

Plan Limited

Annual Report and Financial Statements for the year ended 30 June 2018

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Plan Limited

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Plan Limited

Strategic report for the year ended 30 June 2018

The directors present their strategic report for the year ended 30 June 2018.

Review of the business

Activities

Plan Limited (the "Company"), provides services to its holding company, Plan International, Inc. ("PI Inc"), a not-for-profit corporation registered in New York, U.S.A..

PI Inc has 20 member National Organisations ("NOs") and two prospective NOs, in Brazil and Indonesia (the Board of PI Inc having decided to discontinue member development in Italy during FY18). The primary activities of the NOs are fundraising, development, education and advocacy. NOs in India, Colombia and prospective members Brazil and Indonesia also carry out development programmes in their respective countries. PI Inc and its members are collectively referred to as "Plan International" in this report.

PI Inc implements programmes in 53 developing countries to create a better future for children who live in these 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 the Company 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 the year ended 30 June 2018 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 the Company.

Results and performance

Services provided by the Company's operations (and therefore service income and costs) during 2018 included coordinating the engagement with staff across PI Inc and NOs to finalise the new Global Strategy.

Total cost of sales in 2018 increased by £3,873,000 or 17%, 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 increased by £181,000 or 1%. Fundraising costs decreased by £54,000 or 9%, as a result of headcount changes and strategy project work. Operating costs, increased by £3,746,000 or 50%. This increase reflects a planned emphasis on improving financial services in 2018.

The Company's turnover for the year of £29,470,000 represents the cost of sales for the year plus a 10% mark-up on services charged to the parent company, PI Inc.

The Company made a profit before taxation of £2,681,000 (2017: profit of £2,293,000). The Company's profit for the financial year was £2,155,000 (2017: profit of £1,796,000) after taking account of a deferred tax credit of £129,000 (2017: £115,000) and current tax charge of £655,000 (2017: £612,000) with a corresponding credit to the Equity Statement resulting from the distribution made by the Company of £3,450,000 (2017: £3,100,000) under a Deed of Covenant to Plan International (UK), a UK based fundraising organisation and a member of PI Inc. PI Inc made a capital contribution to Plan Limited of £2,000,000 in the year (2017: £ nil).

Plan Limited

Strategic report for the year ended 30 June 2018 (continued)

Principal risks and uncertainties

The main business risk for the Company is its 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 financial year. The budget is consistent with the global strategy and includes 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 39% of PI Inc'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 the Company 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.

The International Board approved an advance of £2m capital injection to Plan Limited to allow some level of contingency to enable Plan Limited to remain solvent.

People

Gender Diversity Data				
At 30 June 2018	Men		Women	
	Number	%	Number	%
Directors of the Company	0	0%	2	100%
Senior managers	11	61%	7	39%
Other employees	59	31%	133	69%
Total	70	33%	142	67%

At 30 June 2017				
Directors of the Company	0	0%	2	100%
Senior managers	12	63%	7	37%
Other employees	58	33%	120	67%
Total	70	35%	129	65%

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

In March 2014, the Company 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.
- Total headcount is 215. Of the 215, 212 relates to the gender diversity data. The remaining 3 are not included due to the fact that the 3 staff members are either on maternity or long term sick leave.

Plan Limited

Strategic report for the year ended 30 June 2018 (continued)

With less than 250 employees, the Company is not obligated to disclose the gender pay gap, but given PI Inc's purpose with respect to reaching gender equality, it is doing so voluntarily.

Gender Pay Gap as of 30 June 2018				
At 30 June 2018	Female	Male	Gender pay gap	
Average gender pay gap as a mean average	£24.40	£28.30	13.78%	£3.90
Average gender pay gap as a median average	£21.35	£25.00	14.94%	£3.65
Proportion of males and females when divided into four groups ordered from lowest to highest pay				
Upper quartile	51%	49%		
Upper middle quartile	62%	38%		
Lower middle quartile	75%	25%		
Lower quartile	80%	20%		

Future developments

There are no significant changes in the overall level of services provided by the Company to its parent company PI Inc expected in the year to 30 June 2019.

On behalf of the Board



Anne-Birgitte Albrechtsen
Director
21 November 2018

Plan Limited

Directors' report for the year ended 30 June 2018

The directors present the Directors' report and the audited financial statements of the Company for the year ended 30 June 2018.

