

3001663

Plan Limited

Directors' Report and Financial Statements for the year ended 30 June 2010

SATURDAY



A37 *AS2TKOAF* 262
16/10/2010
COMPANIES HOUSE

Plan Limited

Contents

Page

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

Plan Limited

Directors' report for the year ended 30 June 2010

The directors submit the annual report and the audited financial statements of the company for the year ended 30 June 2010

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 18 National Organisations whose primary activities are fundraising and raising awareness of development issues. There are 2 additional National Organisations in the Plan family which are preparing for admission as member National Organisations and are therefore currently not entitled to vote as members of PI Inc. PI Inc and the National Organisations are referred to elsewhere in this report as "Plan". Plan implements projects to create a better future for children in developing countries 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 pandemics such as AIDS. Plan's work assists an estimated 10 million children, who live in communities that are working with Plan, including 1.5 million children enrolled in Plan's sponsorship program and their families.

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 and up to the date of signing the financial statements are given below:

- Nigel Chapman
- James Emerson (resigned 7 June 2010)
- Ann Firth

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 2010 were 35 days (2009: 12 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 23 days follows unusually low creditors' days in 2009 and is as a result of higher purchases during June 2010 compared to June 2009 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 2010 or 30 June 2009.

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 2010 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 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.

Plan Limited

7 Business review

In 2010, Plan Limited made a loss on ordinary activities before taxation of £1,173,000 (2009 £922,000 loss) after charging £2,800,000 (2009 £2,500,000) 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. Due to a deferred tax charge, Plan Limited's loss after taxation rose by £487,000 to £1,660,000 (2009 £7,000). No current tax charge arose in 2010 or 2009.

On 29 June 2009 Plan Limited received a capital contribution of £200,000 from PI Inc. Following this contribution and the loss in that year, Plan Limited had net assets of £141,000. After the loss in 2010, the company had net liabilities of £1,519,000 as at 30 June 2010.

The tax charge in the 2010 profit and loss account of £487,000 has arisen due to a reduction in Plan Limited's deferred tax asset from £902,000 in 2009 to £415,000 in 2010. During 2010 the directors have reviewed the basis of estimation of the deferred tax asset. In prior years this was calculated using an effective recovery rate of 100%. Going forward, the directors believe it is now more appropriate that deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse.

The company's cost of sales is affected by changes to the services required by PI Inc and changes 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 cost of sales increased by £570,000 or 4% compared to 2009, which comprised a £389,000 (5%) decrease in program support costs, a £153,000 decrease (7%) in fundraising costs and a £1,112,000 (22%) increase in operating costs.

The 4% decrease in program support costs year on year is mainly as a result of lower staff costs in the program area due to vacancies that were mostly filled towards the end of the year. Fundraising activities remained substantially the same as in the year to 30 June 2009 but with a reduction in the support to new Plan National Organisations.

The 22% increase in operating costs compared to 2009, is impacted by a one-off credit last year. In the year to 30 June 2009 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, were 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. Excluding the impact of this item, operating costs would have decreased by £719,000 or 10% in 2010 due to software support costs for a system for certain National Organisations no longer being incurred by Plan Limited and a reduction in general administration costs.

The average number of employees during the year decreased from 132 to 120. No dividend is proposed for the year ended 30 June 2010 (2009 £ nil).

8 Going concern

The net liabilities of the company as at 30 June 2010 result from the contribution to Plan International (UK), as opposed to underlying concerns over gross profit. This in turn is influenced by timing differences between taxable and accounting profit which are expected to reverse over time.

The financial statements have therefore 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. This has been formally approved in a letter of support from the parent undertaking.

By order of the Board



Director

Date 17 September 2010

Plan Limited

Independent auditors' report to the members of Plan Limited

We have audited the financial statements of Plan Limited for the year ended 30 June 2010 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 Chapter 3 of Part 16 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 2010 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.

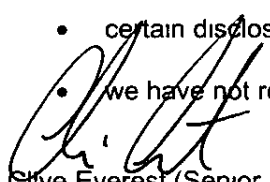
Opinion on other matter prescribed by the Companies Act 2006

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.


