

PLAN LIMITED
(Formerly FPPI Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

Company Registration Number: 3001663



PLAN LIMITED
(Formerly FPPI Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

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PLAN LIMITED
(Formerly FPPI Limited)

THE DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2004

The Directors submit the annual report and the financial statements of the company for the year ended 30 June 2004.

COMPANY NAME

The Company changed its name from FPPI Limited to Plan Limited on 19th March, 2004.

ACTIVITIES

Plan Limited provides services to its holding company, Plan International, Inc. ("Plan International"), a not-for-profit corporation, registered in the USA. Plan International 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.

DIRECTORS

John Greensmith (resigned 30/06/04)
James Emerson
Joseph Martin McCann (appointed 01/07/04)

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.

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THE DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2004

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.

CREDITOR PAYMENT POLICY

For all trade creditors, it is the Company's policy to:

- agree the terms of payment at the start of business with the supplier;
- ensure that suppliers are aware of the terms of payment;
- pay in accordance with its contractual and legal obligations.

Trade creditors' days for the company for the year ended 30 June 2004 were 24 days (2003: 36 days), based on the ratio of company trade creditors at the end of the year to the amounts invoiced during the year by trade creditors.

RESULTS

In 2004, Plan Ltd made a loss of £12,000 (2003: £6,000 loss) resulting in overall negative net assets of £5,000 (2003: £193,000). This loss is stated after charging £782,000 (2003: £820,000) in respect of a charitable contribution to Plan International (UK). No dividend is proposed for the year 2004 (2003: nil)

FINANCIAL POSITION

On 18 June 2004, the company received a capital contribution of £200,000 from Plan International, Inc. In addition, Plan International, Inc has confirmed that it intends, for the foreseeable future, to provide such funding as is required by the Company to meet its liabilities as they fall due.

AUDITORS

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

By order of the Board

K. Rachel Wright
COMPANY SECRETARY



20th November 2004
Registered Number: 3001663

PLAN LIMITED
(Formerly FPPI Limited)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLAN LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 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 save where expressly agreed by our prior consent in writing.

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 Companies Act 1985. 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 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. The other information comprises only the directors' report.

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.

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PLAN LIMITED
(Formerly FPPI Limited)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PLAN LIMITED

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 at 30 June 2004 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London

20th November 2004

PLAN LIMITED
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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2004

	Notes	2004 £'000	2003 £'000
TURNOVER			
Income from services to Plan International	2	9,515	8,564
 COST OF SALES			
Program support		(4,909)	(4,274)
Fund-raising		(116)	(14)
Operating		<u>(3,625)</u>	<u>(3,507)</u>
		<u>(8,650)</u>	<u>(7,795)</u>
 Gross Profit		865	769
Other operating expenses			
Contribution to Plan International (UK)	3	<u>(782)</u>	<u>(820)</u>
Operating profit/Loss		83	(51)
Interest receivable	4	<u>8</u>	<u>10</u>
Profit/(loss) on ordinary activities before tax	5	91	(41)
Tax on profit/(loss) on ordinary activities	7	<u>(103)</u>	<u>35</u>
Loss for the financial year		<u>(12)</u>	<u>(6)</u>

There is no difference between the profit on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents. All income and expenditures relate to continuing operations.

The company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

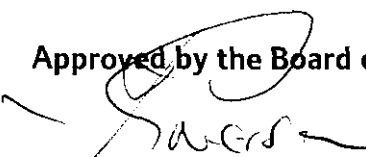
The notes on pages 7 to 14 form part of these financial statements.

PLAN LIMITED
(Formerly FPPI Limited)

BALANCE SHEET AT 30 JUNE 2004

	<u>Notes</u>	2004 £'000	2003 £'000
FIXED ASSETS			
Tangible assets	8	1,275	629
Other assets due after more than one year	9	<u>324</u>	<u>427</u>
		1,599	1,056
CURRENT ASSETS			
Debtors	10	1,271	637
Cash at bank and in hand		<u>1,604</u>	<u>645</u>
		<u>2,875</u>	<u>1,282</u>
Creditors - amounts falling due within one year	11	<u>(4,352)</u>	<u>(2,413)</u>
NET CURRENT LIABILITIES		<u>(1,477)</u>	<u>(1,131)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		122	(75)
Provisions	12	(127)	(118)
NET ASSETS		<u>(5)</u>	<u>(193)</u>
EQUITY INTERESTS:			
Share capital	13	-	-
Capital Contribution	14	200	-
Profit and Loss account	14	<u>(205)</u>	<u>(193)</u>
EQUITY SHAREHOLDER'S FUNDS	15	<u>(5)</u>	<u>(193)</u>

Approved by the Board on 20th November 2004


James Emerson (Director)

The notes on pages 7 to 14 form part of these financial statements.

