell'Aube Houinato	Interim Regional Director West and Central Africa	Appointed 11 April 2023
Roger Yates	Executive Director Middle East, Eastern and Southern Africa and Monitoring, Evaluation, Research and Learning	Resigned 28 February 2023
Roger Yates	Regional Director Middle East, Eastern and Southern Africa	Appointed 1 March 2023
Bhagyashri Dengle	Executive Director Asia-Pacific and Policy and Gender Transformative Practice	Resigned 30 November 2022
Bhagyashri Dengle	Regional Director Asia-Pacific	Appointed 1 December 2022
Laila El Baradei	General Counsel	Resigned 30 January 2023
Nina Chabrier	Interim General Counsel	Appointed 1 February 2023 Resigned 3 September 2023
Linda Gregory	General Counsel	Appointed 4 September 2023
Carla Jones	Director of Communications	Resigned 1 September 2022
Maria Comerford	Director of Governance and Executive	
Maike Röttger	Global Director, Memberships Services	Appointed 1 October 2022
Kathleen Sherwin	Chief Strategy and Engagement Officer	Appointed 9 January 2023
Kaumudi Bohms	Chief Information Officer	Appointed 9 January 2023
Celine Thibaut	Chief Financial Officer	Appointed 16 January 2023

National Directors

Director	National Organisation
Susanne Legena	Australia
Isabelle Verhaegen	Belgium
Lindsay Glassco	Canada
Angela Anzola de Toro	Colombia
Dorthe Petersen	Denmark
Ossi Heinänen	Finland
Anne Bideau	France
Kathrin Hartkopf	Germany
Kanie Siu	Hong Kong
Mohammed Asif	India
Paul O'Brien	Ireland
Yuichi Tanada	Japan
Sang-Joo Lee	Korea
Garance Reus-Deelder	Netherlands
Kari Helene Partapuoli	Norway
Concha López	Spain
Mariann Eriksson	Sweden

5. Management team (continued)

National Directors

Director	National Organisation	
Rashid Javed	Switzerland	Resigned 31 March 2023
Jochen Stark	Switzerland	Appointed 1 April 2023
Rose Caldwell	United Kingdom	
Shana Marzilla	United States	Appointed 27 January 2023
Mustafa Kudrati	United States	Resigned 25 January 2023

6. Risk management

As an international non-governmental organisation that operates in challenging environments, Plan International faces a number of significant risks and uncertainties which could impact on the delivery of its strategic and operational objectives. With consideration of both the internal and external context, risk management is a recognised part of Plan International's everyday activities at all levels. The expectation is not to eliminate all risks, but to mitigate threats and maximise opportunities within our agreed risk appetites.

Risk assurance reports are received by the International Board of PI Inc and the Members' Assembly on the management of risk across the organisation. Plan International's reporting approach strengthens the understanding and discussion of the organisation's risks with greater scrutiny on management's compliance with mitigation plans.

Plan International annually measures its risk management maturity against four core statements laid out in the Global Policy on Risk Management:

1. Risks are identified, discussed and understood
2. Action is taken to manage risks
3. Risks are owned
4. Lessons are learnt from our risk-taking

Global risks assessed and monitored in 2023 included the following:

- Child & Young Person Safeguarding
- Safety & Security
- Fraud
- Data Privacy
- Cyber
- Workplace Misconduct
- Financial Sustainability – Income
- Financial Sustainability –Organisational Change
- Y.O.D.A – Fit-for-purpose
- Y.O.D.A – Delivery
- Y.O.D.A - Costs
- Grants Management
- Financial Management
- Shrinking Civil Society Space

There are control frameworks in place to mitigate the inherent risks above that broadly include policies and processes, training requirements and monitoring procedures. These control frameworks are continually reviewed and updated to respond to the changing risk environment as necessary. There are also action plans in place to reduce specific risks, and in 2023 various programmes and initiatives have been advanced with outcomes that will significantly strengthen the mitigation of key risks. In order to deliver our Global Strategy, All Girls Standing Strong Creating Global Change, we continue to prioritise Programme Y.O.D.A (Organisational Data Analytics system) and a Financial Sustainability Programme (FSP). The appointment of a Chief Information Officer and an external review of Y.O.D.A has resulted in the development of detailed mitigation plans in relation to fit-for-purpose, delivery and costs. It is anticipated that there will be risks associated with the implementation of Y.O.D.A which will be continually reviewed and mitigation plans updated as necessary.

Directors' report (continued)

6. Risk management (continued)

The organisation continues to closely monitor its risk landscape in the context of the rapidly changing external environment, in particular the economic and geopolitical risks emerging from the Ukraine conflict and the political instability in West and Central Africa.

In addition to the above, the incident reporting system put in place in 2022 has strengthened reporting and management of incidents and increased the organisation's ability to learn and act on trend analysis across functions and locations.

Where operational issues have arisen in 2023 at either the local or global level, management has responded in line with crisis management protocols, ensuring that lessons are learnt and remediations implemented where necessary.

Based on available information, the International Board of PI Inc assessed there to be a consistent year-on-year risk management performance in the year ended 30 June 2023. In 2024, in line with the Global Strategy Implementation plan, an update of the Global Policy on Risk Management including our risk appetites and our current Risk Management System will be completed.

7. Financial overview

7a Summary

Plan International's combined deficit in 2023 equates to €23.3 million, compared to a €68.1 million surplus in 2022. Excluding foreign exchange gains and losses there was a deficit in 2023 of €18.8 million, compared to a surplus in 2022 of €48.8 million.

In the year to 30 June 2023 Plan International raised income of €1.1 billion, which was the same as the prior year. Grant income and child sponsorship income remain the largest sources of income. Plan International was able to ensure much of this was used for programmatic spend and consequently total expenditure before foreign exchange was €1.1 billion, which was €79.1 million higher than 2022, an increase of 7.8%.

As the combined results represent the aggregation of PI Inc and the NOs, the resulting income and expenditure profile and ratios are not necessarily applicable to any of the individual entities.

The spread of COVID-19 globally began at the start of 2020 reaching different countries at different times and was combined with differing government responses. Towards the end of the period to 30 June 2020, and continuing into 2023, our ability to provide an emergency response and programmatic activities was challenged by increased volatility of cash levels, income and expenditure flows. In response, Plan International implemented a more frequent cash reporting and forecasting regime to better reflect the implementation realities of our budget assumptions and to ensure that future budget assumptions reflect current information, matching our expenditure to expected income. These are supported by the Financial Audit Committee of PI Inc and subject to review in order to maintain relevant and accurate assessments of our operating environment.

The level of cash and cash equivalents within the combined financial statements was €414.5 million as at 30 June 2023 and this has remained stable since the balance sheet date. The decrease of €48.6 million compared to prior year reflects a decrease of €24.6 million within National Organisations and €24.0 million held centrally in PI Inc.

As discussed further in section 7d below, there is €211.5 million of unrestricted funds that could be used to support Plan International in the short term if required. This includes current asset investments of €49.1 million which could be liquidated to support Plan International if required.

Directors' report (continued)

7. Financial overview (continued)

7a Summary (continued)

The Management undertook an assessment of the going concern status of the organisation. This was done through reviews of the latest financial position and preparation of five-year financial forecasts. A review of substantial risks that various Plan entities face was also undertaken and a severe but plausible case scenario of the forecasts developed, to arrive at the likely outcome if these risks were to materialise. From the forecast data received from National Organisations, which represent 98% of the worldwide estimate, the income projection for the year ending 30th June 2024 is €1,013 million. This is projected to grow to €1,019 million in the following year ending 30th June 2025. Availability of unrestricted income, especially sponsorship income, is a major area of focus, especially on the backdrop of increasing inflationary pressure in programme countries. Sponsorship income is projected to drop by €8m over the next five years, and Management is undertaking various initiatives to increase efficiencies and unlock flexible funding in order to support the growing projects portfolio. Worldwide expenditure is assumed to continue growing steadily throughout the next 5 years, driven by restricted (grants) expenditure growth.

The severe but plausible case of the forecast, which factored in the impact of adverse events, showed a 2% reduction in National Organisation income if the risks were to materialise in the upcoming year. A more catastrophic scenario was also applied to the base forecast, simulating a 25% reduction in unrestricted income donations to programme and support functions in the next two years. It was determined that, while expenditure would need rationalization, Plan International would still be able to continue majority of its operations in the foreseeable future.

The Worldwide cash position remains robust, and there are no external events for the period of a least 12 months from the approval of these financial statements that are deemed to cast significant liquidity risk to the organisation. However, Management is looking at solutions to optimize the flow of funds between the various entities to ensure that that Treasury regularly holds cash to support three months' worth of commitments in programme and support functions. As at close of the financial year, unrestricted reserves coverage was above the minimum internal threshold and Management remains committed to growing the balances across Plan entities to self-insure in case of contingencies.

Based on the analysis undertaken, Plan International and its entities remain a going concern, and no adverse events are foreseen to cast a significant doubt to their continued existence and ability to meet their financial obligations. In the Directors' and Management's opinion, the going concern status of Plan Worldwide remains assured for the foreseeable future.

7b Income

Plan International mainly raises funds in Europe, the Americas and the Asia-Pacific region.

33.6% of Plan International's income in the year was derived from regular giving through child sponsorship. This income stream decreased by €8.9 million or 2.4% to €362.7 million in the year and decreased by 2% at like for like exchange rates.

Grants income represented Plan International's largest source of funds at 43.2% of income in the year. Grants income rose by €60.0 million, or 14.7%, to €466.7 million in the year and by 14% at like for like exchange rates. This was particularly driven by increases in our larger National Organisations.

Gifts in kind totalled €60.3 million in 2023, compared with €91.1 million in 2022 and are mainly attributable to food donations with smaller donations of hygiene kits, blankets and other non-food items.

Other sources of income amounted to €191.1 million compared to €199.9 million in 2022. These include other contributions, including disaster and other appeals.

7. Financial overview (continued)

7c Expenditure

Total Plan International expenditure, before foreign exchange gains and losses, increased by €79.1 million compared to 2022, to €1.1 billion. Total programme expenditure (including donations to non-Plan partners) was €839.6 million, which was an increase of €27.7 million over 2022. This represents all costs directly related to delivering programmes, including country office staff and associated office and equipment spend, the cost of facilitating communications between sponsored children and sponsors and activities to raise awareness of development issues.

In 2023 the regional profile of expenditure excluding foreign exchange gains and losses has remained consistent with the profile seen in 2022. Africa accounts for the largest share of total programme and non-programme expenditure, representing 38.8% in 2023, compared to 41.4% in 2022. Expenditure in Asia, including NOs based in the region, represents 14.8% of total expenditure in 2023 compared with 16.8% in 2022. Central and South America accounted for 9.0% of total expenditure compared with 10.4% in 2022. The remaining 37.4% of expenditure in 2023 (2022: 31.4%) was incurred in Europe and North America.

Programme expenditure represents 76.4% of total expenditure, excluding foreign exchange gains and losses. Fundraising, trading expenditure and other operating costs represent 23.6%. Programme expenditure is categorised into the distinct areas in which Plan International works in accordance with Plan International's Areas of Global Distinctiveness (AOGDs).

Programmes on protection from violence represent €147.1 million or 17.5% of total programme costs. The movement of €4.9 million in the spend on these programmes compared to the total programme spend in 2022 represents an increase of 3.5%. For 2023, programmes on protection from violence represent Plan International's largest spending programme area.

Inclusive quality education accounted for €144.5 million or 17.2% of programme expenditure in 2023 (2022: €121.4 million or 15.0% of total programme expenditure). Education, and particularly girls' education, was Plan International's second largest programme area in 2023.

Expenditure relating to disaster risk management programmes accounted for €127.6 million or 15.2% of total programme expenditure (2022: €147.0 million or 18.1% of total programme expenditure). Disaster risk management includes costs related to disaster risk reduction and relief activities ranging from food and medicine distribution to child psychosocial support and protection.

Expenditure on early childhood development accounted for €116.8 million or 13.9% of programme expenditure in 2023 (2022: €111.0 million or 13.7% of total programme expenditure). This programme area covers support to primary health care programmes, pre-school infrastructure, malaria prevention work and food security outside disaster programmes.

Expenditure on girls, boys and youth as active drivers of change accounted for €56.0 million or 6.7% of programme expenditure (2022: €59.3 million or 7.3% of total programme expenditure). This programme area includes programmes on capacity building for youth to be active citizens and to engage in collective action.

Expenditure on skills and opportunities for youth employment and entrepreneurship related to training in life, vocational and business skill and community engagement. This expenditure represents €74.5 million, or 8.9% of programme expenditure (2022: €74.0 million or 9.1% of total programme expenditure).

Expenditure on sexual and reproductive health and rights covers programmes related to family planning, HIV/AIDS and sex education. This expenditure represents €109.2 million, or 13.0%, of total programme expenditure (2022: €101.3 million or 12.5% of programme expenditure).

