

Plan Limited

Directors' Report and Financial Statements for the year ended 30 June 2009

Company Registration Number: 3001663

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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 2009

The directors submit the annual report and the financial statements of the company for the year ended 30 June 2009.

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 16 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

The directors who held office during the year are given below:

- Nigel Chapman (appointed 1 April 2009)
- Thomas J Miller (resigned 24 December 2008)
- James Emerson
- Ann Firth (appointed 25 December 2008)

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 2006. 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/she ought to have taken in his/her duty as a director in order to make himself/herself 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 2009 were 12 days (2008: 34 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 decrease of 22 days is as a result of lower purchases during 2009, particularly in June, and a change in the timing of payments.

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 2009 or 30 June 2008.

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 company does not have trade debtors and the largest third party debtor at 30 June 2009 was for a one off item settled soon after the year end. Other debtors mainly relate to other Plan entities.

Liquidity risk: The company has no long term borrowings or overdrafts. The parent company has indicated that it intends, for at least the next twelve months, to provide such funding as is required by the company to enable it to meet its liabilities as they fall due. A capital contribution of £200,000 was received from the parent company during the year ended 30 June 2009.

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 2009, Plan Limited made a loss of £7,000 (2008: £16,000 loss) after charging £2,500,000 (2008: £1,750,000) 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.

On 29 June 2009 Plan Limited received a capital contribution of £200,000 from PI Inc. Following this contribution and the loss in the year, Plan Limited had positive net assets of £141,000 as at 30 June 2009 (2008: negative net assets of £52,000).

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 operating costs decreased by £1,389,000 or 8% compared to 2008, which comprised a £350,000 (4%) increase in program support costs, a £2,000 decrease in fundraising costs and a £1,737,000 decrease in operating costs. The average number of employees during the year decreased from 138 to 132.

The 4% increase in program support costs year on year is mainly as a result of improvements to the computer systems for PI Inc's field operations. Fundraising activities remained substantially the same as in the year to 30 June 2008.

Operating costs have decreased by 25% compared to the previous year because the audit fees for the PI Inc accounts and the Plan Worldwide combined accounts for the financial years 2004 to 2008, which were previously being charged through Plan Limited's accounts, have been credited to Plan Limited and re-invoiced to PI Inc resulting in a one-off credit of £1,831,000 (including irrecoverable VAT). This follows a ruling by HM Revenue & Customs. Additionally, the comparative figures for the year ended 30 June 2008 included £345,000 in respect of the 2008 audit fees for PI Inc and Plan Worldwide, but there is no equivalent charge for the current year. Excluding the impact of these items, operating costs would have increased by £439,000 or 7% as a result of improvements to computer systems for the National Organisations.

No dividend is proposed for the year ended 30 June 2009 (2008: £ nil).

8. Going Concern

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.

9. 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

Date **19 September 2009**

Independent auditors' report to the members of Plan Limited

We have audited the financial statements of Plan Limited for the year ended 30 June 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Sections 495 and 496 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2009 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

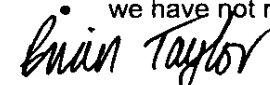
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.


Brian Taylor (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
Date 19 September 2009

Profit and loss account for the year ended 30 June

		2009	2008
			Restated
	Notes	£'000	£'000
Turnover			
Income from services to PI Inc	2	17,257	18,785
Cost of sales			
Program support		(8,373)	(8,023)
Fundraising		(2,194)	(2,196)
Operating costs			
One-off credit of costs		1,831	-
Other operating costs		(6,952)	(6,858)
		(5,121)	(6,858)
		(15,688)	(17,077)
Gross profit		1,569	1,708
Other operating expenses :			
Contribution to Plan International (UK)	3	(2,500)	(1,750)
Operating loss		(931)	(42)
Interest receivable	4	9	22
Loss on ordinary activities before taxation	5	(922)	(20)
Tax on loss on ordinary activities	8	915	4
Loss for the financial year	16	(7)	(16)

The classification of costs between program support, fundraising and operating costs reflects management's view of the activities undertaken. 2008 cost of sales figures have been restated as described in note 1a for consistency with the 2009 classification.

