

Plan Limited

Directors' Report and Financial Statements for the year ended 30 June 2008

Company Registration Number: 3001663

TUESDAY



A06 *A00PQ3YE* 88
14/10/2008
COMPANIES HOUSE

Contents

Page

2	Directors' report
5	Independent auditors' report
6	Profit and loss account
7	Balance sheet
8	Notes to financial statements

Directors' report for the year ended 30 June 2008

The Directors submit the annual report and the financial statements of the company for the year ended 30 June 2008

1. Activities

Plan Limited 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 Limited 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, internal 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

3 Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK 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, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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 2008 were 34 days (2007 26 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. The increase of 8 days is due to several large value invoices received at year end, whereas equivalent invoices were not received until after year end last year. Accruals have reduced year on year as a result

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 2008 or 30 June 2007

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 30 June 2008 the largest third party 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 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. Cash deposits generally have a short maturity and the capital value is not affected by interest rate changes

7. Business review

In 2008, Plan Limited made a loss of £16,000 (2007 £7,000 profit) after charging £1,750,000 (2007 £1,500,000) in respect of a charitable contribution to Plan International (UK), which exceeded gross profit. Plan International (UK) is a UK based fundraising organisation and a member of PI Inc. The loss resulted in overall negative net assets of £52,000 (2007 £36,000)

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. The main business risk for Plan Limited is reliance on PI Inc as its sole revenue source. Financial key performance indicators are not relevant for Plan Limited due to the nature of its business.

Total costs increased by £1,781,000 or 12% compared to 2007, which comprised a £1,647,000 increase in program support costs, a £142,000 decrease in fundraising costs and a £276,000 increase in operating costs. The average number of employees during the year increased from 130 to 138.

The 25% increase in program costs year on year, is due to the further 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 remained as in the year to 30 June 2007 with a small reduction in the support for 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 a full year of the lower rental costs of Plan Limited's premises.

No dividend is proposed for the year ended 30 June 2008 (2007: £ 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

25 September 2008

Independent auditors' report to the members of Plan Limited

We have audited the financial statements of Plan Limited for the year ended 30 June 2008 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 2008 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
25 September 2008

Profit and loss account for the year ended 30 June

		2008	2007
			Restated
	Notes	£'000	£'000
Turnover			
Income from services to PI Inc	2	18,785	16,826
Cost of sales			
Program support		(8,264)	(6,617)
Fundraising		(2,196)	(2,338)
Operating		(6,617)	(6,341)
		(17,077)	(15,296)
Gross profit		1,708	1,530
Other operating expenses			
Contribution to Plan International (UK)	3	(1,750)	(1,500)
Operating (loss) / profit		(42)	30
Interest receivable	4	22	14
(Loss) / profit on ordinary activities before taxation	5	(20)	44
Tax on profit on ordinary activities	8	4	(37)
(Loss) / profit for the financial year		(16)	7

The classification of costs between program support, fundraising and operating costs reflects management's view of the activities undertaken. 2007 cost of sales figures have been restated as described in note 1a for consistency with the 2008 classification.

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

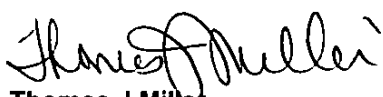
The company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 8 to 15 form part of these financial statements.

Balance Sheet as at 30 June

		2008	2007
	Notes	£'000	£'000
Fixed assets			
Tangible assets	9	4,513	3,823
Current assets			
Debtors	10	919	927
Cash at bank and in hand		185	166
		<u>1,104</u>	<u>1,093</u>
Creditors - amounts falling due within one year	11	<u>(5,542)</u>	<u>(4,771)</u>
Net current liabilities		(4,438)	(3,678)
Total assets less current liabilities		75	145
Creditors – amounts falling due after more than one year	12	(114)	(160)
Provisions for liabilities and charges	13	(13)	(21)
Net liabilities		(52)	(36)
Equity interests			
Share capital	15	-	-
Capital contribution	16	200	200
Profit and loss account	16	(252)	(236)
Equity shareholder's deficit	17	(52)	(36)

Approved by the Board on 25 September 2008


Thomas J Miller
Director

The notes on pages 8 to 15 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.

During the year, management have reviewed the classification of activities between program support, fundraising and operating. This has resulted in minor changes impacting the analysis of cost of sales and employees by cost category. 2007 figures have been restated accordingly, which has resulted in the following changes to the amounts previously reported: program support decreased by £122,000, fundraising decreased by £13,000 and operating increased by £135,000.

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	The shorter of 3 years or the remaining life of the lease
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. Lease incentives are recognised on a straight line basis over the life of the lease or, where applicable, up to the first rent review.

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.

i. Financial instruments

Plan Limited 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 £1,750,000 (2007: £1,500,000) 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 2008 of £22,000 (2007: £14,000) 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

	2008	2007
	£'000	£'000
Audit fees	373	680
Non-audit fees paid to our auditors	3	4
Depreciation	1,430	707
Operating lease rentals - buildings	238	243
- computer equipment	161	39

The audit fee of £373,000 (2007: £680,000) includes £28,000 (2007: £27,000) in respect of Plan Limited's statutory accounts. The remaining fees relate to the audit of the accounts prepared for PI Inc, the costs of which are borne by Plan Limited in its capacity as service provider. The aggregate 2008 fees include an amount of £66,000 relating to the prior year (2007: £141,000).