Sponsorship communications and development education costs are those associated with communications between sponsors and sponsored children and the cost of activities to raise awareness of development issues and advocate for policy changes and aid. Together these represent €23.6 million or 2.8% of programme expenditure (2022: €26.6 million or 3.3% of programme expenditure).

Fundraising costs were €114.7 million compared to €122.1 million in 2022.

Directors' report (continued)

7. Financial overview (continued)

7c Expenditure

Other operating costs of €130.6 million represents costs in NOs and at the Global Hub and is an increase of €58.3 million from the previous year. This increase is driven by a €15.2 million cumulative increase across the 20 NOs and €5.0 million relating to ongoing project Y.O.D.A costs. Trading related expenditure, including online shops and a film production entity was marginally higher than 2022 at €12.8 million which represented 1.2% of expenditure in 2023.

Losses on foreign exchange of €4.4 million in 2023 following on from gains of €19.4 million in 2022 represent the movements of non-Euro balances and exchange differences on intragroup transactions and primarily reflects the movement of the Euro relative to the USD in each year**.**

7d Fund balances

Fund balances, including non-cash balances at 30 June 2023 were €465.8 million; €39.7 million lower than at 30 June 2022.

Of the €465.8 million fund balances at 30 June 2023, €15.7 million is represented by property, plant, equipment and intangibles less lease liabilities and €25.8 million is permanently restricted. The remaining €424.3 million fund balances globally are represented by donations designated for specific projects by donors, funds received from sponsors in advance and unrestricted fund balances, held across PI Inc and the NOs.

NOs manage their fund balances separately. Fund balances held in the NOs account for €265.0 million of total fund balances, whilst PI Inc, including Plan Ltd, holds the remaining balance.

Each fiscal year, the Board of Directors of PI Inc designates from average fund balances held over a 12 month period, funds for specific purposes as set out in PI Inc's reserves policy. The reserves policy has been reviewed and updated and confirmed by the International Board in September 2022.

The objective of the policy, applicable to the year ended 30 June 2023, is that PI Inc should have sufficient net assets without donor restrictions for:

- a net investment of funds in land, buildings and equipment; intangible assets, right of use assets and leases reserve that represents the net book value of land, buildings and equipment; intangible assets, and right of use assets less lease liabilities;
- a working capital reserve equivalent to 0.5 months of budgeted total PI Inc expenditure (excluding GIK);
- a contingency reserve equivalent to between 0.5 and one month of budgeted total PI Inc expenditure (excluding GIK); and
- a self-insurance reserve equivalent to an amount which the International Board or Financial Audit Committee has designated or ring-fenced for either self-insurance purposes or a "virtual captive" arrangement. For the year ended 30 June 2023 this designated amount is €1.5 million.

There were sufficient unrestricted funds to fully comply with PI Inc's reserves policy as at 30 June 2023 as detailed below. If a deficit was to occur in a year, this is not deemed to be an operational or going concern issue and does not impact the activities of the organisation. Please see section 7a for further discussion on going concern.

Directors' report (continued)

7. Financial overview (continued)

7d Fund balances

Funds which are available for future expenditure include:

- the operating fund balances of the NOs;
- the working capital fund balance in PI Inc, which is held for liquidity purposes and is equivalent to 0.5 months of budgeted total PI Inc expenditure (excluding GIK). At 30 June 2023 this fund was fully funded (2022: fully funded);
- the contingency fund in PI Inc which is also equivalent to between 0.5 and one month of budgeted total PI Inc expenditure (excluding GIK). At 30 June 2023 this fund was fully funded (2022: insufficient funds available);
- the self-insurance reserve of PI Inc equivalent to an amount which the International Board or Financial Audit Committee has designated or ring-fenced for either self-insurance purposes or a "virtual captive" arrangement. At 30 June 2023 this fund was fully funded (2022: this fund was not a requirement of the reseves policy); and
- free fund balances of PI Inc, meaning funds in excess of the total fund balance target level which comprises the sum of the specific fund balances. At 30 June 2023, there was a €1.0 million free fund balance (2022: no free fund balances with a deficit to the reserves policy requirement of €15.5 million).

The purposes of the PI Inc contingency fund are that in the event of certain operational and financial risks crystallising, Plan International would be able to:

- fulfil irrecoverable commitments;
- safeguard staff and secure assets in the event of civil disorder or war;
- adjust spending plans in a controlled manner; and
- restructure country office and central operations.

Directors' report (continued)

8. Statement of directors' responsibilities in relation to the combined financial statements

The directors of PI Inc are responsible for the preparation of the annual report and the consolidated financial statements of PI Inc, and have taken responsibility for the preparation of this Directors' report and the combined financial statements in respect of Plan International.

The directors have chosen to prepare combined financial statements for each financial year in accordance with the basis of preparation as set out in note 1 of the combined financial statements. They have taken responsibility for ensuring that the combined financial statements present fairly, in all material respects, the Combined statement of financial position of Plan International, and also its Combined income statement, Combined statement of comprehensive income and expenditure, Combined statement of cash flows and Combined statement of changes in fund balances.

In preparing the combined financial statements, the directors are required to select suitable accounting policies and then apply them consistently; make judgements and estimates that are reasonable and prudent; state that the combined financial statements comply with the basis of preparation set out in note 1 of the combined financial statements; and prepare the combined financial statements on a going concern basis unless it is inappropriate to presume that the group will continue in business. The directors of PI Inc confirm that they have complied with the above requirements in preparing the combined financial statements.

The directors of PI Inc, together with the directors of the NOs, are responsible for keeping adequate accounting records that are sufficient to show and explain Plan International's transactions and disclose with reasonable accuracy at any time the combined financial position of Plan International, and enable the directors of PI Inc to prepare combined financial statements that comply with the basis of preparation set out in note 1 of the combined financial statements. They are also responsible for safeguarding Plan International's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors of Plan Ltd are responsible for the maintenance and integrity of Plan International's website, www.plan-international.org on behalf of PI Inc. Information published on the internet is accessible in many countries with different legal requirements relating to the preparation and dissemination of financial statements.

The directors of PI Inc confirm that, in the case of each director in office at the date the directors' report is approved, so far as the director is aware there is no relevant audit information of which Plan International's auditors are unaware; and he / she has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the auditors of Plan International are aware of that information.

Approved and authorised for issue by the International Board of PI Inc and signed on its behalf by

Gunvor Kronman **Chair**
7 December 2023

Independent auditors' report to the directors of Plan International, Inc.

Report on the audit of the combined financial statements of Plan International Worldwide

Opinion

In our opinion, Plan International Worldwide's non-statutory combined financial statements for the year ended 30 June 2023 have been properly prepared, in all material respects, in accordance with the basis of preparation and accounting policies in note 1 to the combined financial statements.

We have audited the combined financial statements, included within the Annual Report, which comprise: the combined statement of financial position as at 30 June 2023; the combined income statement, the combined statement of comprehensive income and expenditure, the combined statement of cash flows, and the combined statement of changes in fund balances for the year then ended; and the notes to the combined financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)"), including ISA (UK) 800 and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the combined financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of Plan International Worldwide in accordance with the ethical requirements that are relevant to our audit of the combined financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the combined financial statements, which is not modified, we draw attention to note 1 to the combined financial statements which describes the basis of preparation, and in particular, the fact that the accounting policies used and disclosures made are not intended to, and do not, comply with the requirements of International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board. The combined financial statements are prepared in accordance with a special purpose framework for the directors for the specific purpose as described in the Use of this report paragraph below. As a result, the combined financial statements may not be suitable for another purpose.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on Plan International Worldwide's ability to continue as a going concern for a period of at least twelve months from when the combined financial statements are authorised for issue.

In auditing the combined financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the combined financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to Plan International Worldwide's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the combined financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the combined financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the combined financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the combined financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the combined financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the combined financial statements and the audit

Responsibilities of the directors for the combined financial statements

As explained more fully in the statement of directors' responsibilities in relation to the combined financial statements, the directors are responsible for the preparation of the combined financial statements in accordance with the basis of preparation and accounting policies in note 1 to the combined financial statements and for determining that the basis of preparation and accounting policies are acceptable in the circumstances. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, the directors are responsible for assessing Plan International Worldwide's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate Plan International Worldwide or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the combined financial statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

As set out in note 1 of the combined financial statements, Plan International Worldwide comprises a combined set of financial statements and the entities included in the combined financial statements have not operated as a single entity. There is no legal requirement to prepare these combined financial statements as all the entities are legally separate. Consequently, there are no laws and regulations directly impacting the preparation of these financial statements, and risks of non-compliance with laws and regulations apply to the legally separate entities. As a result, the risk of non-compliance with laws and regulations is not applicable to the preparation of these combined financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the combined financial statements (including the risk of override of controls),and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. The Plan International Worldwide engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the Group engagement team and/or separate entity engagement teams included:

- Discussions with management, Global Assurance, Plan International Worldwide's general counsel, including consideration of known or suspected instances of non-compliance with laws and regulations at the separate entity level and fraud;
- Assessment of matters reported through Plan International Worldwide's Counter-Fraud team and Plan International Worldwide's whistleblowing helpline and the results of management's investigation of such matters;
- Challenging assumptions made by management in their significant accounting estimates, including the valuation of post-employment benefits; and

- Testing of material journal entries and post-close adjustments, including the testing of journals with unusual account combinations and consolidation journals.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the combined financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the combined financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for Plan International, Inc.'s directors as a body in order to enable Plan International, Inc.'s directors to discharge their fiduciary duties in accordance with our engagement letter dated 9 June 2023 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of Plan International, Inc., save where expressly agreed by our prior consent in writing.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London

7 December 2023

Combined income statement
for the year ended 30 June 2023

	Notes	**2023 €000**	2022 €000
Income			
Child sponsorship income	2a	**362,695**	371,552
Grants	2a	**466,645**	406,695
Gifts in kind	2a	**60,308**	91,054
Other contributions	2a	**164,459**	185,228
Investment income / (loss)	2a	**9,791**	(1,077)
Trading income	2a,b	**16,858**	15,753
Total income	2a,b	**1,080,756**	1,069,205
Expenditure			
Programme expenditure	3a	**(839,619)**	(811,907)*
Fundraising costs	3a	**(114,653)**	(122,107)
Other operating costs	3a	**(130,645)**	(72,361)
Finance costs	3a	**(1,817)**	(3,037)
Trading expenditure	3a	**(12,842)**	(11,042)
Total expenditure before foreign exchange		**(1,099,576)**	(1,020,454)
Net (losses) / gains on foreign exchange	3a,c	**(4,435)**	19,388
Total expenditure	3a,c	**(1,104,011)**	(1,001,066)
(Deficit) / excess of income over expenditure		**(23,255)**	68,139

*€0.3 million relating to Ukraine response costs has been reclassified from operating costs to programme costs. Please see Note 3a for further details.

Combined statement of comprehensive income and expenditure
for the year ended 30 June 2023

	Notes	**2023 €000**	2022 €000
(Deficit) / excess of income over expenditure		**(23,255)**	68,139
Items that will not be reclassified to the (Deficit) / excess of income over expenditure:			
Change in fair value of equity instruments at fair value through other comprehensive income and expenditure		**(410)**	(201)
		(410)	(201)
Items that may be reclassified to the (Deficit) / excess of income over expenditure:			
Currency translation adjustment	6	**(16,002)**	6,668
Total comprehensive (expense) / income		**(39,667)**	74,606

There is no corporation taxation arising on the items set out above as explained in note 1q to these financial statements. The notes on pages 22 to 54 form part of these financial statements.

Combined statement of financial position
at 30 June 2023

	Note(s)	2023 €000	2022 €000
Current assets			
Cash and cash equivalents	7a,b	414,531	462,235
Investments held at fair value through income and expenditure	7b,d	26,191	39,556
Investments held at fair value through other comprehensive income and expenditure	7b,d	14,645	-
Investments held at amortised cost	7b	8,235	4,245
Receivables and advances	7g	61,490	61,641
Prepaid expenses		12,720	15,842
Inventory	8	1,937	9,397
		539,749	592,916
Non-current assets			
Investments held at fair value through income and expenditure	7b,d	6,469	9,897
Investments held at fair value through other comprehensive income and expenditure	7b,d	15,001	8,633
Investments held at amortised cost	7b	100	-
Other financial assets – interests in trusts	7e	891	924
Property, plant and equipment	9	18,084	20,286
Right of use assets	9	35,960	33,516
Intangible assets	9	1,345	3,304
Other receivables	7g	7,476	5,608
		85,326	82,168
Total assets		625,075	675,084
Current liabilities			
Accounts payable		29,624	28,901
Accrued expenses		37,531	39,576
Deferred income		15,192	19,279
Accrued post employment benefits	10	19,925	23,483
Lease liabilities	14	13,254	12,404
Other current liabilities		2,361	-
		117,887	123,643
Non-current liabilities			
Bank loan	7c	1,248	1,422
Deferred income		1,294	132
Lease liabilities	14	26,421	29,025
Other non-current liabilities	12	11,287	13,760
Provisions for other liabilities and charges	13	1,121	1,618
		41,371	45,957
Total liabilities		159,258	169,600
Fund balances			
Unrestricted fund balances	6	211,503	215,303
Temporarily restricted fund balances	6	228,564	266,225
Permanently restricted fund balances	6	25,750	23,956
Total fund balances	6	465,817	505,484
Total liabilities and fund balances		625,075	675,084

The notes on pages 22 to 54 form part of these financial statements.