The operating costs in 2009 reflect a one-off credit of £1,831,000 in respect of the reversal of audit fees charged in prior years, as explained more fully in note 5.

There is no difference between the loss on ordinary activities before taxation and the loss for the financial 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

	Notes	2009 £'000	2008 £'000
Fixed assets			
Tangible assets	9	4,658	4,513
Current assets			
Deferred tax asset	10	902	-
Other debtors	11	2,322	919
Total debtors		3,224	919
Cash at bank and in hand		565	185
		3,789	1,104
Creditors - amounts falling due within one year	12	(8,239)	(5,542)
Net current liabilities		(4,450)	(4,438)
Total assets less current liabilities		208	75
Creditors – amounts falling due after more than one year	13	(67)	(114)
Provisions for liabilities and charges	14	-	(13)
Net assets/(liabilities)		141	(52)
Share capital	15	-	-
Capital contribution	16	400	200
Profit and loss account	16	(259)	(252)
Shareholder's funds/ (deficit)	17	141	(52)

Approved by the Board on

19 September 2009

Nigel Chapman

Nigel Chapman
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 2006 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 and operating. This has resulted in minor changes impacting the analysis of cost of sales and employees by cost category. 2008 figures have been restated accordingly, which has resulted in program support costs decreasing by £241,000 and operating costs increasing by £241,000 compared to previously reported amounts. Under the previous classification the program support costs and operating costs for 2009 would have been £369,000 higher and lower respectively. The average number of employees also changed with program support decreasing by 9 employees and operating increasing by 9 employees compared to previously reported amounts.

b. Turnover

The company provides services to PI Inc for which it charges a fee comprising the relevant costs incurred plus a 10% mark-up. Turnover is recognised in the period in which the related costs are incurred and is stated exclusive of value added tax.

c. 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 life of each asset and commences when the asset is available for use. 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.

d. 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.

e. 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.

f. 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.

g. Cash flow statement

In accordance with the exemption allowed by paragraph 5 (a) of FRS1 (revised), a cash flow statement for the company has not been provided.

h. 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.

i. 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.

j. 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 £2,500,000 (2008: £1,750,000) 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 2009 of £9,000 (2008: £22,000) represents interest on the company's bank account balance.

5. Loss on ordinary activities before taxation

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

	2009	2008
	£'000	£'000
Fees payable to the company auditor for the audit of Plan Limited	28	28
Fees (reimbursed by)/payable to the company auditor for the audit of PI Inc and Plan Worldwide	(1,597)	345
Fees payable to the company auditor for other services:		
Other services pursuant to legislation	27	-
Tax services	9	3
Depreciation	1,960	1,430
Operating lease rentals - buildings	238	238
- computer equipment	181	161

In previous years the fees payable to the company auditor for the audit of PI Inc and Plan Worldwide were borne by Plan Limited in its capacity as service provider, and then recovered from PI Inc through the service fee charged to PI Inc. In 2009 the audit fees for financial years 2004 to 2008 inclusive have been credited to Plan Limited and re-invoiced directly to PI Inc resulting in the credit shown above. Taken together with the irrecoverable VAT on these audit fees, this has produced an aggregate one-off credit of £1,831,000. In addition, the 2009 audit fees for PI Inc and Plan Worldwide have been charged directly to PI Inc. This follows a ruling by HM Revenue & Customs. The aggregate 2008 fees for PI Inc and Plan Worldwide include an amount of £66,000 relating to the prior year.

6. Employees

	2009	2008
	£'000	£'000
Employee costs		
Salaries	6,225	6,228
Social security	561	613
Pension costs	206	172
	6,992	7,013

	2009	2008
	Number	Restated Number
Average number of employees by category		
Program support	60	70
Fundraising	3	2
Operating	69	66
	132	138

The classification of the average number of employees between program support, fundraising and operating categories reflects management's view of the activities undertaken. 2008 figures have been restated as described in note 1a for consistency with the 2009 classification.

7. Directors' remuneration

	2009	2008
	£'000	£'000
Remuneration for the 4 directors (2008: 2) during the year:		
Emoluments	443	338
Pension contributions to a defined contribution pension scheme	12	9
	455	347
The remuneration of the highest paid director in the year to 30 June was:		
Emoluments	250	172
Pension contributions to a defined contribution pension scheme	5	-
	255	172

Contributions to the defined contribution pension scheme are made in respect of 3 directors (2008: 1 director).