6. Employees

Employee costs

	2008	2007
	£'000	£'000
Salaries	6,228	5,684
Social Security	613	581
Pension costs	172	146
	7,013	6,411

Average number of employees by category

	2008	2007
	Number	Restated Number
Program support	79	69
Fundraising	2	2
Operating	57	59
	138	130

7. Directors' remuneration

	2008	2007
	£'000	£'000
Remuneration for the 2 directors during the year		
Emoluments	338	318
Pension contributions to a defined contribution pension scheme	9	10
	347	328
The remuneration of the highest paid director in the year to 30 June was		
Emoluments	172	162
Pension contributions to a defined contribution pension scheme	-	2
	172	164

8. Tax on profit on ordinary activities

	2008	2007
	£'000	£'000
a) Analysis of credit/(charge) in the year		
Current tax charge	(4)	-
Deferred tax - origination and reversal of timing differences (see note 14)	8	(37)
Tax credit/(charge) on profit on ordinary activities	4	(37)
b) Factors affecting current tax charge		
(Loss)/Profit on ordinary activities before tax	(20)	44
Tax on loss on ordinary activities at effective rate of 20 25% (2007 20%)	4	(9)
Timing differences relating to fixed assets	(19)	25
Short term timing differences	12	(12)
Permanent differences	(1)	(4)
Current tax charge for the year	(4)	-

9. Tangible assets

	Leasehold improvements £'000	Assets in the course of construction £'000	Equipment £'000	Total £'000
Cost at 1 July 2007	302	2,741	3,483	6,526
Additions	4	1,913	208	2,126
Transfers	-	(3,545)	3,545	-
Disposals	-	-	(68)	(68)
At 30 June 2008	306	1,109	7,168	8,583
Depreciation at 1 July 2007	290	-	2,413	2,703
Disposals	-	-	(63)	(63)
Charge for the year	8	-	1,422	1,430
At 30 June 2008	298	-	3,772	4,070
Net book value at 1 July 2007	12	2,741	1,070	3,823
Net book value at 30 June 2008	8	1,109	3,396	4, 513

Assets in the course of construction at 30 June 2008 mainly comprise internally generated software to support the National Organisations' operations. The assets in the course of construction last year also included hardware and internally generated software to support a more robust and secure intranet and have been brought into use since 1 July 2007.

10. Debtors

	2008	2007
	£'000	£'000
Other debtors	286	365
Prepayments and accrued income	633	562
	919	927

11. Creditors – amounts falling due within one year

	2008	2007
	£'000	£'000
Trade creditors	782	640
Amounts due to PI Inc	3,473	1,923
Other creditors	13	6
Taxation and social security	167	179
Accruals	1,107	2,023
	5,542	4,771

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

	2008	2007
	£'000	£'000
Accruals	114	160

At 30 June 2006, a provision existed (see note 13) which represented an obligation to pay for dilapidations on Plan Limited's leased premises. On 11 December 2006, a new lease was completed in respect of these premises, which expires on 10 December 2011. Plan Limited 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 was reclassified as a creditor in 2007 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 £113,000 falls due after more than one year.

13. Provisions for liabilities and charges

	2008	2007
	£'000	£'000
Dilapidations provision		
At 1 July	-	233
Charged to the profit and loss account	-	-
Reclassification to creditors (see note 12)	-	(233)
At 30 June	-	-
Deferred tax provision		
At 1 July	21	-
(Credited)/Charged to the profit and loss account	(8)	21
At 30 June	13	21
Total provisions for liabilities and charges at 30 June	13	21

14. Deferred tax

	2008	2007
	£'000	£'000
Deferred tax provision/(asset)		
At 1 July	21	(16)
(Credited)/Charged to the profit and loss account (see note 13)	(8)	37
At 30 June	13	21
The deferred tax provision represents		
Fixed asset timing differences	15	83
Short term timing differences	(2)	(62)
	13	21

15. Called up share capital

	2008	2007
	£	£
Authorised		
1,000 ordinary shares at £1 each	1,000	1,000
Allotted and fully paid		
1 ordinary share at £1	1	1

16. Reserves

	Profit & Loss Account £'000	Capital Contribution £'000
At 1 July 2007	(236)	200
Loss for the financial year	(16)	-
At 30 June 2008	(252)	200

17. Reconciliation of movements in shareholder's deficit

	2008 £'000	2007 £'000
(Loss) / profit for the financial year	(16)	7
Opening shareholder's deficit	(36)	(43)
Closing shareholder's deficit	(52)	(36)

18. Pension schemes

The company makes payments in respect of 3 defined contribution schemes. These provide pension benefits from funds accruing from contributions from both employees and the company. The funds are held separately from those of the company. The combined pension costs charged in the year were £172,000 (2007: £146,000).

19. Commitments

Operating lease

At 30 June 2008, Plan Limited had annual commitments under operating leases expiring as follows:

	2008 £'000	2007 £'000
Land and Buildings		
Between one and five years inclusive	250	250
	250	250
Computer Equipment		
Between one and five years inclusive	188	183
	188	183
Total	438	433

Capital

Contracts for capital expenditure not provided in the financial statements amount to approximately £478,000 (2007: £2,759,000).

20. Ultimate parent company

Plan Limited 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. PI Inc prepares consolidated accounts that include Plan Limited. Ultimate control of Plan Limited rests with the directors of PI Inc. A copy of the PI Inc accounts and 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 Limited, Chobham House, Christchurch Way, Woking, Surrey GU21 6JG, England.