The financial statements on pages 18 to 54 have been approved by the Board of Directors of Plan International, Inc. and were signed on behalf of the Board on 7 December 2023.

Gunvor Kronman
Chair

Günter Haag
Director

Plan International Worldwide

Combined statement of cash flows
for the year ended 30 June 2023

	Note	**2023 €000**	2022 €000
Cash flows from operating activities			
(Deficit) / excess of income over expenditure		(23,255)	68,139
Depreciation and amortisation	9	16,748	22,212
Impairment		1,253	795
Gain on sale of property, plant and equipment	2a	(778)	(2,248)
(Gain) / loss on investments	2a	(1,469)	5,594
Investment income	2a	(7,061)	(2,269)
Decrease / (increase) in receivables ^		1,405	(16,446)
Decrease / (increase) in inventory		7,460	(7,920)
(Decrease) / increase in payables ^^		(11,324)	5,888
Interest costs		1,818	3,037
Effects of exchange rate changes		1,566	1,406
Net cash (outflow) / inflow from operating activities		(13,637)	78,188
Cash flows from investing activities			
Investment income received		7,061	2,269
Proceeds from sale of investments held at fair value		24,368	16,509
Purchase of investments held at fair value		(30,447)	(20,475)
Proceeds from sale of investments held at amortised cost		2,608	2,917
Purchase of investments held at amortised cost		(7,140)	(2,302)
Net movement in interests in trusts		33	15
Proceeds from sale of property, plant and equipment		1,688	4,553
Proceeds from intangible assets		13	737
Purchase of property, plant and equipment	9	(4,175)	(2,909)
Purchase of intangible assets	9	(2,075)	(1,681)
Net cash outflow from investing activities		(8,066)	(367)
Cash flows from financing			
Decrease of loans		(174)	(173)
Principal elements of lease liabilities		(15,953)	(17,087)
Net cash outflow from financing activities		(16,127)	(17,260)
(Decrease) / increase in cash and cash equivalents		(37,830)	60,561
Effect of exchange rate changes		(9,874)	5,582
Net (decrease) / increase in cash and cash equivalents		(47,704)	66,143
Cash and cash equivalents at beginning of year		462,235	396,092
Cash and cash equivalents at end of year		414,531	462,235

Cash and cash equivalents at end of year comprise:		
Cash at bank and in hand	**239,788**	**286,613**
Money market funds	**18,739**	**26,648**
Short term deposits	**156,222**	**150,020**
Bank overdrafts	**(218)**	**(1,046)**
	414,531	**462,235**

^ Includes movement in receivables and advances, prepaid expenses and other non-current receivables.

^^ Includes movement in accounts payable, accrued expenses, deferred income, other current liabilities, non-current pension obligations, other non-current liabilities and provisions for other liabilities and charges.

Combined statement of changes in fund balances
for the year ended 30 June 2023

	Unrestricted fund balances €000	Temporarily restricted fund balances €000	Permanently restricted fund balances €000	**Total fund balances €000**
Fund balances at 1 July 2021	**163,328**	**248,073**	**19,477**	**430,878**
Excess of income over expenditure	51,782	13,300	3,057	68,139
Losses on equity instruments at fair value through other comprehensive income and expenditure	(201)	-	-	(201)
Translation differences	394	4,852	1,422	6,668
Total excess of comprehensive income over expenditure	**51,975**	**18,152**	**4,479**	**74,606**
Fund balances at 30 June 2022	**215,303**	**266,225**	**23,956**	**505,484**
Excess / (deficit) of income over expenditure	6,237	(32,206)	2,714	(23,255)
Losses on equity instruments at fair value through other comprehensive income and expenditure	(410)	-	-	(410)
Translation differences	(9,627)	(5,455)	(920)	(16,002)
Total (deficit) / excess of comprehensive income over expenditure	**(3,800)**	**(37,661)**	**1,794**	**(39,667)**
Fund balances at 30 June 2023	**211,503**	**228,564**	**25,750**	**465,817**

The notes on pages 22 to 54 form part of these financial statements.

Notes to combined financial statements

1. Principal accounting policies

a. Presentation and functional currency

The directors of PI Inc have concluded that the functional currency of PI Inc is the Euro on the basis that this is the predominant currency affecting PI Inc's operations worldwide. Since PI Inc is the largest component of Plan International Worldwide (and because the largest proportion of income is generated from National Organisations within the Eurozone) they have decided to present these combined financial statements in Euros.

b. Basis of preparation

The combined financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and International Financial Reporting Standards Interpretations Committee (IFRIC) interpretations as issued by the International Accounting Standards Board with three exceptions. The exceptions are that:

i) these financial statements have been prepared on a combined basis as explained in note 1c;
ii) International Public Sector Accounting Standard 23 *"Revenue from non-exchange transactions (taxes and transfers)"* has been applied for income (see note 1d); and
iii) International Public Sector Accounting Standard 21 *"Impairment of non-cash-generating assets"* has been applied for impairment assessment purposes.

The basis of preparation and the accounting policies adopted by Plan International in preparing these combined financial statements are consistent with those applied in the year ended 30 June 2022.

Relevant new standards, amendments and interpretations issued but effective subsequent to the year end included the following:

- Amendments to IAS 1 "Presentation of financial statements" on classification of liabilities as current or non-current, depending on the rights existing at the end of the reporting period, rather than based on an entity's expectations or events occurring after the reporting date
- Narrow-scope amendments to IAS 1, Practice statement 2 and IAS 8, improving accounting policy disclosures to better distinguish changes in accounting policies from changes in accounting estimates
- Amendment to IAS 12 – deferred tax related to assets and liabilities arising from a single transaction, requiring entities to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences
- IFRS 17 "Insurance contracts" as amended in December 2021, replacing IFRS 4 and fundamentally changing the accounting by all entities that issue insurance contracts
- Amendment to IAS 1 - non-current liabilities with covenants

Plan International Worldwide does not intend to early adopt any of these new standards, amendments and interpretations and is in the process of assessing their potential impact.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

c. Basis of combined financial statements

The financial statements of Plan International are a combination of the consolidated financial statements of each of the 20 Member NOs and the consolidated financial statements of PI Inc. The entities included in the combined financial statements have not operated as a single entity. There is no legal requirement to prepare these combined financial statements as PI Inc and the NOs are separate legal entities. However, the combined financial statements are prepared voluntarily in order to present the combined financial position, results and cash flows of Plan International.

New entities have their consolidated assets and liabilities combined into Plan International from the date they become a Member NO or from the date that they start the process of becoming a Member, unless they are already part of Plan International.

There is typically no consideration paid by Plan International and entities' financial results and assets and liabilities are combined into these financial statements on becoming Members. Assets and liabilities are recognised at their carrying values of the entity adjusted to align with the accounting policies of Plan International at the time the entity is combined. The recognition of their consolidated assets and liabilities into the combined financial statements results in an amount recognised in fund balances as an 'other movement in net assets'.

PI Inc is controlled by its Members, but no one Member NO has the direct or indirect ability to exercise sole control through ownership, contract or otherwise. The NOs are independent entities which control their own subsidiaries. As set out in the Directors' report, each NO has objectives, purposes and constitutions compatible with those of PI Inc. PI Inc has a wholly owned central services subsidiary in the United Kingdom (Plan Ltd). In programme countries, PI Inc operates through branches, except in the following countries where PI Inc has established (or acquired control of) separately incorporated entities; Brazil and Indonesia (which will become National Organisations in 2024), Fiji, Kenya, Nigeria, Papua New Guinea, the Solomon Islands, Poland (since 13 July 2022), and Romania (since 2 August 2022). In Ecuador and El Salvador, PI Inc operates through both a branch and a subsidiary entity. In 2022 PI Inc registered new branch offices in Chad, Moldova, and Ukraine. In June 2023, the entity in Nigeria was designated as a "prospective member" signalling an intent to transition it to becoming a National Organisation over the coming years. All transactions and balances between entities included in the combined financial statements are eliminated.

d. Accounting for income arising from non-exchange transactions

Due to the nature of Plan International's activities, income arising from non-exchange transactions (such as contributions and grants) is considered to be income from ordinary activities and represents revenue for Plan International. Accounting for non-exchange transactions is not specifically addressed by any IFRS and therefore, as permitted by IAS 8, Management has used judgement in developing a relevant and reliable accounting policy for non-exchange transactions under International Public Sector Accounting Standard 23, "Revenue from non-exchange transactions (taxes and transfers)". Accordingly, income from non-exchange transactions is recognised when all of the following conditions are met:

- Plan International gains control of resources from which future economic benefits will flow;
- The fair value of such resources can be reliably measured; and
- The present obligation, if any, attached to the transfer of resources has been satisfied.

i) Child sponsorship contributions are paid by sponsors on either a monthly or annual basis. They are accounted for as income when received, including any contributions received in advance. Amounts received in advance are presented within temporarily restricted funds in the Combined statement of financial position.

ii) Certain contributions receivable by Plan International, including the majority of the grants from Government bodies and other Non-Governmental Organisations (NGOs), are designated for specific purposes by the donors. These contributions are recognised when the relevant donor-stipulated conditions have been met and Plan International is entitled to receive the income.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

d. Accounting for income arising from non-exchange transactions (continued)

iii) Plan International receives contributions from various other sources, including legacies and trusts in which it is named as a beneficiary (but over which it has neither control nor significant influence). These contributions are recognised when Plan International has an irrevocable entitlement to receive future economic benefits and the amounts are capable of reliable measurement. Plan International also receives project sponsorship and appeals income which is recognised when received.

iv) Gifts in kind are recognised at fair value when received using the cost of the equivalent goods or services in the country of the ultimate beneficiary, the price of the nearest equivalent goods in terms of quantity, quality, age, condition and branding or wholesale prices, taking into account normal commercial discounts and volume rebates. Valuations provided by institutional donors are used for food and food distributions.

v) Trading income primarily comprises retail income from the sale of goods through shops, lottery income and other commercial activities. This income is recognised at point of sale.

vi) Investment income represents both PI Inc's and the NOs' interest and dividend income, all of which is recognised when Plan International becomes entitled to the income, as well as realised gains and losses on the sale of investments. Interest income on debt securities is measured using the effective interest method.

vii) Plan International benefits from the assistance provided by a large number of volunteers both in NOs and PI Inc. It is not practicable to quantify the benefit attributable to this work, which is therefore excluded from the Combined income statement.

e. Accounting for expenditure

Expenditure is recognised in accordance with the accruals concept. Programme expenditure which does not involve the receipt of goods or services by Plan International, including payments to the communities and other NGOs with which Plan International works, is recognised either when the cash is paid across to a third party or, if earlier, when an irrevocable commitment is made to pay out funds to a third party.

f. Accounting for fund balances

Fund balances are identified in three categories:

i) Unrestricted funds include balances for certain assets and liabilities, specifically the net investment of funds in property, plant and equipment, intangible assets and leases and the gains / (losses) on investments held at fair value.

ii) Temporarily restricted funds comprise:
- advance payments by child sponsors
- unspent funds that have been restricted to specific purposes by donors
- unspent funds held by PI Inc that have been restricted to specific purposes by the NOs, including funds originally received by the NO as unrestricted
- contributions receivable at the year end, including amounts receivable from legacies and trusts, but excluding any such amounts which are designated as permanently restricted.

iii) Permanently restricted funds are those that will not become unrestricted. They include endowment funds restricted by donors and statutory funds that are required in accordance with the statutes of the countries in which some NOs operate.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

g. Leases

Nature of Plan International's lease portfolio

Plan International enters into lease arrangements as a lessee and these arrangements are primarily for Country, Region and Global Headquarters facilities, project offices and residential properties for staff accommodation. A small number of arrangements relate to leased office equipment, such as printers, and vehicles. Leased assets are generally not specialised in nature. Leases are entered into with various counterparties, including both private landlords and property finance companies.

Plan International also has a small number of leases where it acts as intermediate lessor, related to subleases of physically distinct portions of leasehold office space which is surplus to requirements.

Most leases have entirely fixed payments however Plan International has some limited exposure to potential future increases in variable lease payments based on an index or rate or contractual market rent reviews, which are not included in the lease liability until they take effect. When such payment changes take effect, the lease liability is reassessed and adjusted against the right-of-use asset (ROU asset). There are no leases where payments depend on activity or usage of the asset.

Plan International's lease contracts do not include any residual value guarantees, or any restrictions or covenants relating to dividend payments, use of additional lease financing or other debt financing.
Plan International has not entered into any sale and leaseback transactions.

