

FPPI LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000**

Company Registration Number: 3001663



FPPI LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2000

CONTENTS

	Page
Directors' report.....	1 - 2
Auditors' report	3 - 4
Profit and loss account.....	5
Balance sheet	6
Notes to financial statements.....	7 - 11

FPPI LIMITED

THE DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2000

The Directors submit the annual report and the financial statements of the company for the year ended 30 June 2000.

ACTIVITIES

FPPI Limited provides services to its holding company, Foster Parents Plan International, Inc. ("FPPI Inc."), a not-for-profit corporation, registered in the USA. FPPI Inc. strives to achieve lasting improvements in the quality of life of deprived children in developing countries. The company does not anticipate any change in its activities in the foreseeable future. A small proportion of the activities of FPPI Ltd are carried out in a branch based in the Netherlands.

DIRECTORS

John Greensmith.

Peter-John Greeves (appointed 20th September 1999)

Nick Hall (resigned 20th September 1999)

The directors have no beneficial interest in the shares of the company or of its parent company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 directors are 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 directors are 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. They are 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.

FPPI LIMITED

**THE DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2000**

RESULTS

There was neither a profit nor loss for the year and no dividend is proposed (1999:nil).

AUDITORS

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

By order of the Board

A handwritten signature in black ink that reads "Rachel Wood". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Rachel Wood
COMPANY SECRETARY

18th November 2000

Registered Number: 3001663

FPPI LIMITED

AUDITORS' REPORT TO THE MEMBERS OF FPPI LIMITED

We have audited the financial statements on pages 5 to 11.

Respective responsibilities of the directors and auditors

The company's directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

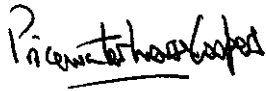
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors 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.

Cont/.....

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 2000, and of its result for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

1 Embankment Place
London
WC2N 6NN

18th November 2000

FPPI LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2000

	<u>Notes</u>	2000 £'000	1999 £'000
TURNOVER			
Income from services to FPPI Inc.	2	8,337	7,409
COST OF SALES			
Program support		(3,778)	(3,751)
Fund-raising		(1,118)	(928)
Operating		<u>(2,683)</u>	<u>(2,056)</u>
		(7,579)	(6,735)
Gross Profit		758	674
Other operating income / (expenses)			
Contribution to Plan International (UK)	3	<u>(773)</u>	<u>(687)</u>
Operating (loss)		(15)	(13)
Interest receivable	4	<u>15</u>	<u>13</u>
Profit on ordinary activities before tax		-	-
Tax		-	-
Profit for the year		<u>-</u>	<u>-</u>

The company has no recognised gains or losses other than those disclosed in the Profit and Loss account above. All income and expenditures relate to continuing operations.

The notes on pages 7 to 11 form part of these financial statements.

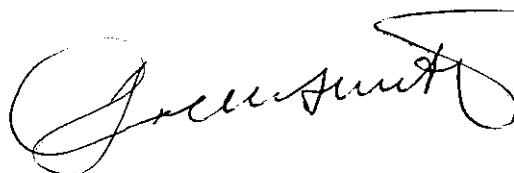
FPPI LIMITED

BALANCE SHEET AT 30 JUNE 2000

	<u>Notes</u>	2000 £'000	1999 £'000
FIXED ASSETS			
Tangible assets	7	525	655
CURRENT ASSETS			
Debtors	8	820	787
Cash at bank and in hand		<u>1,291</u>	<u>630</u>
		2,111	1,417
Creditors - amounts falling due within one year	9	<u>(2,636)</u>	<u>(2,072)</u>
NET CURRENT LIABILITIES		<u>(525)</u>	<u>(655)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>-</u>
EQUITY INTERESTS:			
Share capital	10	-	-
Profit and Loss account		-	-
		<u>-</u>	<u>-</u>
SHAREHOLDER'S FUNDS	11	<u>-</u>	<u>-</u>

Approved by the Board on 18th November 2000

John Greensmith (Director)



The notes on pages 7 to 11 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.

The financial statements have also been prepared under the going concern concept, in reliance on an assurance from the parent undertaking that it intends, until at least 30 November 2001, to provide such funding as is required by the company to enable it to meet its liabilities as they fall due.

b. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and provision for impairment. A review for the potential impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of a fixed asset may not be recoverable. Such impairment reviews are performed in accordance with Financial Reporting Standard 11. Impairments thus arising are recorded in profit and loss account.

