

Plan Limited

Annual Report and Financial Statements for the year ended 30 June 2016



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Plan Limited

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Plan Limited

Strategic report for the year ended 30 June 2016

The directors present their strategic report for the year ended 30 June 2016.

Review of the business

Activities

Plan Limited (the "Company"), provides services to its holding company, Plan International, Inc. ("PI Inc"), a not-for-profit membership corporation registered in the USA.

PI Inc has 20 National Organisations (NOs), which are members of PI Inc, and 2 prospective NOs, in Italy and Brazil. The primary activities of the NOs are fundraising, development, education and advocacy and those in India and Colombia also carry out development programmes in their respective countries. The National Organisations and PI Inc are collectively referred to as "Plan International" in this report.

PI Inc implements programmes in 52 developing countries 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.

The services provided by Plan Limited include programme and fundraising support services and management services for Plan International. Programme support services include programme policy and technical expertise, impact evaluations and research, as well as systems which are integral to programme implementation. Fundraising activities in 2016 were business planning services to develop the fundraising capabilities of Plan International. Other services include governance, legal, finance, internal audit, human resources and back office information technology services.

The decisions of the members of PI Inc impact Plan Limited. The Members' Assembly of PI Inc approved and adapted a new Purpose Statement (Vision and Mission) following one of the most inclusive and participatory processes in the organisation's recent history. The Members' Assembly provided direction for the organisation to be bolder, more focussed and distinctive. In June 2016, the Members' Assembly approved the advancement of children's rights and equality for girls at the centre of Plan International's work. At the same meeting, the Members' Assembly approved and adopted a revised set of values and associated definitions.

Results and performance

Services provided by Plan Limited's operations (and therefore service income and costs) during 2016 included executing the Business Operating Model change programme, a programme to reform the Plan global Business Operating Model which commenced in 2013 and is not a routine activity.

Total cost of sales in 2016 decreased by £2,661,000, or 10.7%, compared to the previous year due to the effects of non-routine activities and one-off changes in the scope of services.

Programme support costs decreased by £2,876,000 or 16.3%. Programme technical services have been reduced reflecting cost management and distribution of technical expertise across Plan International. Fundraising costs decreased by £100,000 or 24.4%, due to ceasing fundraising support to National Organisations in 2016. Operating costs, increased by £315,000 or 4.5%. This increase reflects a planned emphasis on improving financial services in 2016.

Plan Limited's turnover for the year of £24,516,000 represents the cost of sales for the year plus a 10% mark up on services charged to the parent company, PI Inc. The 10.7% decrease compared to the prior year is in line with the decrease in the cost of sales.

Plan Limited made a profit on ordinary activities before taxation of £2,233,000 (2015: profit of £2,497,000). Plan Limited's profit for the financial year was £1,766,000 (2015: profit of £1,979,000) after taking account of a deferred tax credit of £66,000 and tax charge of £533,000. Plan Limited has made a distribution of £2,330,000 (2015: £2,300,000) under a Deed of Covenant to Plan International (UK), a UK based fundraising organisation and a member of PI Inc.

Plan Limited

Strategic report for the year ended 30 June 2016 (continued)

Principal risks and uncertainties

The main business risk for Plan Limited is reliance on PI Inc as its sole revenue source. PI Inc receives programme funding from its member NOs and direct from third party donors. PI Inc is afforded some certainty with regard to future funding as its budget is agreed by its Members' Assembly in advance of each calendar year and is consistent with the global strategy and confirmed funding as well as projected new income from individual giving and institutional and corporate grant donors. The recurring nature of individual giving which accounts for 50% of Plan International's income and the multi-year nature of many grants, protect the parent company from volatility in funding in the short term. PI Inc also holds reserves for operating purposes and for contingencies. PI Inc, in turn, provides the funding to meet the cost of the services required from Plan Limited in accordance with an annual plan.

Plan Limited'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 programmes of Plan International worldwide.

People

Gender Diversity Data				
At 30 June 2016	Men		Women	
	Number	%	Number	%
Directors of the Company	0	0%	2	100%
Senior managers	11	73%	4	27%
Other employees	50	34%	99	66%
Total	61	37%	105	63%
At 30 June 2015				
Directors of the Company	1	33%	2	67%
Senior managers	9	82%	2	18%
Other employees	62	38%	103	62%
Total	72	42%	107	58%

Senior Managers are the Executive team members who are not directors of the Company and other directors who lead functional areas.