Plan International as a Lessee

Plan International has elected to apply the short-term lease exemption for leases which at commencement date have a lease term of 12 months or less and do not include an option to purchase the underlying asset. It also applies the low value lease option for leases of assets for which the purchase price, when new, is less than $5,000. For short term and low value leases, Plan International does not recognise a ROU asset or lease liability and instead recognises the lease payments as an expense on a straight-line basis over the term of the lease. It records all other leases on the balance sheet.

Plan International has not elected to apply the practical expedient for lessees under which lease components and non-lease components may be combined into a single lease component. Non-lease components excluded from lease payments typically comprise maintenance services and utilities. These elements are generally separately priced in the contract and provisional contractual payments are subject to true up at the end of each lease year based on actual costs borne by the lessor. Therefore, Plan International considers that the stated contract price for the lease component equates to its standalone price.

Plan International recognises lease liabilities as the present value of lease payments over the lease term. Extension options (or periods after termination options) are only included in the lease term if Plan International is reasonably certain to extend (or not terminate) the lease.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the Combined income statement over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The ROU asset is derived from the lease liability, adjusted for prepaid rent, lease incentives, initial direct costs and restoration costs, where applicable. In the Combined statement of financial position, the ROU asset, current lease liabilities and non-current lease liabilities are separately presented. In the notes to the combined financial statements, the ROU asset is separately shown in Note 9, while current and non-current lease liabilities, along with further quantitative analysis related to Plan International's lease portfolio, can be found in Note 14.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

g. Leases (continued)

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 Plan International's leases, an incremental borrowing rate ("IBR") is used to derive the net present value of lease payments over the lease term. The IBR used for Plan International Inc, its branches and subsidiaries is based on Eurozone government bond rates, uplifted by a credit default premium commensurate with PI Inc's credit default risk profile. The Eurozone bond rate is deemed an appropriate risk-free component of the incremental borrowing rate because any borrowing required by PI Inc's branches or subsidiaries would be carried out on their behalf in the United Kingdom in Euros. The IBR used for National Organisations is based on the Government bond rate for the relevant country, plus a credit default premium.

Plan International has further split lease contracts into portfolios based on the term of the lease: 0-5 years, 5-10 years and more than 10 years. The risk-free component of the rate for each portfolio is based on bond maturities of five years, seven years and ten years respectively. The impact of this portfolio approach is materially similar to that of applying an individual incremental borrowing rate to each lease contract.

After initial recognition the ROU asset is reduced by straight-line amortisation over the shorter of the useful economic life of the ROU asset or the end of the lease term and is further adjusted for any impairment or reversal of impairment, if applicable.

The lease liability is reduced by the net difference between cash payments made and interest accruing on the outstanding liability.

Interest on the outstanding lease liability is classified within finance costs in the Combined income statement.

The lease term is reassessed if an option to extend or to terminate, which Plan International was not previously reasonably certain to exercise, is exercised, or if a significant event or change in circumstances, which is in the control of the entity, and which impacts the lease term occurs.

Plan International as a Lessor

When Plan International acts as an intermediate lessor it determines at lease inception whether the lease is a finance lease or an operating lease by assessing whether the sublease transfers substantially all of the risks and rewards of ownership of the underlying assets. If this is the case, the lease is a finance lease; if not, then it is an operating lease. Indicators considered include whether the lease is for the major part of the economic life of the asset, and this assessment is made with reference to the economic life of the ROU assets arising from the head lease, rather than the underlying assets. Typically, Plan International only enters into subleases which are finance leases.

Plan International accounts for its interest in the head lease and sublease separately. It derecognises the ROU asset under the head lease and recognises a Net investment in the lease, calculated as the net present value of future sublease cashflows. As the interest rate implicit in the lease is generally not readily determinable, Plan International uses the incremental borrowing rate of the head lease, calculated as described previously to determine the Net investment in the lease.

The difference between the ROU asset derecognised and the Net investment in the lease at the commencement date is shown as a selling profit or loss in the Combined income statement within Investment (loss) / income. Subsequently, Plan International records finance income on the net investment in the lease. Accounting for the lease liability related to the head lease is not affected.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

h. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held with banks which have a maturity date of less than 3 months from the date the deposit was made. For the purposes of the Combined statement of cash flows, cash and cash equivalents are stated net of bank overdrafts.

i. Investments

Financial assets which comprise debt securities and bank deposits whose contractual cash flows comprise solely payments of principal and interest and that Plan International intends to hold to collect the contractual cash flows are classified as investments held at amortised cost. Financial assets at amortised cost are initially recognised at fair value and subsequently measured at amortised cost. In line with IFRS 9, Plan International assesses at each balance sheet date whether financial assets at amortised cost should be impaired using the expected credit loss approach.

Financial assets which comprises equities are recognised at fair value at initial recognition and at each subsequent reporting date. Gains and losses arising from changes in the fair value are included in the Combined statement of comprehensive income and expenditure in the period in which they arise.

Plan International may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through income and expenditure to present subsequent changes in fair value in other comprehensive income and expenditure on an instrument-by instrument basis. Gains or losses will not be reclassified to the income statement on disposal of equity investments. Dividend income is recognised in profit or loss when Plan International’s right to receive payment of the dividend is established.

Financial assets are included in either current or non-current investments as appropriate.

j. Receivables and advances

Receivables and advances consist of receivables in National Organisations and the country offices. These are recognised as current assets if collection is due in one year or less. If collection is due to over a year, they are presented as non-current assets. Receivables and advances are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k. Other financial assets – interests in trusts

Plan International is a beneficiary of certain trusts administered and managed by third parties. Plan International’s interests in these trusts are recorded at fair value and classified as current or non-current assets as appropriate.

l. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation and amortisation and impairment losses.

Each NO has its own capitalisation threshold resulting in assets of a trivial value being expensed in the year they are purchased. For PI Inc, property, plant and equipment are only capitalised if above the capitalisation threshold of €3,500. Assets purchased by country offices that relate to grant projects are expensed in the year they are purchased. Should an asset be gifted to PI Inc by the donor at the end of the grant project, then it will be capitalised at that point should the value at the time exceed the capitalisation threshold.

The cost of assets received as gifts in kind is determined as set out in note 1d.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

l. Property, plant and equipment and intangible assets (continued)

Intangible assets represent software held for internal use, which is either purchased, donated or developed internally. Costs relating to software developed internally are capitalised when the qualifying project reaches the development stage as defined in IAS 38, Intangible Assets. Capitalised costs are classified as intangible assets under construction until development and testing are completed, and the software is ready for its intended use, at which point costs are transferred to intangible assets and amortisation begins. Depreciation and amortisation are provided under the straight-line method over the following estimated useful lives of the assets:

Buildings including leasehold improvements..................	2 - 50 years
Equipment...	3 - 10 years
Intangible assets-purchased software.............................	Lower of 5 years or the period of the licence
Other intangibles..	3 - 5 years

Land is not depreciated.

Gains or losses on disposals in the year are included in the Combined income statement.

Amortisation of intangible assets is included within operating costs in the Combined income statement.

Plan International's property, plant and equipment and intangible assets are non-cash-generating assets, as they are not held with the primary objective of generating a commercial return. Assessment of the impairment of non-cash-generating assets is not specifically addressed by IAS 36 or any other IFRS and therefore, as permitted by IAS 8, Management has used judgement in developing a relevant and reliable accounting policy for assessing the impairment of such assets, under International Public Sector Accounting Standard 21 "*Impairment of non-cash-generating assets*". Property, plant and equipment and intangible assets are subject to review for impairment on an asset-by asset basis either when there is an indication of a reduction in their recoverable service amount or, in the case of intangible assets not yet available for use, on an annual basis.

Recoverable service amount is the higher of:

- Value in use; and
- Fair value less costs of disposal

Value is use is estimated using one of the following methods, most appropriate to the individual asset and related impairment indicator identified:

i) Depreciated replacement cost
ii) Restoration cost approach
iii) Service units approach

Any impairment is recognised in the Combined income statement in the year in which it occurs.

m. Software as a service (SaaS) arrangements

SaaS arrangements are service contracts providing Plan International Worldwide as a customer with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

To the extent that upfront fees are paid for configuration and customisation services which cannot be separated from the core hosting services provided under the SaaS arrangement, these are deferred as a prepaid contract cost. The related expense is recognised over the term of the hosting contract, including any extension options that Plan is reasonably certain to exercise.

Some costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and recognition criteria for, an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

m. Software as a service (SaaS) arrangements (continued)

The term of the hosting contract over which prepaid contract costs are amortised and the useful lives of intangible assets are reviewed at least at the end of each financial year, and any change in the amortisation period is accounted for prospectively as a change in accounting estimate.

Prepaid contract costs are subject to review for impairment either when there is an indication of a reduction in their recoverable amount or, if they relate to SaaS arrangements which are not yet ready to be rolled out, on an annual basis. Any impairment is recognised in the Combined income statement in the year in which it occurs.

n. Inventory

Inventory is held at the lower of cost and net realisable value, with obsolete inventory written off. Inventory comprises both humanitarian supplies and inventory held for trading activities. Cost comprises the cost of purchase and is determined using the first-in, first-out method for both humanitarian supplies and trading inventory. The net realisable value of inventory held for humanitarian supplies is based on the service potential of the inventory. The net realisable value of inventory held for trading activities is the estimated selling price in the ordinary course of business less applicable variable selling expenses. Inventory that is damaged or obsolete is written off as an expense. Humanitarian supplies are recognised in programme expenditure when distributed to beneficiaries. Inventory held for trading is recognised as trading expenditure when the goods are sold.

o. Current liabilities – post employment benefits and pension obligations

The amount recognised for post employment benefits represents Plan International's estimated obligation to employees who have an unconditional legal entitlement to termination benefits or to a payment on resignation either under local statute or their employment contract. The obligation recognised is calculated separately for each country in which Plan International operates and considers the relevant local conditions, the service and salary of individual employees and expected changes in Plan International's workforce.

Termination payments or statutory payments on resignation and the change in the net liability as a result of service rendered in the period are charged to expenditure in the year.

Any obligation under defined benefit plans is classified as a current liability as it would be payable when an employee leaves and Plan International would not have the right to defer payment.

A number of Plan International entities maintain defined contribution pension plans or pay contributions to government schemes through social security payments. The amounts charged in the Combined income statement in respect of such plans or social security contributions comprise the contributions payable by Plan International in respect of the year.

p. Foreign exchange accounting

Transactions in foreign currencies are recorded at the rate of exchange ruling on the date of the transaction or at average rates. Monetary assets and liabilities denominated in foreign currencies are translated at the year end exchange rates. Exchange differences arising are included in the Combined income statement. The income and expenditure of NOs and Plan Ltd are translated at average monthly exchange rates. The assets and liabilities of these entities are translated into Euros at year end exchange rates. The translation differences arising are included in the Combined statement of comprehensive income.

Movements in fund balances are translated at average monthly exchange rates. Closing fund balances are translated to Euros at year end exchange rates. The translation differences arising are included within the relevant fund balances. Please see Note 6 for further details.

If a NO was to no longer be combined into the Plan International Worldwide financial statements, the balance held within cumulative foreign exchange differences within fund balances for this NO would be reversed and written off to the excess / (deficit) of income over expenditure.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

q. Taxation

As a registered Not-for-Profit Corporation, PI Inc has no liability for corporation taxation. PI Inc's subsidiary Plan Ltd is liable to UK taxation but incurs no taxation liability due to donating all of its taxable profits to Plan International (UK) Limited, a UK registered charity and member NO in the UK. The member NOs are exempt from corporation taxation.

r. Accounting estimates and judgements

The preparation of the combined financial statements requires the use of estimates and judgements in determining the reported amounts of assets, liabilities, income and expenditure and the related disclosures. These estimates and judgements are based on assumptions that are considered reasonable in the circumstances, having regard to historical experience. Actual results may differ from these estimates. Certain accounting policies have been identified as involving particularly complex or subjective judgements or estimates, as follows:

Judgements

i) Income recognition - income is recognised when entitlement has been demonstrated. In some situations, for example in relation to contributions designated for specific purposes by the donor, judgement is involved in assessing when Plan International becomes entitled to recognise the income based on the individual stipulations within the donor agreements.

ii) Expenditure allocation - expenditure is analysed between certain programme groupings (called programme areas), as set out in note 3 to the combined financial statements. Judgement is sometimes needed in allocating expenditure, for example where a project covers more than one programme area and for support costs. Expenditure of €275 million (2022: €281 million) has been allocated across programme areas based on total spend.

iii) Leases - The key judgement applied to the entity's portfolio of property leases is in relation to the lease extension and termination options. IFRS 16 defines the lease term as the non-cancellable period of a lease together with optional extension periods, if the lessee is reasonably certain to exercise that option and periods beyond termination options, if the lessee is reasonably certain not to terminate the lease. Where a lease includes such options, management makes a judgement as to whether it is reasonably certain that the option will be exercised. This assessment has the potential to significantly impact the lease liability and ROU assets recognised on the balance sheet. In determining the lease terms and the likelihood of exercise of an extension or termination option management considers all facts and circumstances (which include leasehold improvements made to underlying assets, importance of underlying assets to the entity's operations and management's past experience with similar leases), that create an economic incentive to exercise such an option.

