

Plan Limited

Director's Report and Financial Statements for the year ended 30 June 2007

Company Registration Number 3001663



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Directors' report for the year ended 30 June 2007

The Directors submit the annual report and the financial statements of the company for the year ended 30 June 2007

1. Activities

Plan Limited (Plan Ltd) provides services to its holding company, Plan International, Inc ("PI Inc"), a not-for-profit membership corporation registered in the USA. PI Inc's members are 15 National Organisations whose primary activities are fundraising and raising awareness of development issues. PI Inc and its member organisations are referred to elsewhere in this report as "Plan". There are 2 additional organisations in the Plan family which have provisional National Organisation status and are therefore not entitled to vote as members of PI Inc. Plan implements projects to create a better future for children whose quality of life and ability to fulfil their potential is affected by extreme poverty, the failure of care by adults, discrimination and exclusion by society, or catastrophic events such as conflict, disaster or the AIDS pandemic. Plan directly supports more than 1.5 million children and their families, and indirectly supports an estimated further nine million people who live in communities that are working with Plan.

The services provided by Plan Ltd include program support, fundraising and support activities. Program support services include program policy and technical expertise, impact evaluations and publications. Fundraising activities are business planning services designed to develop the fundraising capabilities of Plan. Support activities include governance, legal, accounting, audit, human resources and information technology services. The company does not anticipate any change in its activities in the foreseeable future.

2 Directors

- Thomas J Miller
- James Emerson

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

3 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 a 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 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.

4. Statement of disclosure of information to auditors

The directors confirm that, for all directors in office at the date of this report

- So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. For this purpose, "relevant audit information" comprises the information needed by the company's auditors in connection with preparing their report.
- Each director has taken all the steps (such as making enquiries of other directors and the auditors and any other steps required by the director's duty to exercise due care, skill and diligence) that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

5. 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 as at 30 June 2007 were 26 days (2006 22 days), based on the ratio of company trade creditors at the end of the year to the average monthly amounts invoiced during the year by trade creditors

6. Financial risk management

The company's operations expose it to some financial risk including price, credit, liquidity and interest rate risk. The company is reliant on its parent company to determine the framework within which some of these risks are managed. The risks are reviewed and monitored by the directors on a regular basis, using policies and procedures that have been determined in line with the guidelines issued by the parent company. The company had no currency swaps, derivatives or designated hedging instruments as at 30 June 2007 or 30 June 2006.

Price risk Salary costs are communicated to staff during the formal annual review of salaries. Prices of services and materials purchased are subject to contracts and/or purchase orders with suppliers, and are generally based on current market prices. Changes to salary costs and the prices of services and materials are passed on to the parent company, because the fee charged for the services provided to PI Inc comprises the relevant costs incurred plus a 10% mark-up.

Credit risk Credit risk on amounts owed to the company is considered low, as the largest debtors during the year relate to other Plan entities and at the 30 June 2007, the largest debtor related to a sales tax refund.

Liquidity risk The company has no long term borrowings or overdrafts. The parent company has indicated 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.

Interest rate cash flow risk The company is able to place surplus funds on short term deposit with the company's bankers, but the amounts involved are generally small and so fluctuations in interest rates do not have a significant impact on the company's income.

7. Business review

In 2007, Plan Ltd made a profit of £7,000 (2006 £19,000 loss) resulting in overall negative net assets of £36,000 (2006 £43,000). This loss is stated after charging £1,500,000 (2006 £1,222,000) in respect of a charitable contribution to Plan International (UK). Plan International (UK) is a UK based fundraising organisation and a member of PI Inc.

The company's costs are affected by changes to the services required by PI Inc and growth in the number of geographical locations, donors and programs of Plan worldwide. Total costs increased by £3,022,000 or 25% compared to 2006, which comprised a £1,121,000 increase in program support costs, a £1,647,000 increase in fundraising costs and a £254,000 increase in operating costs. The average number of employees increased from 107 to 130.

The 20% increase in program costs is due to the development of expert services in specialisms including child protection, disaster planning, advocacy and program effectiveness disciplines, as well as investing

in program system services for PI Inc's field operations. Fundraising activities were extended in the year to 30 June 2007 to include a business development unit supporting global partnership fundraising and marketing services to support growth in new Plan National Organisations. Operating costs have increased by 4% compared to the previous year as cost inflation and additional resources have been partly offset by renegotiating the rental cost of Plan Ltd's premises.

The departmental structure was revised on 1 July 2006 and the classification of costs into program support, fundraising and operating costs reflects management's view of the activities undertaken. The 2006 figures have been restated to reflect the 2007 structure.