In March 2014, Plan Limited started a Gender Equality Self-Assessment process examining its practices and outcomes, with external and internal gender practices experts. A 2016 to 2020 gender equality action plan was agreed in 2015. This action plan applies Plan International's gender equality policy and addresses the areas identified for improvement through the self-assessment process. The outcomes to be achieved by 2020 are:

- An organisational culture that promotes gender equality and inclusion;
- Human Resources policies and procedures that are explicitly in line with Plan International's policy on gender equality;
- Managers demonstrating the capacity to implement Human Resources policies and procedures that are gender aware;
- Staff equipped with the skills, knowledge and attitudes through opportunities for training, learning and reflection;
- A balanced ratio of women and men across departments and grades, especially at Senior Management levels;
- Staff being held accountable for Plan International's commitment to gender equality through job descriptions and performance objectives which integrate gender equality competencies and goals.

Plan Limited

Strategic report for the year ended 30 June 2016 (continued)

Future developments

There are no significant changes in the overall level of services provided by Plan Limited to its parent company expected in 2017.

The Members' Assembly has prioritised a number of strategic choices to guide development of the 2017 – 2022 Global Strategy which will be presented and adopted in the subsequent financial year.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'A. Albrechtsen', written in a cursive style.

Anne-Birgitte Albrechtsen
Director
5 December 2016

Plan Limited

Directors' report for the year ended 30 June 2016

The directors present the Directors' report and the audited financial statements of the Company for the year ended 30 June 2016.

1. Dividends

No dividend is proposed for the year ended 30 June 2016 (2015: £ nil). In line with prior years, a deed of covenant is in place whereby all profits generated by the Company are paid to Plan International (UK) in the form of a 'Gift Aid' payment. This year, responding to guidance issued by the ICAEW, this payment of £2,330,000 (2015: £2,300,000) has been treated as a distribution of profits.

2. Directors

The directors of Plan Limited who held office during the year and up to the date of signing the financial statements are:

- Nigel Chapman, Chief Executive Officer (CEO), resigned 31 August 2015;
- Anne-Birgitte Albrechtsen, CEO, appointed 26 September 2015;
- Ann Firth, Chief Financial Officer, resigned 11 March 2016;
- Pamela Innes, Director of Human Resources and Organisational Development.

3. Employees

The average monthly number of employees during the year decreased by 14 to 176 (2015: 190).

4. 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 2016 were 13 days (2015: 22 days), based on the ratio of Company trade creditors at the end of the year to the average monthly amounts invoiced during the year by trade creditors.

5. Financial instruments and risk management

The Company's operations expose it to some limited 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 procedures that have been determined in line with the policies issued by the parent company. The Company had no currency swaps, derivatives or designated hedging instruments as at 30 June 2016.

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 2016 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.

Plan Limited

Directors' report for the year ended 30 June 2016 (continued)

Interest rate risk: The Company has arranged with its bankers an automated sweeping of funds to a deposit account, but the amounts involved are generally small and so fluctuations in interest rates do not have a significant impact on the Company's income.

6. Pro bono services

In 2016 the Company received no pro bono legal services (2015: Nil). Pro bono services are not included in reported revenue or costs in compliance with the Companies Act.

7. Charitable donations

Membership fees or other contributions were made in the year to the following not for profit organisations, which are network bodies providing Plan with access to expertise, technical resources or best practice:

	2016	2015
	£	£
International Civil Society Centre	18,333	2,000
INGO Accountability Charter	17,000	-
Nethope	16,178	-
International Council of Voluntary Agencies	9,240	17,000
OXFAM	7,083	-
Interhealth	6,075	-
Child to child	4,583	-
Keeping Children Safe	4,275	14,409
LINGO's	3,815	-
The NGO Group for the Convention of the Rights of the Child, Geneva	-	37,000
Corporate IT Forum	-	19,000

8. Going concern

The financial statements have been prepared under the going concern concept, on the basis that the Company is operating at a profit and, as at 30 June 2016, has budget funding for services to be provided to its parent company agreed for the year to 30 June 2017.

9. 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.

Plan Limited

Directors' report for the year ended 30 June 2016 (continued)

10 Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

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 United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements; and
- 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.