Notes to combined financial statements (continued)

1. Principal accounting policies (continued)

r. Accounting estimates and judgements (continued)

Estimates

iv) Post employment benefits - in many of the countries in which Plan International operates, employees' have an unconditional legal entitlement to payments when their employment with Plan International ceases, either under local statute or their employment contract, regardless of the reason for leaving. Estimation is required in quantifying the obligation arising from these entitlements, based on projected leave dates, employees' length of service and current salary which are included in the accrual for post employment benefits.

Country offices are asked to provide a full listing of employees and benefits that those employees are entitled to as at the year ended 30 June 2023. Total benefits are then multiplied by the rate at which employees have left Plan International in the past. The key part of this estimation is the range of outcomes estimated in terms of how people leave the organisation and the probabilities of each of these outcomes occurring. This is calculated based on staff movements over past years (3 years minimum) and the reason for those movements. An estimate of future probability based on historical trends and knowledge of future events is then made for each country for each outcome and applied to calculate the accrual.

Accrued post employment benefits are included as €19.9 million (2022: €23.5 million) under current liabilities (please see note 10).

Sensitivity

€12.0 million (2022: €13.3 million), representing 60.3% of the total accrued post employment benefits (2022: 56.6%), is included for the 10 country offices with the largest calculated accrual. If only the current most expensive outcome in relation to how people leave the organisation, based on the probability of the outcome occurring, was applied, the accrual would increase by €4.3 million (2022: increase by €3.8 million). If only the current least expensive outcome was chosen, based on the probability of the outcome occurring, the accrual would decrease by €1.3 million (2022: decrease by €0.1 million). As explained above, the estimation of the range of outcomes and probabilities applied are based on historical data and expectations of future events on a country by country basis, therefore this is deemed to contribute to the most appropriate estimation of this accrual.

Notes to combined financial statements (continued)

2. Income

a. Income by source

	2023 €000	2022 €000
Child sponsorship income	**362,695**	371,552
Grants	**466,645**	406,695
Gifts in kind	**60,308**	91,054
Bequests	**13,593**	11,849
Project sponsorship and appeals	**150,866**	173,379
Other contributions	**164,459**	185,228
Interest and dividend income	**7,060**	2,269
Net fair value gains / (losses) on financial assets at fair value through income and expenditure	**646**	(6,627)
Net realised gains on financial assets at fair value through income and expenditure	**793**	1,033
Gain on sale of fixed assets	**1,292**	2,248
Investment income / (loss)	**9,791**	(1,077)
Trading income	**16,858**	15,753
Total income	**1,080,756**	1,069,205

b. Income by location

	2023 €000	2022 €000
Belgium	**28,690**	19,828
Denmark	**64,225**	57,395
Finland	**31,956**	23,940
France	**19,339**	19,011
Germany	**243,833**	229,776
Ireland	**17,841**	15,726
Netherlands	**74,281**	65,966
Norway	**50,015**	77,856
Spain	**33,790**	33,156
Sweden	**42,055**	45,470
Switzerland	**7,173**	8,415
United Kingdom	**73,342**	70,452
Europe	**686,540**	666,991
Canada	**184,592**	206,839
Colombia	**3,907**	9,486
United States	**60,303**	52,067
Americas	**248,802**	268,392
Australia	**43,538**	43,856
Hong Kong	**17,998**	14,441
India	**17,007**	12,631
Japan	**28,501**	29,313
Korea	**10,252**	13,513
Australia & Asia	**117,296**	113,754
Other	**11,260**	4,315
	1,063,898	1,053,452
Trading income	**16,858**	15,753
Total income	**1,080,756**	1,069,205

Notes to combined financial statements (continued)

3. Expenditure

a. Expenditure by programme area

	National Organisations €000	Country Offices €000	Global Hub €000	Intra-group & exchange €000	Total 2023 €000
Early childhood development	**19,506**	**96,976**	**341**	**-**	**116,823**
Inclusive quality education	**16,547**	**127,919**	**37**	**-**	**144,503**
Girls, boys and youth as active drivers of change	**10,043**	**43,326**	**2,597**	**-**	**55,966**
Protection from violence	**32,366**	**114,251**	**488**	**-**	**147,105**
Skills and opportunities for youth employment and entrepreneurship	**10,299**	**64,128**	**41**	**-**	**74,468**
Sexual and reproductive health and rights	**8,172**	**96,043**	**4,986**	**-**	**109,201**
Disaster risk management	**371**	**127,128**	**93**	**-**	**127,592**
Sponsorship communications	**3,416**	**19,265**	**953**	**-**	**23,634**
Programme expenditure	**100,720**	**689,036**	**9,536**	**-**	**799,292**
Donations to non-Plan partners	40,327	-	-	-	**40,327**
Total programme expenditure	**141,047**	**689,036**	**9,536**	**-**	**839,619**
Fundraising costs	111,568	3,085	-	-	**114,653**
Other operating costs	61,358	-	69,287	-	**130,645**
Finance costs	955	814	48	-	**1,817**
Trading expenditure	12,842	-	-	-	**12,842**
Total non-programme expenditure	**186,723**	**3,899**	**69,335**	**-**	**259,957**
Total expenditure before foreign exchange	**327,770**	**692,935**	**78,871**	**-**	**1,099,576**
Net losses on foreign exchange	-	-	-	4,435	4,435
Total expenditure	**327,770**	**692,935**	**78,871**	**4,435**	**1,104,011**

	National Organisations €000	Country Offices €000	Global Hub €000	Intra-group & exchange €000	Total 2022 €000
Early childhood development	13,501	97,309	175	-	110,985
Inclusive quality education	14,076	107,287	33	-	121,396
Girls, boys and youth as active drivers of change	11,047	45,487	2,772	-	59,306
Protection from violence	33,492	108,538	150	-	142,180
Skills and opportunities for youth employment and entrepreneurship	7,971	66,043	-	-	74,014
Sexual and reproductive health and rights	8,584	89,516	3,157	-	101,257
Disaster risk management	830	146,078	43	-	146,951
Sponsorship communications	5,814	20,012	749	-	26,575
Programme expenditure *	95,315	680,270	7,079	-	782,664
Donations to non-Plan partners	29,243	-	-	-	29,243
Total programme expenditure	124,558	680,270	7,079	-	811,907
Fundraising costs	118,578	3,529	-	-	122,107
Other operating costs	46,327	-	26,033	-	72,361
Finance costs	1,845	2	1,190	-	3,037
Trading expenditure	11,042	-	-	-	11,042
Total non-programme expenditure	177,792	3,531	27,223	-	208,547
Total expenditure before foreign exchange	302,350	683,801	34,302	-	1,020,454
Net gains on foreign exchange	-	-	-	(19,388)	(19,388)
Total expenditure	302,350	683,801	34,302	(19,388)	1,001,066

*€0.3 million relating to Ukraine response costs has been reclassified from operating costs to programme costs. In addition, €4.3 million in relation to the Ukraine response has been reclassified out of Global Hub and into Country Offices to reflect the correct nature of the expense.

Expenditure allocations are performed on a project level. Projects that are not clearly aligned to one specific AOGD have been apportioned across all AOGDs based on total spend.

Notes to combined financial statements (continued)

3. Expenditure (continued)

a. Expenditure by programme area (continued)

Examples of the types of programme expenditure included within each of the AOGDs are:

Early childhood development: Support for gender-sensitive parenting and nurturing care practices covering health, nutrition and hygiene, play and early learning, protection and positive discipline; maternal, neonatal and child health services; early learning and stimulation; community hygiene, sanitation and health campaigns.

Inclusive quality education: Improved gender-responsive teaching and learning in schools and family support for education; opportunities for out of school children to get an education; improved curriculum and learning materials; safe, non-violent school environments; improved school governance and management practices.

Girls, boys and youth as active drivers of change: Capacity-building for youth to be active citizens and to engage in collective action; government mechanisms for youth engagement; media and youth programmes; promoting youth participation in all our work.

Protection from violence: Work with children, youth and families to reduce violence at home and in communities; child protection services and gender-sensitive reporting; community-based child protection mechanisms and multi-sectoral collaboration.

Skills and opportunities for youth employment and entrepreneurship: Life, vocational and business skills training and community engagement; working with private sector to create employment opportunities and access to financing; promoting better working conditions and regulations for youth.

Sexual and reproductive health and rights: Sexuality education for youth and families; adolescent- and gender-responsive sexual and reproductive health and HIV services; prevention of harmful practices including child early and forced marriage and FGM; support for girls and young women most at risk.

Disaster risk management: Early childhood development, sexual and reproductive health and rights, child protection, education and youth economic empowerment in emergencies; child-centred climate change adaptation; disaster response activities including food distribution, and the provision of shelter, water and sanitation.

Sponsorship communications: the full cycle of country office activities, including central and regional management and logistical costs related to Child Sponsorship. Sponsorship costs also include costs incurred when programme and sponsorship operations finish in communities and Plan International supports the phasing out of the projects.

Donations to non-Plan partners: These are any donations from NOs to non-Plan entities. They often occur as a result of the NO being part of an alliance with other NGOs or other non-Plan entities. These donations may be in relation to programming that is being delivered with the non-Plan organisation and with PI Inc. However, these donations may also be to non-Plan entities in relation to programming that is not being delivered with PI Inc.

Fundraising costs: account management of institutional and corporate donors, resource mobilisation planning and marketing costs associated with attracting new individual donors.

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

Trading expenditure: cost of merchandise and operations associated with on-line shops and service subsidiaries of NOs.

Finance costs: interest cost on bank loans and lease liabilities.

Notes to combined financial statements (continued)

3. Expenditure (continued)

a. Expenditure by programme area (continued)

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

Where applicable, each of the above categories includes salaries, project management, supervision and monitoring, and evaluation. Each category of country office expenditure also includes an appropriate allocation of general management and operational support costs which are allocated to functions as a proportion of direct costs incurred.

b. Expenditure by National Organisation and Country Offices

Expenditure in note 3b excludes net gains and losses on foreign exchange.

The presentation of expenditure per National Organisation has been amended from the presentation in the 2022 financial statements in order to provide a more transparent breakdown by expenditure category.

(i) National Organisations

	Plan Programme Expenditure €'000	Programme Expenditure Via Non-Plan Partners €'000	Non Programme Expenditure €'000	**2023 €'000**
Belgium	2,896	-	3,769	**6,665**
Denmark	9,975	6,126	5,383	**21,484**
Finland	3,382	-	4,731	**8,113**
France	2,472	-	3,573	**6,045**
Germany	9,885	8,909	45,351	**64,145**
Ireland	942	-	1,051	**1,993**
Netherlands	7,419	19,841	10,614	**37,874**
Norway	2,690	-	13,868	**16,558**
Spain	1,877	498	6,545	**8,920**
Sweden	6,709	21	6,304	**13,034**
Switzerland	1,760	-	-	**1,760**
United Kingdom	3,130	420	28,722	**32,272**
Europe	53,137	35,815	129,911	**218,863**
Canada	27,334	-	20,779	**48,113**
Colombia	-	-	34	**34**
United States	11,707	450	17,326	**29,483**
Americas	39,041	450	38,139	**77,630**
Australia	3,815	4,062	8,431	**16,308**
Hong Kong	1,342	-	2,243	**3,585**
India	-	-	139	**139**
Japan	2,162	-	5,204	**7,366**
Korea	1,223	-	2,656	**3,879**
Australia & Asia	8,542	4,062	18,673	**31,277**
Total National Organisation expenditure	**100,720**	**40,327**	**186,723**	**327,770**

Plan International Worldwide

Notes to combined financial statements (continued)

3. Expenditure (continued)

b. Expenditure by National Organisation and Country Offices (continued)

(i) National Organisations (continued)

	Plan Programme Expenditure €'000	Programme Expenditure Via Non-Plan Partners €'000	Non Programme Expenditure €'000	**2022 €'000**
Belgium	2,209	-	2,880	**5,089**
Denmark	9,437	4,327	5,461	**19,225**
Finland	3,491	-	5,146	**8,637**
France	2,429	4	2,642	**5,075**
Germany	8,723	6,295	44,607	**56,625**
Ireland	812	404	963	**2,179**
Netherlands	6,110	10,148	9,519	**25,777**
Norway	2,464	-	15,968	**18,432**
Spain	1,823	-	5,756	**7,579**
Sweden	6,523	48	7,569	**14,140**
Switzerland	630	-	1,029	**1,659**
United Kingdom	8,319	1,164	21,276	**30,759**
Europe	52,970	22,390	122,816	**198,176**
Canada	23,913	2,703	22,357	**48,973**
Colombia	-	-	10	**10**
United States	9,177	1,126	14,910	**25,213**
Americas	33,090	3,829	37,277	**74,196**
Australia	4,487	3,001	7,174	**14,662**
Hong Kong	1,189	23	1,782	**2,994**
India	-	-	529	**529**
Japan	2,198	-	5,438	**7,636**
Korea	1,381	-	2,776	**4,157**
Australia & Asia	9,255	3,024	17,699	**29,978**
Total National Organisation expenditure	**95,315**	**29,243**	**177,792**	**302,350**

