

3001663

Plan Limited

Directors' Report and Financial Statements for the year ended 30 June 2011

SATURDAY



A00D4INS

A34

17/12/2011

#312

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 2011

The directors submit the annual report and the audited financial statements of the company for the year ended 30 June 2011

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 20 National Organisations whose primary activities are fundraising and raising awareness of development issues. PI Inc and the National Organisations are referred to elsewhere in this report as "Plan". Plan implements programmes to create a better future for children who live in developing countries and 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 or disasters. Plan's work assists 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 include funding of new Plan National Organisations and 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
- Ann Firth
- Tjipke Bergsma (appointed 1st February 2011)

3. Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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.

Plan Limited

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 2011 were 14 days (2010 35 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 21 days is as a result of a change in the timing of payments combined with higher purchases during 2011 than 2010.

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 2011 or 30 June 2010.

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 2011 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 £2,500,000 was received from the parent company during the year ended 30 June 2011.

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 2011, Plan Limited made a loss on ordinary activities before taxation of £587,000 (2010 £1,173,000 loss) after charging £2,200,000 (2010 £2,800,000) 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 credit, Plan Limited's loss after taxation decreased by £117,000 to £470,000 (2010 £1,660,000). No current tax charge arose in 2011 or 2010.

On 20th June 2011 Plan Limited received a capital contribution of £2,500,000 from PI Inc. Following this contribution and the loss in the year, Plan Limited had net assets of £511,000. The capital contribution is required to offset timing differences as explained in note 11 to the financial statements.

Prior to 2010 the deferred tax asset was estimated at an effective recovery rate of 100%. During 2010 the directors reviewed this estimate and believe that 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. Accordingly, the deferred tax asset has been estimated at an effective recovery rate of 20% in both 2010 and 2011. Consequently, there was a tax charge in the 2010 profit and loss account of £487,000 that arose from a reduction in Plan Limited's deferred tax asset from £902,000 in 2009 to £415,000 in 2010. There was a tax credit in the 2011 profit and loss account of £117,000 that arose from deferred tax on normal timing differences between accounting and taxable profit.

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 activities.

Total cost of sales decreased by £138,000 or 1% compared to 2010, which comprised a £312,000 (4%) increase in program support costs, a £125,000 increase (6%) in fundraising costs and a £575,000 (9%) decrease in operating costs.

The 4% increase in program support costs year on year is due to more disaster risk reduction activities and Plan's 'Because I am a Girl' campaign together with the projects that underpin that campaign. The 6% increase in fundraising costs is mainly as a result of increased support to new Plan National Organisations.

The 9% decrease in operating costs compared with 2010 is due to a reduction in costs of administration, partly because of staff vacancies that arose during the year, and also a reduction of £316,000 in depreciation costs for software that is now fully depreciated. In 2011 the company received pro bono services valued at £127,000 (2010 nil), that are not included in reported revenue or costs.

The lease on Plan Limited's current premises expires on 10 December 2011. On 1 July 2011 lease agreements were signed on neighbouring premises in Woking. The new space will be available for fitting out from September 2011.

The average number of employees during the year remained the same at 120. No dividend is proposed for the year ended 30 June 2011 (2010 £ 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. This has been formally approved in a letter of support from the parent undertaking.

By order of the Board

N.C. Chapman

Director

Date 30.9.11

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 2011 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 2011 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.

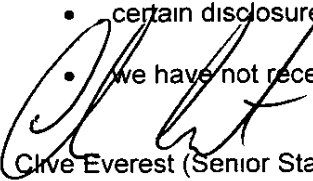
Opinion on other matter prescribed by the Companies Act 2006

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

30 September 2011

Plan Limited

Balance Sheet as at 30 June

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	9	3,435	3,070
Current assets			
Deferred tax asset	10	532	415
Other debtors	11	759	872
Total debtors		1,291	1,287
Cash at bank and in hand		1,924	130
		3,215	1,417
Creditors - amounts falling due within one year	12	(6,139)	(5,985)
Net current liabilities		(2,924)	(4,568)
Total assets less current liabilities		511	(1,498)
Creditors – amounts falling due after more than one year	13	-	(21)
Net assets / (liabilities)		511	(1,519)
Called up share capital	14	-	-
Capital contribution	15	2,900	400
Profit and loss account	15	(2,389)	(1,919)
Total shareholder's funds / (deficit)	16	511	(1,519)

The financial statements on pages 6 to 14 were approved by the board of directors on 30 September 2011 and were signed on its behalf by

N.C. Chapman

Director

Plan Limited

Registered Number: 3001663

Plan Limited**Profit and loss account for the year ended 30 June**

		2011	2010
	Note	£'000	£'000
Turnover			
Income from services to PI Inc	2	17,732	17,884
Cost of sales			
Program support		(8,296)	(7,984)
Fundraising		(2,166)	(2,041)
Operating costs		<u>(5,658)</u>	<u>(6,233)</u>
		(16,120)	(16,258)
Gross profit		1,612	1,626
Other operating expenses			
Contribution to Plan International (UK)	3	<u>(2,200)</u>	<u>(2,800)</u>
Operating loss		(588)	(1,174)
Interest receivable	4	<u>1</u>	<u>1</u>
Loss on ordinary activities before taxation	5	(587)	(1,173)
Tax on loss on ordinary activities	8	117	(487)
Loss for the financial year	15	<u>(470)</u>	<u>(1,660)</u>

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

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. The value of pro bono services received by the company is not recognised within income or expenditure.