On behalf of the Board



Anne-Birgitte Albrechtsen
Director
5 December 2016

Plan Limited

Independent auditors' report to the members of Plan Limited

Report on the financial statements

Our opinion

In our opinion, Plan Limited's financial statements (the "financial statements");

- give a true and fair view of the state of the company's affairs as at 30 June 2016 and of its profit 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.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 30 June 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Plan Limited

Independent auditors' report to the members of Plan Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 7, 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those 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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Rosemary Shapland

Rosemary Shapland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
6 December 2016

Plan Limited

Statement of Comprehensive Income for the year ended 30 June 2016

		2016	2015
	Note	£'000	£'000
Turnover			
Income from services to PI Inc	2	24,516	27,443
Cost of sales			
Programme support		(14,738)	(17,614)
Fundraising		(310)	(410)
Operating costs		(7,239)	(6,924)
		(22,287)	(24,948)
Gross profit		2,229	2,495
Interest receivable and similar income	4	4	2
Profit on ordinary activities before taxation	5	2,233	2,497
Tax on profit on ordinary activities	8	(467)	(518)
Profit for the financial year		1,766	1,979
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		1,766	1,979

For the financial years to 30 June 2016 and 30 June 2015 stated above:

- There is no difference between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalents.
- All results relate to continuing operations.

The notes on pages 13 to 28 form part of these financial statements.

Plan Limited

Balance Sheet as at 30 June 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Tangible assets	9	1,365	1,731
Intangible assets	10	4,096	5,533
		5,461	7,264
Current assets			
Deferred tax asset	11	327	261
Debtors	12	1,424	1,778
Total Debtors		1,751	2,039
Cash at bank and in hand		3,270	1,120
		5,021	3,159
Creditors - amounts falling due within one year	13	(8,998)	(8,855)
Net current liabilities		(3,977)	(5,696)
Total assets less current liabilities		1,484	1,568
Creditors – amounts falling due after more than one year	14	-	(12)
Provision for other liabilities	15	(111)	(85)
Net assets		1,373	1,471
Called-up share capital	16	-	-
Capital contribution		2,900	2,900
Retained earnings		(1,527)	(1,429)
Total Equity		1,373	1,471

The financial statements on pages 10 to 28 were approved by the board of directors on 5 December 2016 and were signed on its behalf by:



Anne-Birgitte Albrechtsen
Director

Plan Limited

Registered Number: 3001663

Plan Limited

Statement of changes in equity for the year ended 30 June 2016

	Note	Called-up share capital £'000	Capital Contribution £'000	Retained earnings £'000	Total £'000
Balance as at 1 July 2014	16	-	2,900	(1,568)	1,332
Profit for the year		-	-	1,979	1,979
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	1,979	1,979
Distribution		-	-	(2,300)	(2,300)
Tax credit on Qualifying Charitable Donation Paid		-	-	460	460
Dividends		-	-	-	-
Total transactions with owners, recognised directly in equity		-	-	-	-
Balance as at 30 June 2015	21	-	2,900	(1,429)	1,471
Profit for the year		-	-	1,766	1,766
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	1,766	1,766
Distribution		-	-	(2,330)	(2,330)
Tax credit on Qualifying Charitable Donation Paid		-	-	466	466
Dividends		-	-	-	-
Total transactions with owners, recognised directly in equity		-	-	-	-
Balance as at 30 June 2016		-	2,900	(1,527)	1,373

Plan Limited

Notes to the financial statements for the year ended 30 June 2016

1. Accounting policies

General information

Plan Limited ("the Company") is a private company limited by shares and it is incorporated and domiciled in the United Kingdom. The address of its registered office is Dukes Court Block A, Duke Street, Woking, Surrey, GU21 5BH.

Plan Limited provides services to its holding Company, Plan International, Inc. ("PI Inc"), a not-for-profit membership corporation registered in the USA.

The services provided by Plan Limited include programme and fundraising support services and management services for PI Inc. Programme support services include programme policy and technical expertise, impact evaluations and research, as well as systems which are integral to programme implementation. Fundraising activities in 2016 were business planning services to develop the fundraising capabilities of Plan International. Other services include governance, legal, finance, internal audit, human resources and back office information technology services.

Statement of compliance

The financial statements of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated

a) Basis of Accounting

These financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Plan Limited is considered to be an entity within a public benefit entity group. A public benefit entity (PBE) group consists of a public benefit entity parent and all of its wholly-owned subsidiaries. Plan Limited being a wholly-owned subsidiary of PI Inc, a registered charity, would be considered an entity within a public benefit entity group and may apply simplified accounting for the incoming resources from non-exchange transactions and PBE concessionary loans. However, the entity does not have any incoming resources from non-exchange transactions and PBE concessionary loans.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in policy "Critical accounting judgements and key sources of estimation uncertainty" included within this note.

b) Going Concern

On the basis of their assessment of the Company's financial position and resources, the directors believe that the Company is well placed to manage its business risks. Therefore the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Further, the parent undertaking has provided assurance that it intends, for the foreseeable future, to provide such funding as is required by the Company to enable it to meet its

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

liabilities as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

The Company is a qualifying entity as its results are consolidated into the financial statements of Plan International, Inc. which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

d) Foreign currency

(i) Functional and presentation currency

The Company's functional and presentation currency is pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

e) 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.

f) Employee Benefit

The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

f) Employee Benefit (continued)

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws relevant to the financial year.