Notes to combined financial statements (continued)

3. Expenditure (continued)

b. Expenditure by National Organisation and Country Offices (continued)

(ii) Country Offices

	2023	2022
	€000	€000
Bangladesh	**16,930**	18,365
Cambodia	**12,060**	11,947
China	**3,257**	4,789
Fiji	**567**	475
India	**20,700**	22,299
Indonesia	**9,312**	10,898
Laos	**5,764**	6,096
Myanmar	**17,384**	15,015
Nepal	**9,386**	11,368
Pakistan	**-**	54
Papua New Guinea	**1,415**	1,945
Philippines	**12,300**	14,700
Solomon Islands	**1,703**	1,478
Thailand	**2,434**	3,188
Timor Leste	**4,366**	4,887
Vietnam	**10,121**	9,705
Asia regional office	**3,370**	3,881
Asia	**131,069**	141,090
Bolivia	**9,057**	8,395
Brazil	**4,117**	4,549
Colombia	**14,076**	17,398
Dominican Republic	**5,701**	4,711
Ecuador (incl. Foundation)	**12,538**	10,914
El Salvador (incl. Foundation)	**11,635**	14,648
Guatemala	**8,856**	11,598
Haiti	**4,153**	4,823
Honduras	**6,695**	6,752
Mexico	**361**	36
Nicaragua	**3,418**	3,848
Paraguay	**3,838**	3,370
Peru	**9,854**	10,901
Americas regional office	**4,196**	4,641
Central and South America	**98,495**	106,584
Egypt	**6,545**	8,242
Ethiopia	**50,331**	34,943
Kenya	**9,348**	9,814
Malawi	**12,179**	14,159
Mozambique	**10,042**	9,454
Rwanda	**7,294**	6,233
Somalia	**5,355**	1,889
Sudan	**11,719**	15,106
South Sudan	**31,372**	39,637
Tanzania	**11,561**	11,067
Uganda	**16,279**	16,884
Zambia	**7,608**	9,255
Zimbabwe	**17,999**	21,861
Eastern and Southern Africa regional office	**4,984**	4,901
Eastern and Southern Africa	**202,616**	203,445
Benin	**18,764**	18,133
Burkina Faso	**19,291**	22,058
Cameroon	**25,780**	17,635
Central African Republic	**20,800**	15,888
Ghana	**6,586**	9,465
Guinea	**22,759**	17,685
Guinea Bissau	**4,340**	4,366
Liberia	**13,685**	10,686
Mali	**18,120**	11,278
Niger	**17,608**	12,558
Nigeria	**16,374**	30,497
Senegal	**13,526**	28,450
Sierra Leone	**10,311**	8,389
Togo	**11,028**	9,199
West Africa regional office	**4,794**	2,298
West Africa	**223,766**	218,585
Middle East sub regional office	**33**	185
Jordan	**5,429**	4,772
Lebanon	**6,398**	4,883
Middle East Sub region	**11,860**	9,840
Ukraine response	**25,129**	4,257
Total Regional and Country Office expenditure	**692,935**	683,801

For the year ended 30 June 2023, €25.1 million (FY22: €4.3 million) incurred in relation to the response in Ukraine has been reclassified out of Global Hub and into Country Offices to reflect the correct nature of the expense.

Notes to combined financial statements (continued)

3. Expenditure (continued)

c. Expenditure by type

	Note	2023 €000	2022 €000
Project payments to partners, community groups and suppliers		**400,163**	356,979
Employee salary costs	4	**323,066**	295,706
Other staff costs		**39,704**	37,145
Consultants and other professional costs		**81,829**	80,176
Marketing and media		**74,450**	78,638
Travel and meetings		**67,366**	54,029
Communications		**20,759**	19,580
Rent and related costs		**12,707**	8,738
Depreciation and amortisation	9	**18,001**	22,212
Supplies, vehicles and other costs		**61,531**	67,251
Net losses / (gains) on foreign exchange		**4,435**	(19,388)
Total expenditure		**1,104,011**	1,001,066

4. Employee information

	Average number of employees		Salary costs	
	2023 Number	2022 Number	**2023 €000**	2022 €000
Country Offices	**9,637**	9,859	**184,935**	**173,632**
National Organisations	**1,957**	1,821	**106,996**	**99,914**
Global Hub	**350**	303	**31,135**	**22,151**
	11,944	11,983	**323,066**	**295,697**

Notes to combined financial statements (continued)

5. Remuneration of key management

a. Total key management remuneration

Key management is defined in section 5 of the Directors' Report. The average number of people designated as key management of Plan International for the year ended 30 June 2023 was 46 (2022: 45). This includes management of the 20 NOs (2022: 20) and the 11 (2022: 11) members of the International Board, who do not receive any remuneration for their services to PI Inc. This also includes 4 (2022: 4) Regional Directors and 11 (2022: 10) Directors at the Global Hub.

The remuneration payable to members of key management was as follows:

	2023 **€000**	2022* €000
Salaries	**4,896**	4,382
Other short term employee benefits	**610**	559
Total salaries and short-term employee benefits	**5,506**	4,941
Post employment benefits	**562**	533
Termination benefits	**201**	9
	6,269	5,483

* Other short term employee benefits for the year ended 30 June 2022 have been reduced by €0.1m to reflect the exclusion of non-employee related costs. Termination benefits for the year ended 30 June 2022 have been reduced by €5k to reflect the exclusion of non-termination benefits.

The majority of key management are paid in currencies other than the Euro, particularly Sterling and the US Dollar and therefore year on year changes in the remuneration reported includes currency movements. Other short term employee benefits include for staff based outside their home country, additional living allowances and benefits which relate to their overseas posting. The post employment benefits principally comprise contributions payable to defined contribution pension schemes. There are no long-term incentive schemes for key management.

Notes to combined financial statements (continued)

5. Remuneration of key management (continued)

b. International management

Key international management include the Regional Directors and the Directors at the Global Hub.

Remuneration of key international management is determined by PI Inc and Plan Ltd salary policies which apply pay scales in accordance with market surveys and personal performance and, where relevant, sector norms for staff based outside their home country.

The remuneration of individuals whilst holding key international management positions during the years to 30 June 2023 and/or 30 June 2022 is set out below. Unless otherwise indicated, individuals held key international management positions for full years in both financial years:

		2023			2022*	
	Salaries €'000	Other short term employee benefits €'000	**Total salaries and short term employee benefits €'000**	Salaries €'000	Other short term employee benefits €'000	Total salaries and short term employee benefits €'000
Stephen Omollo (prior year from Feb 2022)	253	1	**254**	105	-	105
Tara Camm	162	-	**162**	128	-	128
Damien Queally	154	-	**154**	129	-	129
Alison Currie (to Sep 2022)	33	-	**33**	234	-	234
Lawrence Ncube	166	17	**183**	83	-	83
Sagar Dave	99	-	**99**	98	-	98
David Thomson (to Aug 2023)	125	-	**125**	126	-	126
Debora Cobar Urquiza	129	19	**148**	115	20	135
Rotimy Djossaya (to Apr 2023)	143	136	**279**	128	125	253
Bell'Aube Houinato (from Apr 2023)	31	2	**33**	-	-	-
Roger Yates	142	51	**193**	149	41	190
Bhagyashri Dengle	185	1	**186**	180	4	184
Bessie Vaneris (to Mar 2022)	-	-	**-**	102	-	102
Laila El Baradei (to Jan 2023)	62	-	**62**	100	-	100
Nina Chabrier (from Feb 2023)	41	-	**41**	-	-	-
Carla Jones (to Sep 2022)	20	-	**20**	93	-	93
Maria Comerford	87	-	**87**	82	-	82
Maike Röttger (from Oct 2022)	112	2	**114**	-	-	-
Kathleen Sherwin (from Jan 2023)	143	-	**143**	-	-	-
Kaumudi Bohms (from Jan 2023)	86	2	**88**	-	-	-
Celine Thibaut (from Jan 2023)	82	-	**82**	-	-	-
Total salaries and short term employee benefits	2,255	231	**2,486**	1,852	190	2,042
Post employment benefits			**277**			241
			2,763			2,283

* Other short term employee benefits for the year ended 30 June 2022 have been reduced by €0.1m to reflect the exclusion of non-employee related costs.

Notes to combined financial statements (continued)

5. Remuneration of key management (continued)

c. National Directors

NO boards either assess and approve the remuneration of National Directors directly, or delegate part or all of the remuneration review to a Board Committee. In the majority of cases the National Director's remuneration takes into account the local salary market and performance, though the weighting given to each of these two factors varies across the NOs.

The salary levels of National Directors are not comparable due to the different sizes of operations and varying cost of living.

The combined remuneration of the National Directors of the 20 NOs is set out below:

	2023	2022*
	€000	€000
Salaries	**2,641**	2,530
Other short term employee benefits	**379**	369
Total salaries and short-term employee benefits	**3,020**	2,899
Post employment benefits	**285**	292
Termination benefits	**201**	9
	3,506	3,200

* Termination benefits for the year ended 30 June 2022 have been reduced by €5k to reflect the exclusion of non-termination benefits.

The table below shows the number of National Director positions with salaries (remuneration excluding non-salary short term benefits, post employment and termination benefits), falling in the following ranges:

			Year to 30 June 2023	Year to 30 June 2022
			Number	Number
Up to		€75,000	**2**	1
€75,001	-	€100,000	**7**	8
€100,001	-	€125,000	**2**	3
€125,001	-	€150,000	**3**	3
€150,001	-	€175,000	**2**	2
€175,001	-	€200,000	**2**	1
€200,001	-	€225,000	**-**	-
€225,001	-	€250,000	**-**	-
€250,001	-	€275,000	**-**	-
€275,001	-	€300,000	**-**	-
€300,000	-	€325,000	**-**	1
€325,000	-	€350,000	**-**	-
€350,000	-	€400,000	**2**	1

Notes to combined financial statements (continued)

6. Fund balances

	1July 2022 €000	Additions/ (reductions) €000	Translation Differences €000	**30 June 2023 €000**
Unrestricted fund balances				
Net investment in property, plant and equipment, intangible assets and leases	15,677	(45)	82	**15,714**
Gains / (losses) on investments held at fair value	643	353	(70)	**926**
Funds available for future expenditure	198,983	5,519	(9,639)	**194,863**
Total unrestricted fund balances	215,303	5,827	(9,627)	**211,503**
Temporarily restricted fund balances				
Advance payments by sponsors	14,238	(694)	(281)	**13,263**
Donor-restricted contributions not yet spent	230,566	(32,123)	(4,459)	**193,984**
Other restricted funds	21,421	611	(715)	**21,317**
Total temporarily restricted fund balances	266,225	(32,206)	(5,455)	**228,564**
Permanently restricted fund balances				
Donor-restricted fund balances	17,039	2,786	(791)	**19,034**
Statutory fund balances	6,917	(72)	(129)	**6,716**
Total permanently restricted fund balances	23,956	2,714	(920)	**25,750**
Total fund balances	505,484	**(23,665)**	**(16,002)**	**465,817**
Cumulative foreign exchange differences included within fund balances	(1,440)		(16,002)	(17,442)

	1 July 2021 €000	Additions/ (reductions) €000	Translation Differences €000	30 June 2022 €000
Unrestricted fund balances				
Net investment in property, plant and equipment, intangible assets and leases	22,215	(7,038)	500	**15,677**
Gains / (losses) on investments held at fair value	5,386	(6,828)	2,085	**643**
Funds available for future expenditure	135,727	65,447	(2,191)	**198,983**
Total unrestricted fund balances	163,328	51,581	394	**215,303**
Temporarily restricted fund balances				
Advance payments by sponsors	14,701	(795)	332	**14,238**
Donor-restricted contributions not yet spent	212,390	14,422	3,754	**230,566**
Other restricted funds	20,982	(327)	766	**21,421**
Total temporarily restricted fund balances	248,073	13,300	4,852	**266,225**
Permanently restricted fund balances				
Donor-restricted fund balances	12,727	2,762	1,550	**17,039**
Statutory fund balances	6,750	295	(128)	**6,917**
Total permanently restricted fund balances	19,477	3,057	1,422	**23,956**
Total fund balances	**430,878**	**67,938**	**6,668**	**505,484**
Cumulative foreign exchange differences included within fund balances	(8,108)		6,668	(1,440)

The fund balances presented in the combined financial statements are not available for distribution.

Notes to combined financial statements (continued)

7. Financial risk management

Plan International's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. Plan International seeks to minimise the potential adverse effects of these financial risks. Risk management is carried out under policies approved by PI Inc's International Board. Plan International's policy is to be risk averse and not to take speculative positions in foreign exchange contracts or any derivative financial instruments.