No dividend is proposed for the year ended 30 June 2007 (2006 £ nil)

8. 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


Richard Cunliffe
Company Secretary

2 December 2007

Independent auditors' report to the members of Plan Limited

We have audited the financial statements of Plan Ltd for the year ended 30 June 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
3 December 2007

Profit and loss account for the year ended 30 June

		2007	2006
			Restated
	Notes	£'000	£'000
Turnover			
Income from services to PI Inc	2	16,826	13,501
Cost of sales			
Program support		(6,739)	(5,618)
Fundraising		(2,351)	(704)
Operating		(6,206)	(5,952)
		<u>(15,296)</u>	<u>(12,274)</u>
Gross profit		1,530	1,227
Other operating expenses			
Contribution to Plan International (UK)	3	<u>(1,500)</u>	<u>(1,222)</u>
Operating profit		30	5
Interest receivable	4	<u>14</u>	<u>18</u>
Profit on ordinary activities before taxation	5	44	23
Tax on profit on ordinary activities	8	<u>(37)</u>	<u>(42)</u>
Profit/(loss) for the financial year		7	(19)

The departmental structure was revised on 1 July 2006 and the classification of costs into program support, fundraising and operating costs reflects management's view of the activities undertaken. The 2006 expenditure figures and average number of employees (note 6) have been restated to reflect the 2007 structure.

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents. All income and expenditure relates 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 8 to 14 form part of these financial statements.

Balance Sheet as at 30 June

	Notes	2007 £'000	2006 £'000
Fixed assets			
Tangible assets	9	3,823	2,182
Other assets due after more than one year	10	-	16
		<u>3,823</u>	<u>2,198</u>
Current assets			
Debtors	11	927	1,544
Cash at bank and in hand		<u>166</u>	<u>301</u>
		1,093	1,845
Creditors - amounts falling due within one year	12	<u>(4,771)</u>	<u>(3,853)</u>
Net current liabilities		(3,678)	(2,008)
Total assets less current liabilities		145	190
Creditors – amounts falling due after more than one year	13	(160)	-
Provisions for liabilities and charges	14	(21)	(233)
Net liabilities		<u>(36)</u>	<u>(43)</u>
Equity interests			
Share capital	16	-	-
Capital contribution	17	200	200
Profit and loss account	17	(236)	(243)
Equity shareholder's deficit	18	<u>(36)</u>	<u>(43)</u>

Approved by the Board on 2 December 2007


Thomas J Miller
Director

The notes on pages 8 to 14 form part of these financial statements

Notes to the financial statements

1. Accounting policies

a. Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 1985 and 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 been prepared under the going concern concept, based 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 any 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 may not be recoverable. Such impairment reviews are performed in accordance with FRS 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 lives of each asset. The estimated useful economic lives applicable to the major classes of assets are 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.

e. Related party disclosure

In accordance with the exemption allowed by paragraph 3 (c) of FRS 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 FRS1, 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.

1 Financial instruments

Plan Ltd does not make use of derivative financial instruments. Financial assets and liabilities are measured in accordance with the historical cost convention.

2. Income from services to PI Inc

The company provides services to PI Inc, for which it charges a fee comprising the relevant costs incurred plus a 10% mark-up. All turnover is derived from activities in the United Kingdom.

3. Contribution to Plan International (UK)

The expenditure of £1,500,000 (2006 £1,222,000) represents a donation under deed of covenant to Plan International (UK), a UK registered charity, by which Plan Limited donates the whole of its taxable profits.

4 Interest receivable

The interest earned in the year to 30 June 2007 of £14,000 (2006 £18,000) represents interest on the company's bank account balance.

5. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2007	2006
	£'000	£'000
Audit fees	680	569
Non-audit fees paid to our auditors	4	4
Depreciation	707	659
Operating lease rentals - buildings	243	263
- computer equipment	39	-

The audit fee of £680,000 (2006 £569,000) includes £27,000 (2006 £26,000) in respect of Plan Ltd. The remaining fees represent audit services provided to PI Inc the costs of which are borne by Plan Ltd in its capacity as service provider. The aggregate 2007 fees include an amount of £141,000 relating to the prior year (2006 £232,700).

6. Employees

Employee costs

	2007	2006
	£'000	£'000
Salaries	5,684	4,615
Social Security	581	418
Pension costs	146	154
	6,411	5,187

Average number of employees by category

	2007	2006
	Number	Restated Number
Program support	71	52
Fundraising	2	2
Operating	57	53
	130	107

7. Directors' remuneration

	2007	2006
	£'000	£'000
Remuneration for the 2 directors during the year (2006 3 Directors)		
Emoluments	318	289
Compensation to a past director for loss of office	-	40
Pension contributions to money purchase pension scheme	10	13
	328	342
The remuneration of the highest paid director in the year to 30 June was		
Emoluments	162	148
Pension contributions to money purchase pension scheme	2	7
	164	155

8. Tax on profit on ordinary activities

The company has no liability to corporation tax in respect of the year ended 30 June 2007 because of donations payable to Plan International (UK)

	2007	2006
	£'000	£'000
a) Analysis of charge in the year		
Current tax	-	-
Deferred tax -origination and reversal of timing differences (see note 15)	(37)	(42)
Tax charge on profit on ordinary activities	(37)	(42)
b) Factors affecting current tax charge		
Profit on ordinary activities before tax	44	23
Tax at 100%	44	23
Timing differences relating to fixed assets	(125)	(44)
Short term timing differences	62	2
Permanent differences	19	19
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 exactly offset taxable profit for the year