Technical guidance was issued by the ICAEW in October 2014 concluding that, where a wholly owned trading subsidiary gift aids its profit to its parent charity, the payments are in law distributions of profit, in the same way as dividends. Plan Limited has a deed of covenant with Plan International (UK) to donate taxable profits on an annual basis and Plan International (UK) ultimately pass these funds up to Plan International, Inc (the parent charity of Plan Limited). On this basis, the current year payment of £2,330,000 has been treated as a distribution of profits from Shareholder's funds. There is a small current tax liability as the distribution which is considered to be a qualifying charitable donation of gift aid payments is less than Plan Limited's taxable profits.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

h) Intangible assets

Intangible fixed assets comprise computer software which is capitalised if it relates to purchased software or internal projects which are in the development stage. Intangible fixed assets are stated at

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

h) Intangible assets (continued)

cost less accumulated amortisation and impairment losses. Cost includes the purchase price of the asset and costs attributable to bringing the asset to the working condition required for its intended use.

Amortisation 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 of computer software range from 3 to 5 years.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired. For software development projects, the impairment review includes consideration of the cost incurred by Plan Limited to remedy defects. Impairments thus arising are recorded in the statement of comprehensive income.

i) Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price of the asset and costs attributable to bringing the asset to the working condition required for its intended use.

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 tangible assets are as follows:

Short leasehold improvements	The remaining life of the lease.
Equipment	3 - 10 years.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

j) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

(ii) Lease incentives

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

j) Leased assets (continued)

The Company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 July 2014) and continues to credit such lease incentives to the statement of comprehensive income over the life of the lease or, where applicable, up to the first rent review.

k) Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit or loss, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit or loss.

l) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

m) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

n) Financial Instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

n) Financial Instruments (continued)

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The Company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

o) Related Party Transactions

The Company is exempt under the terms of paragraph 33.1A of FRS 102 from disclosing related party transactions with the group and its wholly owned subsidiaries.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

1. Accounting policies (continued)

p) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the property, plant and equipment, and tangible assets accounting policy above for the useful economic lives for each class of assets.

q) Future amendments to FRS 102

Amendments to FRS 102 were issued in July 2015 as a result of changes in the EU-directives and UK Companies Regulation. The amendments are mandatory for periods beginning on or after 1 January 2016, with early adoption permitted for periods beginning on or after 1 January 2015. Entities will have to adopt and comply with all amendments if they elect to early adopt the Amendments to FRS 102 (issued in July 2015). None of these are expected to have a significant effect on the financial statements of the Company.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

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)

In the prior year, a distribution of £2,300,000 represented 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). The payment represents a distribution of profits from Shareholder's funds, has been treated the same way as the prior year and complies with the guidance issued.

4. Interest receivable and similar income

The interest earned in the year to 30 June 2016 of £4,000 (2015: £2,000) 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:

	2016	2015
	£'000	£'000
Fees payable to the Company's auditors for the audit of Plan Limited	-	17
Fees payable to the Company's auditors for other services	30	2
Depreciation and amortisation	2,337	2,234
Operating lease rentals – buildings	218	218

Fees payable of £23,000 to the Company's auditors for the audit of Plan Limited have been incurred by holding company, PI Inc.

Fees payable to the Company auditors for other services includes £28,000 for SAP audit review covering PI Inc. Fees payable of £16,000 to the Company auditors for FRS102 have been incurred by holding company, PI Inc.

6. Employees

	2016	2015
	£'000	£'000
Employee costs		
Wages and Salaries	8,915	8,870
Social security costs	848	907
Redundancy costs	(15)	262
Other pension costs (note 17)	914	976
	10,662	11,015

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

6 Employees (continued)

	2016	2015
Average monthly number of employees by category	Number	Number
Programme support	108	114
Fundraising	4	5
Operating	64	71
	176	190

The average monthly number of employees includes the directors of Plan Limited listed in note 3 of the Directors' report.

