

**FPPI LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1996**

Company Registration Number: 3001663



**FPPI LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 JUNE 1996**

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## **FPPI LIMITED**

### **THE DIRECTOR'S REPORT FOR THE YEAR ENDED 30 JUNE 1996**

The Director submits the annual report and the financial statements of the company for the year ended 30 June 1996.

#### **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.

#### **DIRECTOR**

Machelius van der Schalk.

The director has no beneficial interest in the shares of the company or of its holding company.

#### **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 him 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.

#### **RESULTS**

There was neither a profit nor loss for the year and no dividend is proposed (1995:nil).

**FPPI LIMITED**

**THE DIRECTOR'S REPORT  
FOR THE YEAR ENDED 30 JUNE 1996**

**AUDITORS**

Price Waterhouse have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the next annual general meeting.

By order of the Board



Nick Hall  
COMPANY SECRETARY

14 November 1996

Registered Number: 3001663

## FPPI LIMITED

### AUDITORS' REPORT TO THE MEMBERS OF FPPI LIMITED

We have audited the financial statements on pages 4 to 10 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 1 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.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1996 and of its results for the year then ended to 30 June 1996 and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

Price Waterhouse  
Chartered Accountants  
and Registered Auditors

Southwark Towers  
32 London Bridge Street  
London SE1 9SY

14 November 1996

# FPPI LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1996

|                                                 | <u>Notes</u> | 1996<br>£      | 1995<br>£      |
|-------------------------------------------------|--------------|----------------|----------------|
| OPERATING INCOME                                |              |                |                |
| Income from services to FPPI Inc.               | 2            | 8,141,496      | 7,367,229      |
| Interest receivable                             | 3            | <u>2,412</u>   | <u>5,967</u>   |
|                                                 |              | 8,143,908      | 7,373,196      |
| EXPENDITURE                                     |              |                |                |
| Program services                                |              | 692,863        | 516,009        |
| Management, finance and administration services | 4            | 6,708,497      | 6,181,472      |
| Contribution to Plan International (UK)         | 5            | <u>742,548</u> | <u>675,715</u> |
|                                                 |              | (8,143,908)    | (7,373,196)    |
| Profit on ordinary activities before tax        |              | 0              | 0              |
| Tax                                             |              | <u>0</u>       | <u>0</u>       |
| Profit for the year                             |              | <u>0</u>       | <u>0</u>       |

The company has no recognised gains or losses other than those disclosed in the Profit and Loss account above.

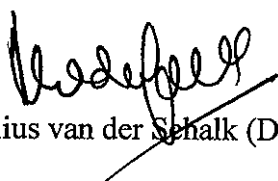
The notes on pages 6 to 10 form part of these financial statements.

# FPPI LIMITED

## BALANCE SHEET AT 30 JUNE 1996

|                                                 | <u>Notes</u> | 1996<br>£          | 1995<br>£          |
|-------------------------------------------------|--------------|--------------------|--------------------|
| FIXED ASSETS                                    |              |                    |                    |
| Tangible assets                                 | 8            | 774,834            | 537,820            |
| CURRENT ASSETS                                  |              |                    |                    |
| Cash at bank and in hand                        |              | 327,777            | 130,148            |
| Debtors                                         | 9            | <u>501,716</u>     | <u>449,092</u>     |
|                                                 |              | 829,493            | 579,240            |
| Creditors - amounts falling due within one year | 10           | <u>(1,604,326)</u> | <u>(1,117,059)</u> |
| NET CURRENT LIABILITIES                         |              | <u>(774,833)</u>   | <u>(537,819)</u>   |
| TOTAL ASSETS LESS CURRENT LIABILITIES           |              | <u>1</u>           | <u>1</u>           |
| Share capital                                   | 11           | 1                  | 1                  |
| Reserves                                        |              | 0                  | 0                  |
|                                                 |              | <u>1</u>           | <u>1</u>           |

Approved by the Board on 14 November 1996

  
Machelius van der Schalk (Director)

The notes on pages 6 to 10 form part of these financial statements.

**FPPI LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

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              | 5 - 10 years |
| Vehicles               | 3 years      |

c. Leasing Commitments

Rentals paid under operating leases are charged to the profit and loss account in the period to which they relate.

d. Pension Scheme

Contributions to the company's defined contribution pension plan are charged to the profit and loss account in the period to which they relate.