PLAN LIMITED
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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 in the United Kingdom. The principal accounting policies, all of which have been applied consistently, are set out below.

The financial statements have also been prepared under the going concern concept, in reliance on an assurance from the parent undertaking that it intends, for the foreseeable future, 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 of 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 the profit and loss account.

Costs relating to computer software are capitalised if they relate to purchased software or internal projects which are in the development stage.

Depreciation is calculated on a straight line basis over the estimated remaining useful life of each asset. The estimated useful economic life applicable to the major classes of assets is as follows:

Leasehold improvements	3 years
Equipment	3 - 10 years
Computer software	3 – 5 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 plans are charged to the profit and loss account in the period to which they relate.

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NOTES TO FINANCIAL STATEMENTS

e. Related party disclosure

In accordance with the exemption allowed by paragraph 3 (c) of the Financial Reporting Standard 8, certain disclosures of transactions with the company's parent undertaking have not been given.

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. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end exchange rates. Exchange differences arising are included in the profit and loss account.

h. Deferred tax

The Directors intend to continue donating all taxable profits to Plan International (UK) under a deed of covenant. The timing differences which arise, including the difference between the tax written down value of assets eligible for capital allowances and their net book value for accounts purposes, create an asset or liability which will cause payments under the deed of covenant either to exceed or fall short of the accounts profit in future years. This deferred asset or liability is recognised in the accounts in full at an effective rate of 100%. Movements in this deferred asset/liability are reflected in tax on profit on ordinary activities in the profit and loss account.

2. Income from services to Plan International

The company provides services to Plan International for which it charges a fee comprising the relevant costs incurred plus a 10% mark-up.

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NOTES TO FINANCIAL STATEMENTS

3. Contribution to Plan International (UK)

The expenditure of £782,000 (2003: £820,000) represents a donation under deed of covenant to Plan International (UK), a UK registered charity, by which Plan Ltd donates the whole of its taxable profits.

4. Interest receivable

	2004	2003
	£'000	£'000
Bank interest	<u>8</u>	<u>10</u>

5. Profit/(Loss) on ordinary activity before taxation

Profit/(Loss) on ordinary activities before taxation is stated after charging:

	2004	2003
	£'000	£'000
Salaries	3,547	3,340
Social security	373	332
Other pension costs	<u>150</u>	<u>144</u>
	4,070	3,816
Auditors' remuneration - audit fees	24	23
- other services	24	18
Depreciation	319	236
Operating lease rentals – land and buildings	263	263

6. Directors and employees

Employees

Average number of employees by category

	2004	2003
Program support	56	54
Fund-raising	4	5
Operating	<u>39</u>	<u>37</u>
	<u>99</u>	<u>96</u>

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NOTES TO FINANCIAL STATEMENTS

Directors' emoluments

Directors' remuneration is made up of:

	2004	2003
	£'000	£'000
Emoluments	151	200
Compensation to a past director for loss of office	<u>43</u>	<u>16</u>
	<u>194</u>	<u>216</u>

In addition, the aggregate value of company contributions payable to a pension scheme in respect of money purchase benefits during the year was £5,743 (2003: £8,200). The company made contributions for 1 (2003: 2) director under a defined contribution pension scheme.

The emoluments of the highest paid director were £98,703 (2003: £93,750) and pension contributions payments in respect of the highest paid director were £nil (2003: £nil). The highest paid director also received £43,135 as compensation for loss of office.

7. Tax on ordinary activities

The company has no liability to corporation tax in respect of the year ended 30 June 2004 because of donations payable to Plan International (UK).

a. Analysis of (charge)/credit in year.	2004	2003
	£'000	£'000
Current tax	-	-
Deferred tax		
Origination and reversal of timing differences (see note 9)	(103)	35
Tax (charge)/credit on ordinary activities	<u>(103)</u>	<u>35</u>
b. Factors affecting current tax (charge)/credit		
	<u>£'000</u>	<u>£'000</u>
Profit/(loss) on ordinary activities before tax	91	(41)
Tax at 100%	<u>91</u>	<u>(41)</u>
Timing differences relating to fixed assets	<u>(114)</u>	<u>27</u>
Short term timing differences	9	8
Permanent differences	14	6
Current tax charge for the year	-	-

This reconciliation is based on an effective rate of 100% because the payment to Plan International (UK) under the deed of covenant is adjusted each year to offset exactly taxable profit for the year.