9. Tangible assets

	Leasehold improvements	Assets in the course of construction	Equipment	Total
	£'000	£'000	£'000	£'000
Cost at 1 July 2006	302	818	3,080	4,200
Additions	-	1,923	425	2,348
Disposals	-	-	(22)	(22)
At 30 June 2007	302	2,741	3,483	6,526
Depreciation at 1 July 2006	272	-	1,746	2,018
Disposals	-	-	(22)	(22)
Charge for the year	18	-	689	707
At 30 June 2007	290	-	2,413	2,703
Net book value at 1 July 2006	30	818	1,334	2,182
Net book value at 30 June 2007	12	2,741	1,070	3,823

Assets in the course of construction comprise internally generated software and hardware to support a more robust and secure intranet which has not yet been brought into use

10. Other assets due after more than one year

	2007	2006
	£'000	£'000
Deferred tax	-	16

As explained in note 1(h), a deferred asset arose at 30 June 2006 because the reversal of these timing differences decreased payments required under the deed of covenant in the following year

11. Debtors

	2007	2006
	£'000	£'000
Other debtors	365	388
Prepayments and accrued income	562	378
Amounts due from Plan International (UK)	-	778
	927	1,544

12. Creditors – amounts falling due within one year

	2007	2006
	£'000	£'000
Trade creditors	640	443
Amounts due to PI Inc	1,923	1,674
Other creditors	6	13
Taxation and social security	179	139
Accruals	2,023	1,584
	4,771	3,853

13. Creditors – amounts falling due after more than one year

	2007	2006
	£'000	£'000
Accruals	160	-

At 30 June 2006, a provision existed (see note 14) which represented an obligation to pay for dilapidations on Plan Ltd's leased premises. On 11 December 2006, a new lease was completed in respect of these premises, which expires on 10 December 2011. Plan Ltd has the option to break the lease with effect from 11 December 2008 and 11 December 2009. The company will only be responsible for dilapidations if the break-option is exercised on 11 December 2008 and not if the lease is allowed to expire or the break-option is exercised on 11 December 2009. The dilapidations terms of the new lease have the effect of a lease incentive. Consequently the dilapidations provision has been reclassified as a creditor and is being released to the profit and loss account over the life of the new lease. £47,000 falls due within one year and £160,000 falls due after more than one year.

14. Provisions for liabilities and charges

	2007 £'000	2006 £'000
Dilapidations provision		
At 1 July	233	214
Charged to the profit and loss account	-	19
Reclassification to creditors (see note 13)	(233)	-
At 30 June	-	233
Deferred tax provision		
At 1 July	-	-
Charged to the profit and loss account	21	-
At 30 June	21	-
Total provisions for liabilities and charges at 30 June	21	233

15. Deferred tax

Deferred tax provision/(asset)		
At 1 July	(16)	(58)
Charged to the profit and loss account (see notes 10 and 14)	37	42
At 30 June	21	(16)

The deferred tax provision/(asset) represents

Unused/(accelerated) capital allowances	83	(14)
Short term timing differences	(62)	(2)
	21	(16)

16. Called up share capital

	2007 £	2006 £
Authorised		
1,000 ordinary shares at £1 each	1,000	1,000
Allotted and fully paid		
1 ordinary share at £1	1	1

17. Reserves

	Profit & Loss Account £'000	Capital Contribution £'000
At 1 July 2006	(243)	200
Profit for the financial year	7	-
At 30 June 2007	(236)	200

18. Reconciliation of movements in shareholder's deficit

	2007	2006
	£'000	£'000
Profit/(Loss) for the financial year	7	(19)
Opening shareholder's deficit	(43)	(24)
Closing shareholder's deficit	(36)	(43)

19 Pension schemes

The company makes payments in respect of 3 defined contributions 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 £146,000 (2006 £154,000).

20 Commitments

Operating lease

At 30 June 2007, Plan Ltd had annual commitments under operating leases expiring as follows

	2007	2006
	£'000	£'000
Land and Buildings		
Within one year	-	111
Between one and five years inclusive	250	-
	250	111
Computer Equipment		
Between one and five years inclusive	183	-
	183	-
Total	433	111

A new lease for this building was entered into on 11 December 2006 under which Plan Ltd has an annual rental obligation of £250,000.

Capital

Contracts for capital expenditure not provided in the financial statements amount to approximately £2,759,000 (2006 £843,000).

21. Ultimate parent company

Plan Ltd is a wholly owned subsidiary of Plan International, Inc (PI 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 Plan Ltd rests with the directors of PI Inc. A copy of the Plan Worldwide accounts, which are the combined financial statements of Plan International, Inc. Plan Limited and related fundraising organisations, can be obtained from Plan Ltd, Chobham House, Christchurch Way, Woking, Surrey GU21 6JG, England.