Depreciation is calculated on a straight line basis over the estimated remaining useful life. The annual percentage rates applicable to the major classes of assets are as follows:

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.

e. Related party disclosure

In accordance with the exemption allowed by paragraph 3(c) of the Financial Reporting Standard 8, no disclosure is made of transactions with the company's parent undertaking.

f. Cash flow statement

In accordance with the exemption allowed by paragraph 5(a) of the Financial Reporting Standard 1, a cash flow statement for the company has not been provided.

g. Foreign exchange accounting

Transactions denominated in foreign currencies are translated into sterling at the rate ruling on the transaction date.

2. Income from services to FPPI Inc.

The company provides services to FPPI Inc. for which it charges a fee of 10% on its costs.

3. Contribution to Plan International (UK)

The expenditure of £772,555 (1999: £687,050) represents a donation under deed of covenant to Plan International (UK), a UK registered charity, by which FPPI Ltd donates the whole of its profits.

4. Interest receivable

	2000	1999
	£'000	£'000
Bank interest	<u>15</u>	<u>13</u>

5. Profit on ordinary activity before taxation

Profit on ordinary activities before taxation is stated after charging

	2000	1999
	£'000	£'000
Salaries	2,391	2,116
Social security	259	207
Other pension costs	144	92
Depreciation	192	163
Auditors' remuneration - audit fees	22	22
- other services	12	10
Operating lease rentals - plant and machinery	-	-
- other	218	172
Loss (Gain) on foreign exchange transactions	-	(15)

FPPI LIMITED
NOTES TO FINANCIAL STATEMENTS

6. Directors and employees

Employees

Average number of employees by category

	2000	1999
Program support	43	40
Fund-raising	5	7
Operating	<u>23</u>	<u>15</u>
	<u>71</u>	<u>62</u>

Directors' emoluments

Salary and benefits of the directors in the period were £162,083 (1999: £133,200); in addition pension contributions of £3,613 (1999: £3,400) were made in the period.

7. Tangible fixed assets

The net investment in fixed assets is summarised as follows:

	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost at 1 July 1999	184	1,028	1,212
Additions	-	62	62
At 30 June 2000	184	1,090	1,274
Depreciation at 1 July 1999	82	475	557
Charge for year	18	174	192
At 30 June 2000	100	649	749
Net book value at 30 June 2000	84	441	525
Net book value at 30 June 1999	102	553	655

FPPI LIMITED
NOTES TO FINANCIAL STATEMENTS

8.	<u>Debtors</u>	2000 £'000	1999 £'000
	Other debtors	316	307
	Prepayments and accrued income	127	82
	Amounts due from Plan International (UK)	377	398
		<u>820</u>	<u>787</u>
9.	<u>Creditors - amounts falling due within one year</u>	2000 £'000	1999 £'000
	Trade creditors	256	563
	Amounts due to FPPI Inc.	1,497	929
	Other creditors	139	173
	Taxation and social security	-	63
	Accruals	744	344
		<u>2,636</u>	<u>2,072</u>
10.	<u>Called up share capital</u>	2000 £	1999 £
	Authorised 1,000 ordinary shares £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted and fully paid 1 ordinary share £1 each	<u>1</u>	<u>1</u>
11.	<u>Reconciliation of movements in Shareholder's funds</u>	2000 £'000	1999 £'000
	Profit for the year	-	-
	Net addition to Shareholder's funds	-	-
	Opening Shareholder's funds	-	-
	Closing Shareholder's funds	-	-

FPPI LIMITED
NOTES TO FINANCIAL STATEMENTS

12. Pension schemes

The company makes payments in respect of three funded 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 £143,680 (1999: £92,000).

13. Operating lease

As at 30 June 2000 the company had annual commitments under a land and building lease expiring as follows:-

	2000	1999
	£'000	£'000
Within one year	-	-
Between two and five years inclusive	-	-
After five years	218	218

14. Ultimate parent company

FPPI Limited is a wholly owned subsidiary of Foster Parents Plan International, Inc. ("FPPI 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. Ultimate control of FPPI Limited rests with the directors of FPPI Inc. A copy of the combined financial statements of FPPI Inc, FPPI Ltd., and related fund-raising organisations can be obtained from FPPI Limited, Chobham House, Christchurch Way, Woking, Surrey GU21 1JG, England.