Clive Everest (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

20 September 2010

Plan Limited

Profit and loss account for the year ended 30 June

		2010	2009
	Note	£'000	£'000
Turnover			
Income from services to PI Inc	2	17,884	17,257
Cost of sales			
Program support		(7,984)	(8,373)
Fundraising		(2,041)	(2,194)
Operating costs			
One-off credit of costs	5	-	1,831
Other operating costs		(6,233)	(6,952)
		<u>(6,233)</u>	<u>(5,121)</u>
		(16,258)	(15,688)
Gross profit		1,626	1,569
Other operating expenses			
Contribution to Plan International (UK)	3	<u>(2,800)</u>	<u>(2,500)</u>
Operating loss		(1,174)	(931)
Interest receivable	4	<u>1</u>	<u>9</u>
Loss on ordinary activities before taxation	5	(1,173)	(922)
Tax on loss on ordinary activities	8	(487)	915
Loss for the financial year	15	(1,660)	(7)

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 14 form part of these financial statements.

Plan Limited

Balance Sheet as at 30 June

	Note	2010 £'000	2009 £'000
Fixed assets			
Tangible assets	9	3,070	4,658
Current assets			
Deferred tax asset	10	415	902
Other debtors	11	872	2,322
Total debtors		1,287	3,224
Cash at bank and in hand		130	565
		1,417	3,789
Creditors - amounts falling due within one year	12	(5,985)	(8,239)
Net current liabilities		(4,568)	(4,450)
Total assets less current liabilities		(1,498)	208
Creditors – amounts falling due after more than one year	13	(21)	(67)
Net assets		(1,519)	141
Called up share capital	14	-	-
Capital contribution	15	400	400
Profit and loss account	15	(1,919)	(259)
Total shareholder's funds	16	(1,519)	141

The financial statements on pages 6 to 14 were approved by the board of directors on 17 September 2010 and were signed on its behalf by

Nigel Chapman
Nigel Chapman
Director

Plan Limited

Registered Number. 3001663

Plan Limited

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.

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. Cost includes the purchase price of the asset and costs attributable to bringing the asset to its working condition for its intended use. 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.

Plan Limited

g Cash flow statement

In accordance with the exemption allowed by paragraph 5 (a) of FRS1 (revised 1996), 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. Movements in this deferred asset/liability are reflected in tax on profit on ordinary activities in the profit and loss account.

A deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

In prior years the deferred tax asset was estimated at an effective recovery rate of 100%. During 2010 the directors have reviewed this estimate and believe it is now more appropriate that deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Accordingly, the deferred tax asset has been estimated at an effective recovery rate of 20% in 2010. Deferred tax is measured on an undiscounted basis.

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 £2,800,000 (2009 £2,500,000) 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 2010 of £1,000 (2009 £9,000) represents interest on the company's bank account balance.

Plan Limited

5 Loss on ordinary activities before taxation

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

	2010	2009
	£'000	£'000
Fees payable to the company auditor for the audit of Plan Limited	28	28
Fees reimbursed by the company auditor for the audit of PI Inc and Plan Worldwide	-	(1,597)
Fees payable to the company auditor for other services		
Other services pursuant to legislation	(26)	27
Tax services	-	9
Depreciation	2,360	1,960
Operating lease rentals - buildings	238	238
- computer equipment	209	181

In 2008 and 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 were 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 produced an aggregate one-off credit of £1,831,000 in 2009. This followed a ruling by HM Revenue & Customs.

6 Employees

	2010	2009
	£'000	£'000
Employee costs		
Salaries	5,468	6,225
Social security	581	561
Other pension costs (note 17)	296	206
	6,345	6,992

	2010	2009
Average number of employees by category	Number	Number
Program support	57	60
Fundraising	1	3
Operating	62	69
	120	132

The average number of employees includes executive directors

Plan Limited

7 Directors' remuneration

	2010	2009
	£'000	£'000
Remuneration for the 3 directors (2009 4) during the year		
Emoluments	332	443
Pension contributions to a defined contribution pension scheme	32	12
	364	455
The remuneration of the highest paid director in the year to 30 June was		
Emoluments	128	250
Pension contributions to a defined contribution pension scheme	9	5
	137	255

