

FPPI LIMITED

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION TO 30 JUNE 1995**

Company Registration Number: 3001663



FPPI LIMITED

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FOR THE PERIOD FROM INCORPORATION TO 30 JUNE 1995**

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FPPI LIMITED

THE DIRECTOR'S REPORT FOR THE PERIOD FROM INCORPORATION TO 30 JUNE 1995

The Director submits the annual report and the financial statements of the company for the period from incorporation on 14 December 1994 to 30 June 1995.

The company was not incorporated until 14 December 1994, however operations started in May 1994. These financial statements include all transactions since operations commenced.

ACTIVITIES

FPPI Limited provides services to its holding company, Foster Parents Plan International, Inc. ("FPPI Inc."), a charitable not-for-profit corporation, registered in the USA. FPPI Inc provides material aid and services to needy children, their families and communities throughout the world.

DIRECTORS

Instant Companies Limited (appointed and resigned on 14 December 1994).
Machelius van der Schalk (appointed 14 December 1994).

No director has any beneficial interest in the shares of the company or of its holding company.

RESULTS

There was neither profit nor loss for the year.

AUDITORS

Price Waterhouse have indicated their willingness to continue in office and accordingly are deemed to be re-appointed.

By order of the Board



Nicholson Hall
COMPANY SECRETARY

24 November 1995

Registered Number: 3001663

STATEMENT OF DIRECTOR'S RESPONSIBILITY

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS REPORT TO THE MEMBERS OF FPPI LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the director and auditors

As described on page 2 the company's director is responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinions

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1995 and of its results for the period from incorporation on 14 December 1994 to 30 June 1995 and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors

Southwark Towers
32 London Bridge Street
London SE1 9SY

~~18 October 1995~~

24 November 1995

FPPI LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM INCORPORATION TO 30 JUNE 1995

	<u>Notes</u>	£	£
OPERATING INCOME			
Income from services to FPPI Inc.	2	7,367,229	
Interest received		<u>5,967</u>	
			7,373,196
EXPENDITURE			
Program services		516,009	
Management, finance and administration services		6,181,472	
Contribution to Plan International (UK)	3	<u>675,715</u>	
			<u>(7,373,196)</u>
Profit on ordinary activities before tax			0
Tax			<u>0</u>
Profit for the year			<u><u>0</u></u>

The company has no recognised gains or losses for the year.

The notes on pages 6 to 9 form part of these financial statements.

FPPI LIMITED

BALANCE SHEET AT 30 JUNE 1995

	<u>Notes</u>	£	£
FIXED ASSETS			
Tangible assets	6		537,820
CURRENT ASSETS			
Cash at bank and in hand		130,148	
Debtors	7	<u>368,021</u>	
		498,169	
Creditors - amounts falling due within one year	8	<u>(1,035,988)</u>	
NET CURRENT LIABILITIES			<u>(537,819)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1</u>
Share capital	9		1
Reserves			0
			<u>1</u>

Approved by the Board on 24 November 1995.



Machelius van der Schalk (DIRECTOR)

The notes on pages 6 to 9 form part of these financial statements.

FPPI LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM INCORPORATION TO 30 JUNE 1995

1. Accounting Policies

a. Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b. Depreciation

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates on a straight line basis.

Leasehold improvements	10 years
Equipment	10 years
Vehicles	3 years

2. Income from services to FPPI Inc.

The company provides services to FPPI Inc. It charges a fee so as to earn a 10% margin on its costs.

3. Contribution to Plan International (UK)

The expenditure of £675,715 represents a donation under deed of covenant to Plan International (UK), a UK registered charity. In order to mitigate any tax liability on its profits, FPPI Ltd has agreed to donate those profits to Plan International (UK). Such a donation to a charity is recognised as a legitimate tax effective method of charitable giving within the UK.

4. Profit on ordinary activity before taxation

Profit on ordinary activities before taxation is stated after charging
£

Wages and salaries	1,385,819
Social security	95,742
Other pension costs	36,992
Depreciation	32,826
Auditors' remuneration - audit fees	20,000
- other services	65,000

5. Directors and Employees

Employees

Average number of employees by category

Program Services	5
Management Finance and Administration services	<u>41</u>
	<u>46</u>

Director's emoluments

Salary and benefits of the sole director were £85,455, and no pension contributions were made in the period.

6. Tangible Fixed Assets

The net investment in capital assets is summarised as follows:

	<u>Equipment</u> £	<u>Leasehold Improvement</u> £	<u>Vehicles</u> £	<u>Total</u> £
Cost				
At incorporation	-	-	-	-
Additions	349,832	184,017	36,797	570,646
At 30 June 1995	349,832	184,017	36,797	570,646
Depreciation				
At incorporation	-	-	-	-
Charges for the year	17,492	9,201	6,133	32,826
At 30 June 1995	17,492	9,201	6,133	32,826
Net book value at 30 June 1995	332,340	174,816	30,664	537,820

7.	<u>Debtors</u>	£
	Amounts due from Plan International (UK)	246,072
	VAT receivable	61,634
	Prepayments and deferred income	47,607
	Other	<u>12,708</u>
		<u>368,021</u>

8.	<u>Creditors - amounts falling due within one year</u>	£
	Amounts due to FPPI Inc.	518,892
	Trade creditors	417,151
	Accruals	56,941
	Taxation and social security	<u>43,004</u>
		<u>1,035,988</u>

9.	<u>Called up share capital</u>	£
	Authorised	<u>1,000</u>
	1,000 ordinary shares £1 each	
	Alotted and fully paid	<u>1</u>
	1 ordinary share £1 each	

10. Pension schemes

The company makes payments in respect of three defined contribution schemes. These provide pension benefits from funds accruing from contributions from both employees and the company. The combined pension costs charged in the year were £36,992.

11. Operating lease

As at 30 June 1995 the company had annual commitments under operating leases expiring as follows:-

	£
Within one year	-
Between two and five years inclusive	-
After five years	156,800

12. Ultimate parent company

FPPI Limited is a wholly-owned subsidiary of Foster Parents Plan International, Inc., a not-for-profit corporation organised under the laws of the State of New York having its principal office at 155 Plan Way, Warwick, Rhode Island, USA. A copy of the combined Worldwide Statements can be obtained from FPPI Limited, Chobham House, Christchurch Way, Woking, Surrey GU21 1JG, England.