7. Directors' remuneration

	2016	2015
	£'000	£'000
Remuneration for the 4 directors (2015: 3) during the year:		
Emoluments	409	330
Pension contributions to a defined contribution pension scheme	38	56
	447	386
The remuneration of the highest paid director (the CEO) in the year to 30 June was:		
Emoluments	130	138
Pension contributions to a defined contribution pension scheme	12	23
	142	161

In addition, two of the four directors also received remuneration during 2016 and 2015 from Plan International, Inc. the parent organisation of Plan Limited. The total remuneration of these two-directors is disclosed in the Plan Worldwide combined financial statements. Approximately 60% of the CEO's total emoluments are from Plan Limited as disclosed in the tables above.

Contributions of £38,000 (2015: £56,000) to a defined contribution pension scheme are made in respect of the 4 directors (2015: 3 directors). The average number of directors during the year was 3 (2015: 3).

8. Tax on profit on ordinary activities

a) Tax expense included in profit or loss

	2016	2015
	£'000	£'000
Current tax charge	533	460
Deferred tax - origination and reversal of timing differences (see note 11)	(66)	58
Tax on profit on ordinary activities	467	518

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

8 Tax on profit on ordinary activities (continued)

b) Reconciliation of tax charge

The tax assessed for the year is higher than (2015: the same as) the standard rate of corporation tax in the year of 20% (2015: 20.75%).

	2016	2015
	£'000	£'0000
Profit before taxation	2,233	2,497
Tax on profit at effective rate of 20% (2015: 20.75%)	(447)	(518)
Adjustments relating to prior periods	17	-
Effect of tax rate change	(37)	-
Tax charge for the year	(467)	(518)

c) Tax rate changes

The tax rate for the current period is lower than the prior period due to changes in the UK Corporation tax rate which decreased from 20.75% to 20% from 1 April 2015.

On 8 July 2015 it was announced that the main rate of corporation tax in the UK would be further reduced to 19% from 1 April 2017 and to 18% from 1 April 2020. The reduction to 18% was substantially enacted in October 2015. A further reduction to 17% was announced but not substantially enacted at the Balance Sheet date.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

9. Tangible assets

	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost at 1 July 2015	1,165	4,404	5,569
Additions	-	7	7
Disposals	-	(245)	(245)
At 30 June 2016	1,165	4,166	5,331
Accumulated depreciation at 1 July 2015	355	3,483	3,838
Disposals	-	(245)	(245)
Charge for the year	114	259	373
At 30 June 2016	469	3,497	3,966
Net book value at 30 June 2016	696	669	1,365
Net book value at 30 June 2015	810	921	1,731

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

10. Intangible assets

	Assets in the course of Construction £'000	Software £'000	Total £'000
Cost at 1 July 2015	445	16,501	16,946
Additions	527	10	537
Transfers	(139)	139	-
At 30 June 2016	833	16,650	17,483
Accumulated amortisation at 1 July 2015	-	11,413	11,413
Charge for the year	-	1,964	1,964
Impairment	-	10	10
At 30 June 2016	-	13,387	13,387
Net book value at 30 June 2016	833	3,263	4,096
Net book value at 30 June 2015	445	5,088	5,533

The amortisation of intangible assets is included in "operating costs" in the statement of comprehensive income.

11. Deferred tax asset

	2016 £'000	2015 £'000
Deferred tax asset		
At 1 July	261	319
Origination and reversal of timing differences	66	(58)
At 30 June	327	261

The deferred tax asset arises from depreciation in excess of capital allowances and short term timing differences.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

12. Debtors

	2016	2015
	£'000	£'000
Other debtors	366	564
Prepayments and accrued income	1,058	1,214
	1,424	1,778

13. Creditors – amounts falling due within one year

	2016	2015
	£'000	£'000
Trade creditors	477	896
Amounts owed to PI Inc	6,489	5,397
Other creditors	9	95
Taxation and social security	258	251
Corporation tax	67	-
Accruals	1,698	2,216
	8,998	8,855

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

	2016	2015
	£'000	£'000
Accruals	-	12

In 2012 the Company moved into new leased premises. The lease incentives received are being recognised in accordance with note 1(j) and, in the prior year, the amount that will be recognised after 30 June 2016 is shown as falling due after more than one year.