Cash and investments at 30 June 2023 were held in the following currencies:

	Cash and cash equivalents	Current asset investments held at fair value*	Current asset investments held at amortised cost	Non-current asset investments held at fair value*	Non-current asset investments held at amortised cost	**Total**
	€000	€000	€000	€000	€000	**€000**
Euro	128,568	4,955	1,044	7,814	100	**142,481**
Canadian dollar	33,936	6,904	-	4,941	-	**45,781**
US dollar	113,812	17,442	122	2,662	-	**134,038**
Yen	10,784	-	1,268	-	-	**12,052**
Norwegian krone	21,129	-	-	-	-	**21,129**
Swedish krona	6,125	-	-	-	-	**6,125**
Australian dollar	2,660	-	314	6,053	-	**9,027**
Sterling	18,271	-	4,628	-	-	**22,899**
Other	79,246	11,535	859	-	-	**91,640**
	414,531	**40,836**	**8,235**	**21,470**	**100**	**485,172**

Cash and investments at 30 June 2022 were held in the following currencies:

	Cash and cash Equivalents*	Current asset investments held at fair value**	Current asset investments held at amortised cost	Non-current asset investments held at fair value**	Total
	€000	€000	€000	€000	€000
Euro	112,537	-	602	8,634	121,773
Canadian dollar	65,758	3,940	-	2,574	72,272
US dollar	146,792	24,383	-	1,173	172,348
Yen	8,951	-	2,090	-	11,041
Norwegian krone	25,806	-	-	-	25,806
Swedish krona	11,432	-	-	-	11,432
Australian dollar	2,450	-	339	6,149	8,938
Sterling	28,232	-	-	-	28,232
Other	60,277	11,233	1,214	-	72,724
	462,235	39,556	4,245	18,530	524,566

* Please note that the cash and cash equivalents figure for 2022 now includes €1.0 million of overdraft balances due to a presentational adjustment to show these balances within the cash and cash equivalent line in the Combined statement of financial position.

** Includes financial assets held at fair value through income and expenditure and fair value through other comprehensive income and expenditure.

There were no impairment provisions on investments held at fair value in 2023 or 2022.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

a. Market risk

(i) Foreign exchange risk

Plan International's NOs receive the majority of their income and incur expenditure in their domestic currency and therefore have a natural hedge against exchange rate fluctuations.

PI Inc faces exchange rate exposure as expenditure is not incurred in the same currencies as income and some income is received in currencies other than the Euro. The purpose of PI Inc's Treasury Currency Management policy is to protect against the risk that there could be a significant change in the funds available for programme expenditure due to exchange rate fluctuations. PI Inc uses natural hedges by holding relevant funds in the required currency, principally in the Euro, Sterling and US Dollars, which cover around one third of expenditure.

At 30 June 2023, if the Euro had weakened / strengthened against all other currencies by 10% with all other variables held constant, then comprehensive income and fund balances would have been €1.0 / €1.0 million lower / higher.

(ii) Price risk

Plan International is exposed to equity and debt security price risks because of investments held at fair value through income and expenditure and fair value though other comprehensive income and expenditure. These securities are held in 6 NOs and also by the Global Girls Foundation. Each NO sets its own investment policy. Assuming that equity indices had increased / decreased by 5% with all other variables held constant and that all Plan International's equity investments moved in line with the index, then comprehensive income and fund balances would have been €3.1 million (2022: €2.7 million) higher / lower.

(iii) Interest rate risk

All bank deposits had a maturity date of less than 1 year and most interest-bearing investments had a maturity date or interest reset date of less than 1 year in the year to 30 June 2023 and the prior year. In view of this and the fact that interest income is small in relation to total income, changes in interest rates do not currently present a material risk to Plan International. At 30 June 2023, if interest rates had been 50 basis points higher/lower with all other variables held constant, investment income for the year and fund balances at 30 June 2023 would have been €2.0 million (2022: €2.3 million) higher / lower. Cash and investments are held in many currencies and yields in the year to 30 June 2023 ranged from 0% to 4.9% (2022: from 0% to 3.6%). The average rate for the year was 0.8% (2022: 0.4%).

The maturity profile of bank deposits and interest bearing investments is shown below:

	0 - 1 year €000	1 - 3 years €000	Over 3 years €000	**30 June 2023 €000**
Cash and cash equivalents	414,531	-	-	**414,531**
Current asset investments held at fair value	14,645	-	-	**14,645**
Current asset investments held at amortised cost	8,235	-	-	**8,235**
Non-current asset investments held at fair value	-	2,232	4,954	**7,186**
Non-current asset investments held at amortised cost	-	-	100	**100**
Total at 30 June 2023	**437,411**	**2,232**	**5,054**	**444,697**

	0 - 1 year €000	1 - 3 years €000	Over 3 years €000	30 June 2022 €000
Cash and cash equivalents*	462,235	-	-	462,235
Current asset investments held at fair value	765	-	-	765
Current asset investments held at amortised cost	4,245	-	-	4,245
Non-current asset investments held at fair value	-	1,396	1,755	3,151
Total at 30 June 2022	467,245	1,396	1,755	470,396

* Please note that the cash and cash equivalents figure for 2022 now includes €1.0 million of overdraft balances due to a presentational adjustment to show these balances within the cash and cash equivalent line in the Combined statement of financial position.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

b. Credit risk

Credit risk arises mainly on cash and cash equivalents. Other receivables and advances are spread across all the countries in which Plan International operates and this minimises the exposure to credit risk. Any large receivables due from individual organisations generally comprise grants receivable from public bodies. The table below shows the combined cash balances held by PI Inc, its subsidiaries and the NOs with the 5 largest bank counterparties at the balance sheet date.

	30 June 2023		30 June 2022	
	Rating	**Balance €000**	Rating	Balance €000
Counterparty A	A1	37,454	A1	53,731
Counterparty B	A1	37,287	A1	46,880
Counterparty C	A1	36,830	A1	40,240
Counterparty D	A1	31,433	A1	36,431
Counterparty E	B-	25,400	A1	32,239

PI Inc's policy is to hold cash and investments with institutions with short term ratings of at least A2 or equivalent, whenever possible, but this is not always achievable given the countries in which Plan International operates. Investments held at amortised cost and at fair value through other income and expenditure are corporate and government bonds held by NOs. Cash and investments are analysed below into those held with institutions with short term ratings of A or better and those held with other institutions.

	Bank Deposit & Cash €000	Debt securities €000	Equities €000	**30 June 2023 €000**
Rated A or better				
Cash and cash equivalents	351,653	-	-	**351,653**
Current asset investments held at fair value	-	3,607	14,023	**17,630**
Current asset investments held at amortised cost	8,113	-	-	**8,113**
Non-current asset investments held at fair value*	-	728	13,867	**14,595**
Non-current asset investments held at amortised cost	100	-	-	**100**
Total rated A or better	**359,866**	**4,335**	**27,890**	**392,091**
Other				
Cash and cash equivalents	62,878	-	-	**62,878**
Current asset investments held at fair value	-	11,038	12,168	**23,206**
Current asset investments held at amortised cost	122	-	-	**122**
Non-current asset investments held at fair value*	-	6,458	417	**6,875**
Total other	**63,000**	**17,496**	**12,585**	**93,081**
Total				
Cash and cash equivalents	414,531	-	-	**414,531**
Current asset investments held at fair value	-	14,645	26,191	**40,836**
Current asset investments held at amortised cost	8,235	-	-	**8,235**
Non-current asset investments held at fair value*	-	7,186	14,284	**21,470**
Non-current asset investments held at amortised cost	100	-	-	**100**
Total cash and investments	**422,866**	**21,831**	**40,475**	**485,172**

* Includes financial assets held at fair value through income and expenditure and fair value through other comprehensive income and expenditure.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

b. Credit risk (continued)

	Bank Deposit & Cash €000	Debt securities €000	Equities €000	30 June 2022 €000
Rated A or better				
Cash and cash equivalents*	424,527	-	-	424,527
Current asset investments held at fair value	-	654	20,651	21,305
Current asset investments held at amortised cost	3,643	602	-	4,245
Non-current asset investments held at fair value**	-	2,367	14,783	17,150
Total rated A or better	428,170	3,623	35,434	467,227
Other				
Cash and cash equivalents	37,708	-	-	37,708
Current asset investments held at fair value	-	111	18,140	18,251
Non-current asset investments held at fair value**	-	784	596	1,380
Total other	37,708	895	18,736	57,339
Total				
Cash and cash equivalents	462,235	-	-	462,235
Current asset investments held at fair value	-	765	38,791	39,556
Current asset investments held at amortised cost	3,643	602	-	4,245
Non-current asset investments held at fair value**	-	3,151	15,379	18,530
Total cash and investments	465,878	4,518	54,170	524,566

* Please note that the cash and cash equivalents figure for 2022 now includes €1.0 million of overdraft balances due to a presentational adjustment to show these balances within the cash and cash equivalent line in the Combined statement of financial position.

** Includes financial assets held at fair value through income and expenditure and fair value through other comprehensive income and expenditure.

c. Liquidity risk

Plan International commits to expenditure only when funds are available and seeks to maintain cash required for liquidity as set out in note 1f to these combined financial statements. Therefore, liquidity risk is kept to a minimum. This is reflected in the Combined statement of financial position where current assets of €540 million (2022: €593 million) are 4.6 times larger (2022: 4.8 times larger) than current liabilities of €118 million (2022: €124 million) although a significant proportion is restricted. Plan International uses bank overdrafts to meet short term financing requirements. As at 30 June 2023, the aggregate value of these bank overdrafts was €0.2 million (2022: €1.0 million).

In addition, at 30 June 2023, Plan Korea had a long term bank loan of €1.0 million (2022: €1.2 million) and Plan France a long term bank loan of €0.2 million (2022: €0.2 million) used to purchase the land and buildings they occupy.

	2023 €000	2022 €000
Bank loans	**1,248**	1,422

d. Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (level 3).

There have been no changes in valuation method and no transfers between levels.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

d. Fair value estimation (continued)

The following table presents the financial instruments that were measured at fair value at 30 June 2023:

	Note	Level 1 €000	Level 2 €000	Level 3 €000	**30 June 2023 €000**
Investments held at fair value:					
- Current asset investments	7b	40,836	-	-	**40,836**
- Non-current asset investments	7b	21,470	-	-	**21,470**
Total assets		**62,306**	**-**	**-**	**62,306**

The following table presents the financial instruments that were measured at fair value at 30 June 2022:

	Note	Level 1 €000	Level 2 €000	Level 3 €000	30 June 2022 €000
Investments held at fair value:					
- Current asset investments	7b	39,524	32	-	39,556
- Non-current asset investments	7b	18,530	-	-	18,530
Total assets		58,054	32	-	58,086

The value of investments held at amortised cost at 30 June 2023 was €8.3 million (2022: €4.2 million).

Plan International has designated equities of €7.8 million (2022: €8.6 million) at fair value through other comprehensive income and expenditure. These are individually immaterial for further disclosure. Plan International chose this presentation alternative because investments were made for strategic purposes rather than a view to profit on a subsequent sale, and there are no plans to dispose of these in the short term. The remaining equities balance of €24.3 million (2022: €49.5 million) are designated as fair value through income and expenditure.

Financial assets at fair value through other comprehensive income and expenditure also include debt securities of €21.8 million where the contractual cash flows are solely principal and interest and where these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

The fair value of the investments held at fair value is based on market prices obtained from financial institutions at the balance sheet date.

The fair value of cash and cash equivalents, receivables and advances and accounts payable is in line with their carrying values in the combined financial statements. All cash, investments and other monetary items held in foreign currencies at 30 June were converted to Euros at the spot exchange rate on that date.

e. Other financial assets – Interests in trusts

Plan International has a right to receive future income from certain trusts set up by third party donors. The arrangements vary from trust to trust, but in general Plan International has an irrevocable right to participate in the income generated by the trust and/or will receive a share of the capital held by the trust at some future date. Plan International's interests in these trusts are recorded at their fair value, based on the discounted value of the expected future cash receipts or the value of the assets held by the trust, as appropriate. As at 30 June 2023, the fair value of these interests amounted to €0.9 million (2022: €0.9 million).

f. Financial liabilities

Financial liabilities are held at amortised cost.

Notes to combined financial statements (continued)

7. Financial risk management (continued)

g. Receivables and advances

Receivables and advances were held in the following currencies:

	Current Assets		Non-current assets	
	2023	2022	**2023**	2022
	€000	€000	**€000**	€000
US dollar	13,492	17,109	-	-
Euro	9,166	7,935	3,896	3,324
Sterling	8,533	9,142	1,974	1,963
Canadian dollar	8,070	5,518	1,268	-
Norwegian krone	41	164	-	-
Other	22,188	21,773	338	321
	61,490	61,641	7,476	5,608

Receivables and advances consist of current receivables in National Organisations and the Country Offices together with accrued income and receivables less estates in probate and stated net of provisions amounting to €0.7 million (2022: €0.5 million).