1. Dividends

No dividend is proposed for the year ended 30 June 2018 (2017: £ nil). In line with prior years, a deed of covenant is in place whereby all taxable profits generated by the Company are paid to Plan International (UK) in the form of a 'Gift Aid' payment. In accordance with guidance issued by the ICAEW, this payment of £3,450,000 (2017: £3,100,000) has been treated as a distribution of profits.

2. Directors

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

- Anne-Birgitte Albrechtsen, CEO;
- Pamela Innes, Director of Human Resources and Organisational Development (resigned 23 March 2018);
- Tara Camm, Chief of Staff and General Counsel, appointed 6 October 2017

3. Employees

The average monthly number of employees during the year increased by 34 to 215 (2017: 181).

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 2018 were 10 days (2017: 10 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 2018.

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.

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 2018 (continued)

5. Financial instruments and risk management (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

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 the Company with access to expertise, technical resources or best practice:

	2018	2017
	£	£
Nethope	-	15,662
Chatham House	-	1,900
OXFAM	10,000	10,833
Interhealth	7,446	4,646
Keeping Children Safe	3,100	2,100

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 2018, has budget funding for services to be provided to its parent company agreed for the year to 30 June 2019. The parent company has indicated that it intends, for at least the next 12 months, to provide such funding as is required by the Company to enable it to meet its liabilities as they fall due.

9. Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

10. Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board


Anne-Birgitte Albrechtsen
Director
21 November 2018

Independent auditors' report to the members of Plan Limited

Report on the audit of the financial statements

Opinion

In our opinion, Plan Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 30 June 2018; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year ended 30 June 2018; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 30 June 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

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

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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

We have no exceptions to report arising from this responsibility.



Rosemary Shapland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 November 2018

Plan Limited

Statement of Comprehensive Income for the year ended 30 June 2018

	Note	2018 £'000	2017 £'000
Turnover			
Income from services to PI Inc	2	29,470	25,210
Cost of sales			
Programme support		(15,023)	(14,842)
Fundraising		(523)	(577)
Operating costs		(11,245)	(7,499)
		(26,791)	(22,918)
Gross profit		2,679	2,292
Interest receivable and similar income	4	2	1
Profit before taxation	5	2,681	2,293
Tax on profit	8	(526)	(497)
Profit for the financial year		2,155	1,796
Other comprehensive income for the year		-	-
Total comprehensive income for the year		2,155	1,796

For the financial years to 30 June 2018 and 30 June 2017 stated above:

- All results relate to continuing operations.

The notes on pages 14 to 27 form part of these financial statements.

Plan Limited

Balance Sheet as at 30 June 2018

	Note	2018 £'000	2017 £'000
Fixed assets			
Intangible assets	9	1,462	2,595
Tangible assets	10	626	1,000
		2,088	3,595
Current assets			
Deferred tax asset	11	571	442
Debtors	12	2,431	1,492
Cash at bank and in hand		64	403
		3,066	2,337
Creditors - amounts falling due within one year	13	(2,943)	(5,109)
Net current assets / (liabilities)		123	(2,772)
Total assets less current liabilities		2,211	823
Provisions for liabilities	14	(170)	(142)
Net assets		2,041	681
Called up share capital	15	-	-
Capital contribution		4,900	2,900
Accumulated losses		(2,859)	(2,219)
Total Equity		2,041	681

The financial statements on pages 11 to 27 were approved by the board of directors on 21 November 2018 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 2018

	Called up share capital £'000	Capital Contribution £'000	Accumulated losses £'000	Total equity £'000
Balance as at 1 July 2016	-	2,900	(1,527)	1,373
Profit for the financial year	-	-	1,796	1,796
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	1,796	1,796
Distribution	-	-	(3,100)	(3,100)
Tax credit on Qualifying Charitable Donation Paid	-	-	612	612
Total transactions with owners, recognised directly in equity	-	-	(2,488)	(2,488)
Balance as at 30 June 2017	-	2,900	(2,219)	681
Profit for the financial year	-	-	2,155	2,155
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	2,155	2,155
Distribution	-	-	(3,450)	(3,450)
Tax credit on Qualifying Charitable Donation Paid	-	-	655	655
Capital Contribution	-	2,000	-	2,000
Total transactions with owners, recognised directly in equity	-	2,000	(2,795)	(795)
Balance as at 30 June 2018	-	4,900	(2,859)	2,041