8. Tax on loss on ordinary activities

	2009	2008
	£'000	£'000
a) Analysis of credit in the year		
Current tax charge	-	(4)
Deferred tax - origination and reversal of timing differences (see notes 10 and 14)	915	8
Tax credit on loss on ordinary activities	915	4
b) Factors affecting current tax charge		
Loss on ordinary activities before tax	(922)	(20)
Tax on loss on ordinary activities at effective rate of 21% (2008: 20.25%)	194	4
Timing differences relating to fixed assets	(193)	(19)
Short term timing differences	-	12
Permanent differences	(1)	(1)
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 2008	306	1,109	7,168	8,583
Additions	-	1,898	210	2,108
Transfers	-	(1,708)	1,708	-
Disposals	-	-	(260)	(260)
At 30 June 2009	306	1,299	8,826	10,431
Depreciation at 1 July 2008	298	-	3,772	4,070
Disposals	-	-	(257)	(257)
Charge for the year	7	-	1,953	1,960
At 30 June 2009	305	-	5,468	5,773
Net book value at 30 June 2009	1	1,299	3,358	4,658
Net book value at 30 June 2008	8	1,109	3,396	4,513

Assets in the course of construction at 30 June 2009 mainly comprise internally generated software to support operations in the field.

10. Deferred tax asset

	2009 £'000	2008 £'000
Deferred tax asset/(provision)		
At 1 July	(13)	-
Credited to the profit and loss account	915	-
At 30 June	902	-

The deferred tax asset arises from fixed asset timing differences. In 2008 there was a deferred tax provision, as set out in note 14.

11. Other debtors

	2009 £'000	2008 £'000
Other debtors	1,759	286
Prepayments and accrued income	563	633
	2,322	919

12. Creditors – amounts falling due within one year

	2009	2008
	£'000	£'000
Trade creditors	206	782
Amounts due to PI Inc	6,756	3,473
Other creditors	2	13
Taxation and social security	155	167
Accruals and deferred income	1,120	1,107
	8,239	5,542

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

	2009	2008
	£'000	£'000
Accruals and deferred income	67	114

On 11 December 2006, a new lease was completed in respect of Plan Limited's leased premises, which expires on 10 December 2011. The dilapidations terms of the new lease have the effect of a lease incentive, as the dilapidation provision that previously existed is no longer required. Consequently the dilapidations provision is being released to the profit and loss account over the life of the new lease. £47,000 falls due within one year and £67,000 falls due after more than one year.

14. Provisions for liabilities and charges

	2009	2008
	£'000	£'000
Deferred tax provision		
At 1 July	-	21
Credited to the profit and loss account	-	(8)
At 30 June	-	13
The deferred tax provision represents:		
Fixed asset timing differences	-	15
Short term timing differences	-	(2)
	-	13

In 2009 there was a deferred tax asset as set out in note 10.

15. Called up share capital

	2009	2008
	£	£
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 2008	(252)	200
Loss for the financial year	(7)	-
Capital contribution from PI Inc	-	200
At 30 June 2009	(259)	400

17. Reconciliation of movements in shareholder's funds/(deficit)

	2009 £'000	2008 £'000
Loss for the financial year	(7)	(16)
Capital contribution	200	-
Opening shareholder's deficit	(52)	(36)
Closing shareholder's funds/ (deficit)	141	(52)

18. Pension schemes

During the year the company made payments into a defined contribution trustee pension scheme which was closed to new members and new contributions in November 2008. This scheme is in the process of being wound up. A new defined contribution scheme was opened with effect from December 2008. These schemes 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 £206,000 (2008: £172,000).

19. Commitments

Operating lease

At 30 June 2009, Plan Limited had annual commitments under non-cancellable operating leases expiring as follows:

	2009 £'000	2008 £'000
Land and Buildings		
Between one and five years inclusive	250	250
Computer Equipment		
Between one and five years inclusive	220	188
Total	470	438

Capital

Contracts for capital expenditure not provided in the financial statements amount to approximately £343,000 (2008: £478,000).

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.