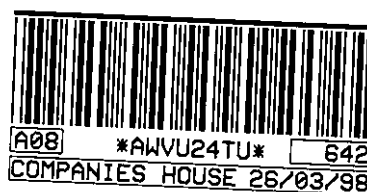


2457093

FOSTER PARENTS
PLAN INTERNATIONAL (UK) LTD

DIRECTORS' REPORT AND FINANCIAL
STATEMENTS

YEAR ENDED 30 JUNE 1997



FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD

PARTICULARS OF THE COMPANY

DIRECTORS

The Rt. Hon Baroness Gardner of Parkes (Chairman)
SAA Block

Registered office 5 Great College Street, Westminster, London SW1P 3SJ

Administrative offices 5/6 Underhill Street, Camden, London NW1 7HS

Company Registration Number 2457093

SECRETARY Anna Wardman

AUDITORS Price Waterhouse
Southwark Towers
London SE1 9SY

SOLICITORS Withers Solicitors
12 Gough Square
London
EC4A 3DE

BANKERS National Westminster Bank plc
21 Hanover Square
London W1A 4ZE

FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD

DIRECTORS' REPORT

The directors present their report and the audited financial statements of the company for the year ended 30 June 1997.

DIRECTORS

The present directors of the company are:

The Rt. Hon Baroness Gardner of Parkes (Chairman)
SAA Block

REVIEW OF ACTIVITIES

The company is a wholly owned subsidiary of Plan International (UK) which is a registered charity whose principal objectives are to provide for the sponsorship, care, education and well-being of children orphaned or in need through community based projects.

The main activity of the company is the sale of merchandise to sponsors of Plan International (UK) and third parties.

It is the policy of the company to make a charitable donation of any material financial surplus to Plan International (UK).

The results for the period are set out in the annexed financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR PREPARATION OF THE FINANCIAL STATEMENTS

The Companies Act 1985 requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD

DIRECTORS' REPORT (Continued)

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

AUDITORS

The auditors, Price Waterhouse, have expressed their willingness to be reappointed and a resolution concerning their re-appointment will be proposed at the next general meeting.

By Order of the Board


Anna Wardman
Secretary

29 January 1998

Price Waterhouse



**AUDITORS' REPORT TO THE MEMBERS OF
FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD**

We have audited the financial statements on pages 6 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on pages 3 and 4, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Price Waterhouse

Price Waterhouse
Registered Auditors
and Chartered Accountants

29 January 1998

FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 1997**

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	85,521	68,020
Cost of sales		<u>(52,744)</u>	<u>(48,257)</u>
GROSS PROFIT		32,777	19,763
Other income	3	6,185	1,458
Administrative expenses		(9,358)	(4,973)
Donation to parent company		<u>(29,604)</u>	<u>(16,248)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	4	-	-
Tax on profit on ordinary activities		<u>-</u>	<u>-</u>
PROFIT AFTER TAXATION			
SURPLUS BROUGHT FORWARD		<u>173</u>	<u>173</u>
SURPLUS CARRIED FORWARD		<u>173</u>	<u>173</u>

All income and expenditure relates to continuing operations.

There were no material recognised gains and losses other than the result for the current and previous years shown above.

FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD
BALANCE SHEET AS AT 30 JUNE 1997

	<u>Notes</u>	<u>1997</u> £	<u>1996</u> £
CURRENT ASSETS			
Stocks	7	9,305	9,748
Debtors	8	6,312	1,157
Cash at bank		—	<u>1,690</u>
		15,617	12,595
CREDITORS - amounts falling due within one year	9	<u>(15,442)</u>	<u>(12,420)</u>
NET CURRENT ASSETS		175	175
SHARE CAPITAL AND RESERVES			
Share capital	10	2	2
Profit and loss account		<u>173</u>	<u>173</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>175</u>	<u>175</u>

Approved by the Board on 29 January 1998

The Rt. Hon Baroness Gardner of Parkes

SAA Block

Gardner of Parkes
) Directors
S. A. A. Block

FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD
NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1997

1 ORGANISATION AND PURPOSE

Foster Parents Plan International (UK) Ltd is a wholly owned subsidiary of Plan International (UK) which is a non profit making organisation formed for the purpose of providing material and services to needy families throughout the world. Plan International (UK) is a company registered by guarantee in the UK.

The activities of the company include the sale of merchandise to foster parents of Plan International (UK) and third parties.

It is the policy of the company to make a charitable donation of any material financial surplus to Plan International (UK) under the "Gift Aid Scheme".

2 PRINCIPAL ACCOUNTING POLICIES

These accounts have been prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

The principal accounting policies which the directors have adopted within that convention are set out below.

(i) Turnover

Turnover represents the amount invoiced to customers for goods supplied excluding VAT.

(ii) Stocks

This has been valued at the lower of cost or net realisable value.

(iii) Cash flow statement

In accordance with the exemption allowed by paragraph 5(f) of Financial Reporting Standard 1, a cash flow statement for the company has not been prepared.

3 OTHER INCOME

This represents Royalty income from the sale of cards and the charges to customers in respect of the administration of gifts sent to their children sponsored through Plan International (UK).

FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1997 (Continued)

4 PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

This is stated after charging £665 (1996 £600) in respect of auditors' remuneration.

5 DIRECTORS' REMUNERATION

Neither of the directors received any remuneration during the period for services to the company during the year (1996:nil).

6 EMPLOYEES

There were no persons employed by the company during the period, any labour required being provided by Plan International (UK).

7 STOCK

This represents a stock of Christmas cards, T-shirts, posters and gifts held for re-sale.

8 DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Other Debtors	-	390
Prepayments	6,243	-
VAT receivable	69	-
Royalty income	<u>-</u>	<u>767</u>
	6,312	1,157
	<u><u> </u></u>	<u><u> </u></u>

9 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
	£	£
Bank overdraft	5,950	-
Amounts owed to parent company	8,282	9,845
Other creditors	1,210	2,462
VAT Payable	<u>-</u>	<u>113</u>
	15,442	12,420
	<u><u> </u></u>	<u><u> </u></u>

FOSTER PARENTS PLAN INTERNATIONAL (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS - 30 JUNE 1997 (Continued)

10 SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised £1 ordinary shares	<u>1,000</u>	<u>1000</u>
Allotted, issued and fully paid £1 ordinary shares	<u>2</u>	<u>2</u>

11 HISTORICAL COST PROFITS AND LOSSES

There were no material differences between reported profits and losses and historical profits and losses on ordinary activities before tax.

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Result for the financial year	-	-
Opening shareholders' funds	<u>175</u>	<u>175</u>
Closing shareholders' funds	<u>175</u>	<u>175</u>

13 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking is Plan International (UK), a company incorporated by guarantee. The ultimate controlling party is the Board of Directors of Plan International (UK).

The results of the company, and its parent undertaking are included in the Combined Worldwide Accounts of Foster Parents Plan International. Copies of the Combined Worldwide Accounts may be obtained from Plan International, Chobham House, Christchurch Way, Woking, Surrey.