Plan Limited

Notes to the financial statements for the year ended 30 June 2018

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 the year ended 30 June 2018 comprised 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 the 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 liabilities as they fall due. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

1. Accounting policies (continued)

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions if certain conditions have been complied with. 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.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

1. Accounting policies (continued)

f) Employee Benefit

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

(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 pension 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 £3,450,000 (2017: £3,100,000) has been treated as a distribution of profits from Shareholder's funds. There is no current tax liability as the distribution which is considered to be a qualifying charitable donation of gift aid payments is more than Plan Limited's tax liability on its profit.

(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.

1. Accounting policies (continued)

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 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 life of computer software ranges 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.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

1. Accounting policies (continued)

j) Leased assets (continued)

(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.

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.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

1. Accounting policies (continued)

n) Financial Instruments

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

(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 PI Inc and its wholly owned subsidiaries.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (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 re-assessed 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.

- Useful economic lives of intangible assets

Certain costs relating to developing or obtaining internal use software are capitalised. Amortisation of software developed for internal use is provided under the straight-line method over the estimated useful life of 3-5 years. Amortisation of purchased software is provided under the straight line method over the lower of 5 years or the period of the license. The useful economic lives and residual values are re-assessed 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 notes 9 and 10 for the carrying amounts of tangible and intangible assets and the accounting policies above for the useful economic lives for each class of assets.

q) Future amendments to FRS 102

FRS 102 was issued in March 2013. The international review is every 3 years. Financial reporting exposure draft 67 (FRED 67) issued by the Financial Reporting Council (FRC) is expected to apply to accounting periods starting on or after 1 January 2019. This will be applicable to Plan Limited for the year ending 30 June 2020. The expectation is that the FRC will finalise the amendments in January 2019.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (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)

During the year, a distribution of £3,450,000 (2017: £3,100,000) 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 Shareholders' 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 2018 of £1,831 (2017: £1,000) represents interest on the Company's bank account balance.

5. Profit before taxation

Profit before taxation is stated after charging:

	2018	2017
	£'000	£'000
Fees payable to the Company's auditors for the audit of Plan Limited	20	18
Depreciation and amortisation	1,929	2,081
Impairment of intangible assets	37	-
Operating lease rentals – buildings	523	489

6. Employees

	2018	2017
	£'000	£'000
Employee costs		
Wages and Salaries	10,642	8,789
Social security costs	1,096	852
Redundancy costs	70	94
Other pension costs (note 16)	1,131	944
	12,939	10,679

	2018	2017
	Number	Number
Average monthly number of employees by category		
Programme support	109	98
Fundraising	7	5
Operating	99	78
	215	181

The average monthly number of employees includes the directors of Plan Limited listed in note 2 of the Directors' report.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

7. Directors' remuneration

	2018	2017
	£'000	£'000
Remuneration for the 3 directors (2017: 2) during the year:		
Emoluments	276	252
Pension contributions to a defined contribution pension scheme	40	22
	316	274
The remuneration of the highest paid director (the CEO) in the year to 30 June was:		
Emoluments	145	145
Pension contributions to a defined contribution pension scheme	22	22
	167	167

In addition, the CEO also received remuneration during 2018 and 2017 from Plan International, Inc. the parent organisation of Plan Limited. The total remuneration for the CEO is disclosed in the Plan Worldwide combined financial statements. Approximately 70% of the CEO's total emoluments are from Plan Limited as disclosed in the tables above.

Contributions of £22,000 (2017: £22,000) to a defined contribution pension scheme are made in respect of the CEO (2017: 2 directors). The average number of directors during the year was 2 (2017: 2).

8. Tax on profit

a) Tax expense included in profit or loss

	2018	2017
	£'000	£'000
Current tax charge	655	612
Deferred tax - origination and reversal of timing differences (see note 11)	(129)	(115)
Tax on profit	526	497

b) Reconciliation of tax charge

The tax assessed for the year is higher than (2017: higher than) the standard rate of corporation tax in the year of 19% (2017: 19.75%).