Contributions to the defined contribution pension scheme are made in respect of 3 directors (2009 3 directors)

8 Tax on loss on ordinary activities

	2010	2009
	£'000	£'000
a) Analysis of credit in the year		
Current tax charge	-	-
Deferred tax - origination and reversal of timing differences (see note 10)	(487)	915
Tax (charge) / credit on loss on ordinary activities	(487)	915
b) Factors affecting current tax charge		
Loss on ordinary activities before tax	(1,173)	(922)
Tax on loss on ordinary activities at effective rate of 21% (2009 20 25%)	246	194
Timing differences relating to fixed assets	(234)	(193)
Short term timing differences	(7)	-
Permanent differences	(5)	(1)
Current tax charge for the year	-	-

9 Tangible assets

	Leasehold improvements £'000	Assets in the course of construction £'000	Equipment £'000	Total £'000
Cost at 1 July 2009	306	1,299	8,826	10,431
Additions	-	635	161	796
Transfers	-	(972)	972	-
Disposals	-	-	(416)	(416)
At 30 June 2010	306	962	9,543	10,811
Accumulated depreciation at 1 July 2009	305	-	5,468	5,773
Disposals	-	-	(392)	(392)
Charge for the year	1	-	2,359	2,360
At 30 June 2010	306	-	7,435	7,741
Net book value at 30 June 2010	-	962	2,108	3,070
Net book value at 30 June 2009	1	1,299	3,358	4,658

Assets in the course of construction at 30 June 2010 mainly comprise internally generated software to support operations. Equipment includes £1,751,000 of internally generated software (2009 £2,760,000)

10 Deferred tax asset

	2010 £'000	2009 £'000
Deferred tax asset/(provision)		
At 1 July	902	(13)
(Charged) / Credited to the profit and loss account	(487)	915
At 30 June	415	902

The deferred tax asset arises from fixed asset timing differences. Due to a change in estimate in 2010 the deferred tax asset is now being recognised at the effective tax rate of 20% as opposed to at 100% in previous years.

11 Other debtors

	2010 £'000	2009 £'000
Other debtors	241	1,759
Prepayments	631	563
	872	2,322

Plan Limited

12. Creditors – amounts falling due within one year

	2010	2009
	£'000	£'000
Trade creditors	640	206
Amounts due to PI Inc	4,085	6,756
Other creditors	48	2
Taxation and social security	154	155
Accruals	1,058	1,120
	5,985	8,239

13 Creditors – amounts falling due after more than one year

	2010	2009
	£'000	£'000
Accruals	21	67

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. £46,000 falls due within one year and £21,000 falls due after more than one year.

14 Called up share capital

	2010	2009
	£	£
Authorised		
1,000 ordinary shares at £1 each	1,000	1,000
Allotted and fully paid		
1 ordinary share at £1	1	1

15 Reserves

	Profit & Loss Account	Capital Contribution
	£'000	£'000
At 1 July 2009	(259)	400
Loss for the financial year	(1,660)	-
At 30 June 2010	(1,919)	400

Plan Limited

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

	2010	2009
	£'000	£'000
Loss for the financial year	(1,660)	(7)
Capital contribution	-	200
Opening shareholder's funds / (deficit)	141	(52)
Closing shareholder's (deficit) / funds	(1,519)	141

17 Pension schemes

In 2009 and 2010 the company made payments into a defined contribution scheme that was opened with effect from December 2008. During 2009 the company also made payments into an old defined contribution trustee pension scheme which was closed to new members and new contributions in November 2008 and wound up in May 2010. 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 £296,000 (2009 £206,000). The amount due to the pension scheme providers at 30 June was £42,000 (2009 nil).

18 Commitments

Operating lease

At 30 June 2010, Plan Limited had annual commitments under non-cancellable operating leases expiring as follows

	2010	2009
	£'000	£'000
Land and Buildings		
Between one and five years inclusive	250	250
Computer Equipment		
Less than one year	60	220
Total	310	470

Capital

Contracts for capital expenditure not provided in the financial statements amount to £307,000 (2009 £343,000)

19 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 Plan National organisations, can be obtained from Plan Limited, Chobham House, Christchurch Way, Woking, Surrey, GU21 6JG, England.