The majority of receivables are in the NOs and are from institutional donors. Based on historical information and future trends there is no expected credit loss. There may be some expected credit loss for other receivables but these would be trivial in value. Receivables are assessed annually for impairment and the provision is not material.

h. Capital management

The capital held by Plan International is categorised in fund balances, for which the amounts for the years ended 30 June 2023 and 2022 and the movements for the year are set out in note 6. Total fund balances of €459 million (2022: €505 million) include €7 million (2022: €7 million) of statutory reserves which are held to meet regulatory requirements for not-for-profit organisations in some of the countries in which NOs operate. Other fund balances are held by PI Inc in accordance with the PI Inc reserve policy or by NOs in accordance with their own reserve policy or as otherwise approved by their Boards. These purposes are explained in note 1f.

8. Inventory

Inventory is as follows:

	2023	2022
	€000	€000
Inventory for trading activities	**568**	658
Inventory for distribution to beneficiaries	**1,369**	8,739
Total inventory	**1,937**	9,397

The inventory for distribution to beneficiaries in 2023 and 2022 comprises undistributed food items as well as non-food items such as hygiene kits, water kits, household kits and blankets, purchased with donor contributions or received as gifts in kind, but not distributed to beneficiaries before 30 June.

Notes to combined financial statements (continued)

9. Property, plant and equipment and intangible assets

	Land and Buildings €000	Equipment €000	Right-of-use Assets €000	Tangible Assets €000	Intangible Assets €000	Total €000
Cost						
Prior year						
1 July 2021	24,525	53,225	64,480	142,230	28,333	170,563
Adjustment to opening balance*	-	-	7,692	7,692	-	7,692
Additions	1,169	1,740	2,927	5,836	1,681	7,517
Disposals	(3,575)	(2,316)	(7,983)	(13,874)	(602)	(14,476)
Reclassification	-	(11)	-	(11)	(212)	(223)
Exchange adjustments	295	274	1,376	1,945	1,035	2,980
30 June 2022	**22,414**	**52,912**	**68,492**	**143,818**	**30,235**	**174,053**
Current year movements						
Adjustment to opening balance*	-	-	(4,225)	(4,225)	-	(4,225)
Additions	1,793	2,382	7,613	11,788	2,075	13,863
Disposals	(187)	(4,373)	(3,620)	(8,180)	(15,871)	(24,051)
Reclassification	(510)	113	-	(397)	1,782	1,385
Exchange adjustments	(497)	(317)	(1,566)	(2,380)	(1,726)	(4,106)
30 June 2023	**23,013**	**50,717**	**66,694**	**140,424**	**16,495**	**156,919**
Accumulated depreciation, amortisation and impairment						
Prior year						
1 July 2021	13,780	42,418	20,852	77,050	25,225	102,275
Adjustment to opening balance*	-	-	2,592	2,592	-	2,592
Charge for the year	3,383	1,891	15,388	20,662	1,550	22,212
Disposals	(4,366)	(2,313)	(4,878)	(11,557)	(599)	(12,156)
Impairment	-	-	795	795	-	795
Reclassification	-	(23)	-	(23)	522	499
Exchange adjustments	(444)	714	227	497	233	730
30 June 2022	**12,353**	**42,687**	**34,976**	**90,016**	**26,931**	**116,947**
Current year movements						
Adjustment to opening balance*	-	-	(15,479)	(15,479)	-	(15,479)
Charge for the year	1,626	3,198	12,914	17,738	2,586	20,324
Disposals	(1,713)	(4,304)	(2,248)	(8,265)	(15,858)	(24,123)
Impairment	-	300	953	1,253	-	1,253
Reclassification	89	509	-	598	1,782	2,380
Exchange adjustments	(528)	1,429	(382)	519	(291)	228
30 June 2023	**11,827**	**43,819**	**30,734**	**86,380**	**15,150**	**101,530**
Net book value:						
30 June 2023	**11,186**	**6,898**	**35,960**	**54,044**	**1,345**	**55,389**
30 June 2022	10,061	10,225	33,516	53,802	3,304	57,106

Right-of-use assets are principally comprised of office buildings, with a small number of equipment and vehicle leases which are not disclosed as a separate asset class, given their trivial value.

* Adjustments to the opening balances for cost and accumulated depreciation, amortisation and impairment in each year represent corrections of prior year accounting, principally related to management estimates of lease end dates, the calculation of incremental borrowing rates and the recognition of additional right of use assets and related amortisation.

Notes to combined financial statements (continued)

10. Accrued post-employment benefits

Accrued post-employment benefits represent Plan International's estimated obligation to employees who have an unconditional legal entitlement to termination benefits or to a payment on resignation either under local statute or their employment contract. The movement in the accrual during 2023 and 2022 is as follows:

	2023 **€000**	2022 €000
At Opening balance	**23,483**	20,775
Total expense	**7,862**	7,440
Benefits paid	**(11,420)**	(4,732)
At Closing balance	**19,925**	23,483

11. Pension obligations

a. Defined contribution pension plans

The majority of Plan International's pension arrangements for staff are defined contribution schemes. These schemes are governed by local statutory regulations and pension fund assets are held independently of Plan International's assets.

In 2023, 22 (2022: 22) defined contribution schemes exist in 19 (2022: 19) countries in which PI Inc or its subsidiaries operate. In addition, 13 (2022: 13) of Plan International's NOs operate defined contribution schemes.

Contributions to defined contribution pension plans in 2023 totalled €11.6 million (2022: €10.1 million) which are charged to expenditure as contributions fall due.

b. Other pension plans

In addition to Plan International's defined contribution schemes explained in note 11a, Plan International pays social security contributions to statutory government pension or social security schemes, which provide varying levels of post retirement benefit, in a further 38 (2022: 37) PI Inc countries and a further 4 (2022: 4) NO countries. These costs are included within salary costs in note 4. Including these, Plan International contributes to post retirement benefit schemes in 94% (2022: 94%) of the countries in which it operates.

12. Other non-current liabilities

The €11.3 million (2022: €13.8 million) included in other non-current liabilities relates to pre-funding from donors which have a maturity date of greater than 1 year.

	2023 **€000**	2022 €000
Other non-current liabilities	**11,287**	13,760

Notes to combined financial statements (continued)

13. Provisions for other liabilities and charges

Provisions for other liabilities and charges are as follows:

	2023	2022
	€000	€000
Split interest trusts	**190**	293
Other	**931**	1,325
Total provisions for other liabilities and charges	**1,121**	1,618

	Split interest trust €000	Other €000	Total €000
At 1 July 2022	293	1,325	1,618
Additional provisions	-	1,180	1,180
Utilised during the year	(82)	(1,332)	(1,414)
Reversed during the year	-	(209)	(209)
Currency translation effects	(21)	(33)	(54)
At 30 June 2023	**190**	**931**	**1,121**

The split interest trust is an arrangement whereby a donor contributes assets in exchange for a promise from Plan International to pay the donor a fixed amount for a specified period of time and the related liability is shown as a provision. Other provisions include the non-current portion of identified legal provisions as well as other miscellaneous provisions.

14. Leases

Qualitative information about Plan International's lease portfolio is provided in Note 1g and an explanation of the significant judgements and estimates relating to leases is given in Note 1s. Quantitative information relating to Plan International's ROU assets is provided in Note 9.

Plan International as a lessee

Amounts recognised in Combined Income Statement

	2023	2022
	€000	€000
Interest on lease liabilities	**3,201**	3,030
Expenses relating to short term leases	**711**	848
Expenses relating to low value leases	**74**	56
Depreciation	**16,898**	15,388
	20,884	19,322

The expense related to variable lease payments not included in the measurement of lease liabilities is of trivial value and is therefore not disclosed.

Notes to combined financial statements (continued)

14. Leases (continued)

Lease liabilities

The maturity profile of lease liabilities recognised is shown below:

	2023	2022
Maturity Analysis – contractual undiscounted cash flows	**€000**	€000
Less than one year	**13,840**	13,096
One to two years	**9,212**	10,505
Two to three years	**6,464**	7,486
Three to four years	**4,404**	5,045
Four to five years	**3,768**	3,589
More than five years	**9,218**	9,991
Total undiscounted lease liabilities	**46,906**	49,712
Effect of discounting	**(7,231)**	(8,283)
Present value of minimum lease payments	**39,675**	41,429

Lease liabilities are included on the Combined statement of financial position as follows:

	2023	2022
	€000	€000
Current lease liabilities	**13,254**	12,404
Non-current lease liabilities	**26,421**	29,025
Total lease liabilities	**39,675**	41,429

Total future minimum lease payments relating to lease accounted for under the short-term and low value lease exemptions are as follows:

	At 30 June 2023			At 30 June 2022		
	Short term leases €000	Low value assets €000	**Total €000**	Short term leases €000	Low value assets €000	Total €000
Within 1 year	711	74	**785**	409	62	471
Between 1 and 5 years	-	54	**54**	-	75	75

Total cash outflow in Combined statement of cash flows

	2023	2022
	€000	€000
Repayment of principal component of lease liabilities	**13,442**	14,120
Repayment of interest on lease liabilities	**2,511**	2,967
Total cash outflows related to lease liabilities	**15,953**	17,087

The weighted average incremental borrowing rate is 6.46% (2022: 5.68%).

Notes to combined financial statements (continued)

14. Leases (continued)

Plan International as a lessor

Amounts recognised in Combined Income Statement

	2023	2022
	€000	€000
Selling profit	-	250
Finance income on the net investment in the lease	138	174
	138	424

Future lease receivables

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	2023	2022
Maturity Analysis – contractual undiscounted cash flows	€000	€000
Less than one year	795	803
One to two years	227	811
Two to three years	240	244
Three to four years	241	258
Four to five years	254	259
More than five years	383	683
Total undiscounted lease payments receivable	2,140	3,058
Unearned finance income	(317)	(480)
Net investment in the lease	1,823	2,578

There has been no change to the portfolio of subleases, therefore the reduction in the net investment in the lease results from payments made by tenants, partially offset by finance income earned in the period.

15. Contingencies and commitments

a. Contingent liabilities

Plan International is involved in various legal and employment taxation disputes, the outcome and timing of which are uncertain. The best current estimation of the potential impact on Plan International's financial position is €3.1 million (2022: €5.2 million) in aggregate.

b. Capital commitments

Contracts for capital expenditure not provided in the financial statements are €nil (2022: €0.1 million).

Notes to combined financial statements (continued)

16. Related parties

Stiftung Hilfe mit Plan is an independent foundation, registered in Germany that administers a number of trust foundations that are not part of Plan International. In substance, Stiftung Hilfe mit Plan is deemed to be an associate of Plan International Worldwide as Plan International Worldwide is deemed to have significant influence, but not control or joint control, over Stiftung Hilfe mit Plan.

In 2012, Stiftung Hilfe mit Plan purchased the building that was partly occupied by Plan International Germany and completed its refurbishment in 2013. Rental income from Plan International Germany is providing a steady source of income for Stiftung Hilfe mit Plan. Space is also rented occasionally to other organisations, particularly other non-governmental organisations, mainly through use of meeting and events facilities. Plan International Germany has secured rent stability for future years through the arrangement. In addition, in 2015, Stiftung mit Plan purchased land and during the year ended 30 June 2018 commenced building a second office on the site with the intention to also rent it out to Plan International Germany. The building was completed in September 2019. Stiftung Hilfe mit Plan bought an office space in Berlin at Mühlenstraße 20 and brokered it to Plan International Germany from August 2022. Plan International Germany paid rentals of €0.9 million (2022: €0.7 million) to Stiftung Hilfe mit Plan in respect of these properties. There were no amounts outstanding at 30 June 2023 (2022: €nil).

During the year Plan International Germany donated €1.5 million (2022: €2.6 million) to Stiftung Hilfe mit Plan. Plan International Germany received donations of €4.4 million (2022: €4.5 million) from Stiftung Hilfe mit Plan and its independent trusts for development programmes. There were no amounts outstanding at 30 June 2023 (2022: €nil).

Privatstiftung Hilfe mit Plan Österreich (PHmPO) is an independent foundation, registered in Austria which administers funds that are not part of Plan International. In substance, PHmPO is deemed to be an associate of Plan International Worldwide as Plan International Worldwide is deemed to have significant influence, but not control or joint control, over PHmPO. During the year Plan International Germany received €0.5 million (2022: €0.4 million) as donations from PHmPO and donated €nil (2022: €nil) to PHmPO. There were no amounts outstanding at 30 June 2023 (2022: €nil).

Plan International UK is a member of the Disasters Emergency Committee (DEC) and Plan International UK's Chief Executive is a trustee of the DEC. In the year Plan International UK paid a membership donation of €0.1 million (2022: €nil) to the DEC. Plan International UK's income in the year included €5.7 million (2022: €2.3 million) receivable from DEC appeals. Of this, €nil million was outstanding at 30 June 2023 (2022: €nil).

Plan International Canada is a core member of the Humanitarian Coalition and as such the CEO of Plan International Canada has a Board position. During the year €2.8 million (2022: €1.1 million) was received in grant income from this organisation. In addition, Plan International Canada paid a membership donation of €0.04 million (2022: €0.04 million). There were no amounts outstanding at 30 June 2023 (2022: €nil).

17. Subsequent events

Subsequent events have been evaluated and there are no further matters to disclose not reported in these combined financial statements through to the date of signing.