	2018	2017
	£'000	£'000
Profit before taxation	2,681	2,293
Tax on profit at effective rate of 19% (2017: 19.75%)	(509)	(453)
Non-deductible expenditure	(1)	(4)
Effect of tax rate change	(16)	(40)
Tax charge for the year	(526)	(497)

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

8. Tax on profit (continued)

c) Tax rate changes

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 20.0% to 19.0% from 1 April 2017.

The Finance Act 2016 reduced the main rate of corporation tax to 17% from 1 April 2020. This change was substantively enacted on 6 September 2016 and accordingly the deferred tax in the financial statements has been calculated using the rates expected to apply when timing differences reverse.

The tax credit on the Qualifying Charitable Donation distribution of £3,450,000 (2017 £3,100,000) paid during the year is included in the Statement of changes in equity.

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

9. Intangible assets

	Assets in the course of Construction £'000	Software £'000	Total £'000
Cost at 1 July 2017	204	17,494	17,698
Disposals	-	(166)	(166)
Additions	-	489	489
Transfers	(204)	204	-
At 30 June 2018	-	18,021	18,021
Accumulated amortisation at 1 July 2017	-	15,103	15,103
Disposals	-	(150)	(150)
Charge for the year	-	1,569	1,569
Impairment	-	37	37
At 30 June 2018	-	16,559	16,559
Net book value at 30 June 2018	-	1,462	1,462
Net book value at 30 June 2017	204	2,391	2,595

The amortisation of intangible assets is included in "operating costs" in the statement of comprehensive income. The impairment relates to software (BPC) and licences that have been revalued to bring in line with market value.

10. Tangible assets

	Leasehold Improvements £'000	Equipment £'000	Total £'000
Cost at 1 July 2017	1,165	4,164	5,329
Disposals	-	(129)	(129)
Additions	9	-	9
At 30 June 2018	1,174	4,035	5,209
Accumulated depreciation at 1 July 2017	582	3,747	4,329
Disposals	-	(106)	(106)
Charge for the year	113	247	360
At 30 June 2018	695	3,888	4,583
Net book value at 30 June 2018	479	147	626
Net book value at 30 June 2017	583	417	1,000

Notes to the financial statements for the year ended 30 June 2018 (continued)

11. Deferred tax asset

	2018	2017
	£'000	£'000
Deferred tax asset		
At 1 July	442	327
Amount Credited to Statement of Comprehensive Income	129	115
At 30 June	571	442
Fixed Asset Timing Differences	573	427
Short-term timing differences	(2)	15
At 30 June	571	442

12. Debtors

	2018	2017
	£'000	£'000
Other debtors	524	377
Amounts owed by PI Inc	1,291	-
Prepayments and accrued income	616	1,115
	2,431	1,492

13. Creditors – amounts falling due within one year

	2018	2017
	£'000	£'000
Trade creditors	913	358
Amounts owed to PI Inc	-	2,369
Other creditors	1	5
Other taxation and social security	324	270
Accruals and deferred income	1,705	2,107
	2,943	5,109

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

14. Provisions for liabilities

	2018	2017
	£'000	£'000
At 1 July	142	111
Charged to profit or loss	28	31
At 30 June	170	142

Plan Limited's two leases for its premises are required to be returned 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.

15. Called up share capital

	2018	2017
	£	£
Authorised		
1,000 (2017:1,000) ordinary shares at £1 each	1,000	1,000
Issued, called-up and fully paid		
1 (2017:1) 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.

16. Pension schemes

In 2018 and 2017, 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 £1,131,000 (2017: £944,000). The amount due to the pension scheme providers at 30 June was £nil (2017: £80,000).

17. Commitments

Operating leases

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

	2018	2017
	£'000	£'000
Payments due:		
Land and Buildings		
Not later than one year	566	566
Later than one year and not later than five years	1,205	1,771
Total	1,771	2,337

Plan Limited

Notes to the financial statements for the year ended 30 June 2018 (continued)

17. Commitments (continued)

Operating Leases (continued)

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 £379,000 (2017: £379,000). 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 £461,000 (2017: £461,000).

Capital

Contracts for capital expenditure not provided in the financial statements amount to £77,102 (2017: £77,100).

18. Related Party Transactions

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

Plan Limited made a distribution under Deed of Covenant of £3,450,000 to Plan International (UK) (2017: £3,100,000).

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 due to the number of small value contributions and the representative nature of these Board appointments.

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 305 East 47th Street, 10th Floor, New York, NY 10017, 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's 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.