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NOTES TO FINANCIAL STATEMENTS

8. Tangible fixed assets

The net investment in fixed assets is summarised as follows:

	Leasehold Improvements	Assets in the course of Construction	Building Improvements	Equipment	Total
	£'000	£'000	£'000	£'000	£'000
Cost at 1 July 2003	184	-	89	1,401	1,674
Additions	-	652	8	334	994
Disposals	-	-	-	(310)	(310)
At 30 June 2004	<u>184</u>	<u>652</u>	<u>97</u>	<u>1,425</u>	<u>2,358</u>
Depreciation at 1 July 2003	184	-	11	850	1,045
Disposals	-	-	-	(281)	(281)
Charge for year	-	-	24	295	319
At 30 June 2004	<u>184</u>	<u>-</u>	<u>35</u>	<u>864</u>	<u>1,083</u>
Net book value at 30 June 2004	<u>-</u>	<u>652</u>	<u>62</u>	<u>561</u>	<u>1,275</u>
Net book value at 30 June 2003	<u>-</u>	<u>-</u>	<u>78</u>	<u>551</u>	<u>629</u>

9. Other assets due after more than one year

	2004 £'000	2003 £'000
<u>Deferred tax asset</u>		
At 1 July	427	392
(Charged)/ credited to the profit and loss account (see note 7)	<u>(103)</u>	<u>35</u>
At 30 June	<u>324</u>	<u>427</u>
Accelerated capital allowances	<u>307</u>	<u>419</u>
Short term timing differences	<u>17</u>	<u>8</u>
	<u>324</u>	<u>427</u>

As explained in note 1 (h) this deferred asset arises because the reversal of these timing differences will reduce payments required under the deed of covenant in future years.

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NOTES TO FINANCIAL STATEMENTS

10. Debtors

	2004 £'000	2003 £'000
Other debtors	225	213
Prepayments and accrued income	228	223
Amounts due from Plan International (UK)	<u>818</u>	<u>201</u>
	<u>1,271</u>	<u>637</u>

11. Creditors - amounts falling due within one year

	2004 £'000	2003 £'000
Trade creditors	362	532
Amounts due to Plan International, Inc	3,282	1,337
Other creditors	13	11
Taxation and social security	108	101
Accruals	<u>587</u>	<u>432</u>
	<u>4,352</u>	<u>2,413</u>

12. Provisions for liabilities and charges

	2004 £'000	2003 £'000
1 July 2003	118	110
Charged to the profit and loss account	9	8
Utilised during the year	<u>-</u>	<u>-</u>
	<u>127</u>	<u>118</u>

A provision has been made to reflect Plan Limited's responsibility to return its leased premises to the condition in which they were taken over at the start of the lease.

13. Called up share capital

	2004 £	2003 £
Authorised 1,000 ordinary shares £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid 1 ordinary shares £1 each	1	1

PLAN LIMITED
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NOTES TO FINANCIAL STATEMENTS

14. Reserves	Profit and Loss Account	Capital Contribution Reserve
	£'000	£'000
1 st July 2003	(193)	-
Loss for the financial year 30 th June 2004	(12)	-
Capital contribution	<u>-</u>	<u>200</u>
	(205)	200

Plan International, Inc., the parent of Plan Limited, made a capital contribution of £200,000 as a gift on 18th June 2004 to address the long term funding of Plan Limited.

15. <u>Reconciliation of movements in Shareholder's funds</u>	2004 £'000	2003 £'000
Loss for the year	(12)	<u>(6)</u>
Capital contribution (Note 14)	200	<u>-</u>
Net increase/(reduction) in shareholder's funds	188	(6)
Opening shareholder's deficit	(193)	(187)
Closing shareholder's (deficit)	<u>(5)</u>	<u>(193)</u>

16. 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 £149,722 (2003: £143,553).

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NOTES TO FINANCIAL STATEMENTS

17. Commitments

Operating lease

As at 30 June 2004 the company had annual commitments under a land and building lease expiring as follows:-

	2004	2003
	£'000	£'000
Between two and five years inclusive	<u>263</u>	<u>263</u>

Capital

Contracts for capital expenditure not provided in the financial statements amount to approximately £410,000 (2003: £173,000).

18. Ultimate parent company

Plan Limited is a wholly owned subsidiary of Plan International, Inc. ("Plan International"), 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 Plan Limited rests with the directors of Plan International. A copy of the combined financial statements of Plan International, Plan Ltd. and related fund-raising organisations can be obtained from Plan Limited, Chobham House, Christchurch Way, Woking, Surrey GU21 6JG, England.