15. Provisions for liabilities and charges

	2016	2015
	£'000	£'000
At 1 July	85	57
Charged to profit or loss	26	28
At 30 June	111	85

Plan Limited's two leases for its premises require the Company to return the premises to the condition existing at the start of the leases. A provision has been made at the balance sheet date to reflect the portion of the estimated costs attributable to the period elapsed since the start of the leases.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

16. Share capital

	2016	2015
	£	£
Authorised		
1,000 (2015: 1,000) ordinary shares at £1 each	1,000	1,000
Issued, called-up and fully paid		
1 (2015: 1) ordinary share at £1	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

17. Pension schemes

In 2016 and 2015, the Company made payments into one defined contribution scheme. The scheme provides pension benefits from funds accruing from contributions from both employees and the Company. The funds are held in respect of individual employees, through pension scheme providers, and are therefore separated from the funds of Plan Limited. The pension costs charged in the year were £914,000 (2015: £976,000). The amount due to the pension scheme providers at 30 June was £nil (2015: £87,000).

18. Commitments

Operating lease

The Company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2016	2015
	£'000	£'000
Payments due:		
Land and Buildings		
Not later than one year	443	443
Later than one year and not later than five years	1,773	1,773
Later than five years	73	517
Total	2,289	2,733

Plan Limited moved to new leased office premises in December 2011 and took up additional space from December 2012. Rental payments commenced in February 2014 in respect of the first lease and in February 2015 in respect of the second lease. The average annual payment commitment of the leases up to their expiry in 2021 is £324,000. As a result of the lease incentive recognised in accordance with note 1(j), the net impact of the operating lease commitment on the statement of comprehensive income is £178,000 in 2016 (2015: £91,000).

Capital

Contracts for capital expenditure not provided in the financial statements amount to £8,000 (2015: £170,000).

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

19. Related Party Transactions

Plan Limited ceased providing fundraising support to National Organisations who are Members of Plan International, Inc. (PI Inc) or prospective Members from 2015.

Plan Limited made a distribution under Deed of Covenant of £2,330,000 to Plan International (UK) (2015: £2,300,000).

As disclosed in the Directors report on page 6 (Note 7. Charitable donations), Plan Limited also makes financial contributions to not for profit bodies. From time to time Directors of Plan Limited, other Senior Management or other staff may represent Plan on the Boards of these bodies. Where this is the case, the financial transactions with these organisations are not included in the listing of related parties' transactions above, due to the number of small value contributions and the representative nature of these Board appointments.

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 registered office at 155 Plan Way, Warwick, Rhode Island, USA. Ultimate control of Plan Limited rests with the directors of PI Inc.

PI Inc is the only Company that prepares consolidated financial statements that include Plan Limited. However a combination of the consolidated financial statements of PI Inc. and the financial statements of the Plan International Member National Organisations is prepared, to represent the combined financial statements of Plan International as a Worldwide Federation.

The PI Inc consolidated financial statements and the Plan International Worldwide combined financial statements can both be obtained from Plan International Headquarters, Dukes Court, Block A, Duke Street, Woking, Surrey, GU21 5BH, England.

Plan Limited

Notes to the financial statements for the year ended 30 June 2016 (continued)

21. Transition to FRS 102

This is the first year that the Company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 30 June 2015. The date of transition to FRS 102 was 1 July 2014. Set out below are the changes in accounting policies which reconcile profit for the financial year ended 30 June 2015 and the total equity as at 1 July 2014 and 30 June 2015 between UK GAAP as previously reported and FRS 102.

Transition exemption

The Company has taken the transition exemption under paragraph 35.10(p) of FRS 102 to continue to recognise the existing lease incentives at the transition date on the same basis as previous UK GAAP. Under previous UK GAAP operating lease incentives, including rent free periods and fit-out contributions, were spread over the shorter of the lease period or the period to when the rental was set to a fair market rent. FRS 102 requires that such incentives to be spread over the lease period.

Reconciliations

In accordance with the requirements of FRS 102 a reconciliation of the prior year profit and opening balances is provided below:

Reconciliation of profit for the year	30 June 2015
	£'000
Profit for the year as previously reported under UK GAAP	2,439
Adjustment on transition – tax on qualifying charitable donation paid included in Statement of changes in equity	(460)
Profit for the year as reported under FRS 102	1,979

Reconciliation of other comprehensive income for the year	30 June 2015
	£'000
Other comprehensive income for the year as previously reported under UK GAAP	-
Adjustment on transition	-
Other comprehensive income for the year as reported under FRS 102	-

Reconciliation of equity	Note	30 June 2015	1 July 2014
		£000	£000
Total reserves as previously reported under UK GAAP		1,471	1,332
Adjustment on transition		-	-
Total reserves as reported under FRS 102		1,471	1,332