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. Interest receivable

|               | 1996         | 1995         |
|---------------|--------------|--------------|
|               | £            | £            |
| Bank interest | <u>2,412</u> | <u>5,967</u> |

4. Management, finance and administration services

Services in the year ended 30 June 1996 include £1,329,483 in respect of the funding of a television show in Germany, as part of the services provided to Foster Parents Plan International Inc.

**FPPI LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

5. Contribution to Plan International (UK)

The expenditure of £742,548 (1995 £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.

6. Profit on ordinary activity before taxation

Profit on ordinary activities before taxation is stated after charging

|                                     | 1996      | 1995      |
|-------------------------------------|-----------|-----------|
|                                     | £         | £         |
| Wages and salaries                  | 1,756,864 | 1,385,819 |
| Social security                     | 135,649   | 95,742    |
| Other pension costs                 | 67,470    | 36,992    |
| Depreciation                        | 99,279    | 32,826    |
| Auditors' remuneration - audit fees | 20,000    | 20,000    |
| - other services                    | 7,402     | 65,000    |

7. Directors and Employees

Employees

Average number of employees by category

|                                                 | 1996      | 1995      |
|-------------------------------------------------|-----------|-----------|
| Program Services                                | 6         | 5         |
| Management, finance and administration services | <u>41</u> | <u>41</u> |
|                                                 | <u>47</u> | <u>46</u> |

Director's emoluments

Salary and benefits of the sole director were £86,903 (1995 £85,455) and no pension contributions were made in the period.

**FPPI LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

8. Tangible Fixed Assets

The net investment in fixed assets is summarised as follows:

**Year ended 30 June 1996**

|                                   | <u>Leasehold<br/>Improvements</u> | <u>Equipment</u> | <u>Vehicles</u> | <u>Total</u> |
|-----------------------------------|-----------------------------------|------------------|-----------------|--------------|
|                                   | £                                 | £                | £               | £            |
| Cost at 1 July 1995               | 184,017                           | 349,832          | 36,797          | 570,646      |
| Additions                         | -                                 | 336,293          | -               | 336,293      |
| At 30 June 1996                   | 184,017                           | 686,125          | 36,797          | 906,939      |
| Depreciation at 1 July 1995       | 9,201                             | 17,492           | 6,133           | 32,826       |
| Charge for year                   | 18,402                            | 68,611           | 12,266          | 99,279       |
| At 30 June 1996                   | 27,603                            | 86,103           | 18,399          | 132,105      |
| Net book value at<br>30 June 1996 | 156,414                           | 600,022          | 18,398          | 774,834      |
| Net book value at<br>30 June 1995 | 174,816                           | 332,340          | 30,664          | 537,820      |

**FPPI LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

9. Debtors

|                                              | 1996<br>£      | 1995<br>£      |
|----------------------------------------------|----------------|----------------|
| Amounts due from Plan International (UK) Ltd | 329,222        | 327,143        |
| Prepayments and accrued income               | 62,143         | 47,607         |
| Other                                        | <u>110,351</u> | <u>74,342</u>  |
|                                              | <u>501,716</u> | <u>449,092</u> |

10. Creditors - amounts falling due within one year

|                              | 1996<br>£        | 1995<br>£        |
|------------------------------|------------------|------------------|
| Amounts due to FPPI Inc.     | 609,547          | 518,892          |
| Trade creditors              | 546,192          | 248,222          |
| Other creditors              | 240,000          | 250,000          |
| Accruals and deferred income | 117,700          | 56,941           |
| Taxation and social security | <u>90,887</u>    | <u>43,004</u>    |
|                              | <u>1,604,326</u> | <u>1,117,059</u> |

11. Called up share capital

|                                                     | £            | £            |
|-----------------------------------------------------|--------------|--------------|
| Authorised<br>1,000 ordinary shares £1 each         | <u>1,000</u> | <u>1,000</u> |
| Allotted and fully paid<br>1 ordinary share £1 each | <u>1</u>     | <u>1</u>     |

12. 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 £67,470 (1995 - £36,992).

**FPPI LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**

13. Operating lease

As at 30 June 1996 the company had annual commitments under operating leases expiring as follows:-

|                                      | 1996    | 1995    |
|--------------------------------------|---------|---------|
| Within one year                      | -       | -       |
| Between two and five years inclusive | 156,800 | 156,800 |
| After five years                     | -       | -       |

14. 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.