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

Prior to 2010 the deferred tax asset was estimated at an effective recovery rate of 100%. During 2010 the directors 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 2011 and 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 £2,200,000 (2010 £2,800,000) 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. The company has an annual legal obligation under the deed of covenant to pass all its taxable profits to Plan International (UK). While this constitutes a financial liability to the company, future profits can not be reliably quantified and hence have not been included as a financial commitment in the financial statements

4. Interest receivable

The interest earned in the year to 30 June 2011 of £1,000 (2010 £1,000) 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)

	2011	2010
	£'000	£'000
Fees payable to the company auditor for the audit of Plan Limited	28	28
Fees payable to the company auditor for other services		
Other services pursuant to legislation	-	(26)
Tax services	-	-
Depreciation	1,707	2,360
Operating lease rentals - buildings	238	238
- computer equipment	52	209

6. Employees

	2011	2010
	£'000	£'000
Employee costs		
Salaries	5,737	5,468
Social security	384	581
Other pension costs (note 17)	409	296
	6,530	6,345

	2011	2010
	Number	Number
Average number of employees by category		
Program support	63	57
Fundraising	0	1
Operating	57	62
	120	120

The average number of employees includes executive directors

Plan Limited

7. Directors' remuneration

	2011	2010
	£'000	£'000
Remuneration for the 3 directors (2010 3) during the year		
Emoluments	241	332
Pension contributions to a defined contribution pension scheme	30	32
	271	364
The remuneration of the highest paid director in the year to 30 June was		
Emoluments	128	128
Pension contributions to a defined contribution pension scheme	9	9
	137	137

Contributions to the defined contribution pension scheme are made in respect of 3 directors (2010 3 directors) The average number of directors during the year was 2.4 (2010 2.9)

8 Tax on loss on ordinary activities

	2011	2010
	£'000	£'000
a) Analysis of credit in the year		
Current tax charge	-	-
Deferred tax - origination and reversal of timing differences (see note 10)	117	(487)
Tax credit / (charge) on loss on ordinary activities	117	(487)
b) Factors affecting current tax charge		
Loss on ordinary activities before taxation	(587)	(1,173)
Tax on loss on ordinary activities at effective rate of 21% (2010 21%)	123	246
Timing differences relating to fixed assets	(126)	(234)
Short term timing differences	7	(7)
Permanent differences	(4)	(5)
Current tax charge for the year	-	-

Plan Limited

9 Tangible assets

	Leasehold improvements £'000	Assets in the course of construction £'000	Equipment £'000	Total £'000
Cost at 1 July 2010	306	962	9,543	10,811
Additions	-	1,791	300	2,091
Transfers	-	(1,507)	1,507	-
Disposals	-	-	(150)	(150)
At 30 June 2011	306	1,246	11,200	12,752
Accumulated depreciation at 1 July 2010	306	-	7,435	7,741
Disposals	-	-	(131)	(131)
Charge for the year	-	-	1,707	1,707
At 30 June 2011	306	-	9,011	9,317
Net book value at 30 June 2011	-	1,246	2,189	3,435
Net book value at 30 June 2010	-	962	2,108	3,070

Assets in the course of construction at 30 June 2011 mainly comprise internally generated software to support operations. Equipment includes £1,743,000 of internally generated software at net book value (2010 £1,751,000)

10 Deferred tax asset

	2011 £'000	2010 £'000
Deferred tax asset/(provision)		
At 1 July	415	902
Credited / (Charged) to the profit and loss account	117	(487)
At 30 June	532	415

The deferred tax asset arises from fixed asset timing differences. Due to a change in estimate in 2010 the deferred tax asset is being recognised at the effective tax rate of 20% in 2011 and 2010, as opposed to at 100% in 2009 and previous years.

11. Other debtors

	2011 £'000	2010 £'000
Other debtors	284	241
Prepayments	475	631
	759	872

Plan Limited

12. Creditors – amounts falling due within one year

	2011	2010
	£'000	£'000
Trade creditors	230	640
Amounts due to PI Inc	4,775	4,085
Other creditors	9	48
Taxation and social security	136	154
Accruals	989	1,058
	6,139	5,985

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

	2011	2010
	£'000	£'000
Accruals	-	21

On 11 December 2006, a lease was completed in respect of Plan Limited's current leased premises, which expires on 10 December 2011. The dilapidations terms of this 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 lease. In 2010, £46,000 fell due within one year and £21,000 fell due after more than one year, whereas in 2011 the full amount of £21,000 is due within one year.

14. Called up share capital

	2011	2010
	£	£
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 £'000	Capital Contribution £'000
At 1 July 2010	(1,919)	400
Capital contribution from PI Inc	-	2,500
Loss for the financial year	(470)	-
At 30 June 2011	(2,389)	2,900

Plan Limited

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

	2011	2010
	£'000	£'000
Loss for the financial year	(470)	(1,660)
Capital contribution	2,500	-
Opening shareholder's (deficit) / funds	(1,519)	141
Closing shareholder's funds / (deficit)	511	(1,519)

17 Pension schemes

In 2010 and 2011 the company made payments into defined contribution schemes. The 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 pension costs charged in the year were £409,000 (2010 £296,000). The amount due to the pension scheme providers at 30 June was £nil (2010 £42,000).

18 Commitments

Operating lease

At 30 June 2011, Plan Limited had annual commitments under non-cancellable operating leases expiring as follows

	2011	2010
	£'000	£'000
Land and Buildings		
Between one and five years inclusive	-	250
Less than one year	53	-
Computer Equipment		
Less than one year	-	60
Total	53	310

As referred to in Note 13, the lease on Plan Limited's current premises expires on 10 December 2011. Plan Limited has agreed to relocate to a neighbouring building in Woking under a new lease that was signed on 1 July 2011. The new lease commences in September 2011 with additional space from December 2012. The average annual commitment over the life of the lease up to its expiry in 2021 is £328,000.

Capital

Contracts for capital expenditure not provided in the financial statements amount to £Nil (2010 £307,000).

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 registered 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.