

SFIA EDUCATIONAL PLANS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2000

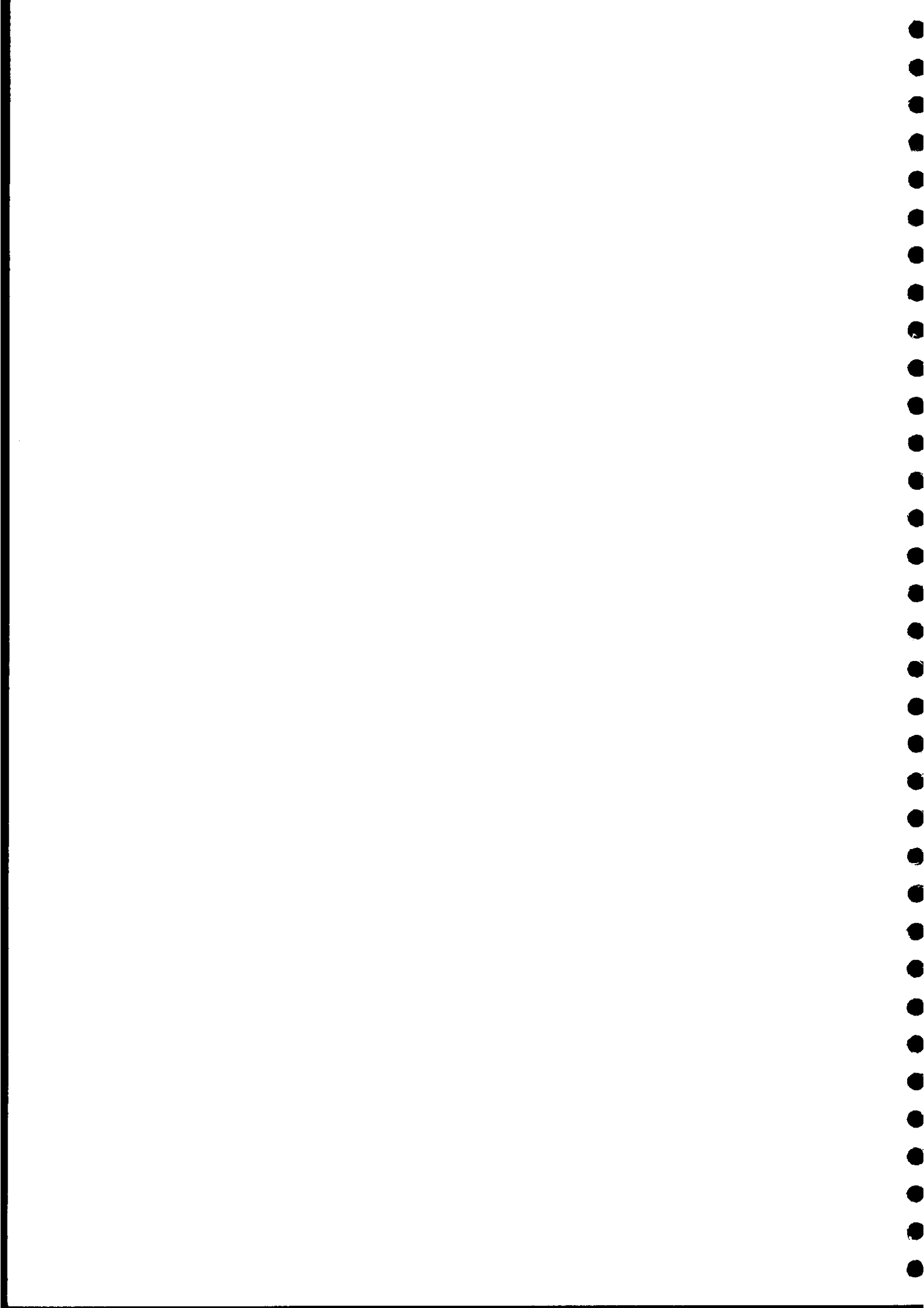
Company No. 03311941

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BAKER TILLY
Chartered Accountants
4 London Wall Buildings
Blomfield Street
London EC2M 5UQ





SFIA EDUCATIONAL PLANS LIMITED**COMPANY INFORMATION****Company number**

03377941

Directors

Mrs A E Feek - Chief Executive

Non-executive

Mr A J Hastings

Mr A J Rees

Mrs B Roberts

Registered office and place of business

34-36 Broadway
Maidenhead
Berkshire SL6 1LU

Bankers

HSBC Bank Plc
Maidenhead Branch
35 High Street
Maidenhead
Berkshire SL6 1JQ

Legal advisors

Speechley Bircham
6 St Andrew Street
London EC4A 3LX

Blandy & Blandy
1 Friar Street
Reading
Berkshire RG1 1DA

Auditors

Baker Tilly
Chartered Accountants
4 London Wall Buildings
Blomfield Street
London EC2M 5UQ

Investment Managers

Charles Stanley & Company
25 Luke Street
London EC2A 4AR

HSBC Trust Company (UK) Limited
Cumberland House
15 - 17 Cumberland Place
Southampton SO15 2UY

SFIA EDUCATIONAL PLANS LIMITED**REPORT OF THE DIRECTORS**

The directors submit their report and financial statements for the year to 31 July 2000.

Principal activities

The principal activity of the company is the administration of educational plans.

Significant event

The company entered into a business transfer agreement dated 24 April 1997 whereby the activity of administering School Fee Plans was transferred to SFIA Educational Plans Limited with effect from 1st April 1997 from the company's shareholders two registered charities S.F.I.A. Educational Trust and S.F.I.A. Educational Trust Limited, together with the future obligations and accumulated annuities to meet these obligations.

The charities have not accepted any new receipts in respect of new School Fee Plans since 20 June 1996.

In accordance with the accounting convention detailed in Note 1 (a) ii) both the liabilities to pay future school fees and the matching asset, being the annuities purchased, have been excluded from both the Income and Expenditure Account and Balance Sheet on pages 5 & 6 respectively.

Results and business review

The results of the year are as stated on page 5.

The company is committed to donating its taxable profits to the company's shareholders, two registered charities S.F.I.A. Educational Trust and S.F.I.A. Educational Trust Limited. In 2000, the company paid £253,438 to S.F.I.A. Educational Trust and £136,466 to S.F.I.A. Educational Trust Ltd under this scheme.

Directors

The following have served as directors during the year:

Mrs B Roberts *(Chairman)
Mrs A E Feek
A J Hastings *
Mr A J Rees *

No director had any interest in the share capital of the company.

* These directors are also directors of SFIA (Trustees) Limited, the company's ultimate controlling party.

SFIA EDUCATIONAL PLANS LIMITED

REPORT OF THE DIRECTORS

Statement of directors' responsibilities

Company law 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 financial activities 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;
- 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 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

Following a merger on 1 July 2000, Fraser Russell changed their name to Baker Tilly and the Auditors' Report has been signed in the new name.

In accordance with Section 385 of the Companies Act 1985 a resolution proposing that Baker Tilly, Chartered Accountants and Registered Auditors be reappointed for next year, will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



Mrs A E Feek
Secretary

Registered Office:

34-36 Broadway
Maidenhead
Berkshire SL6 1LU

14 November 2000

AUDITORS' REPORT
TO THE SHAREHOLDERS OF
SFIA EDUCATIONAL PLANS LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention, as modified by the revaluation of investments, and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 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 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 mis-statement, 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.

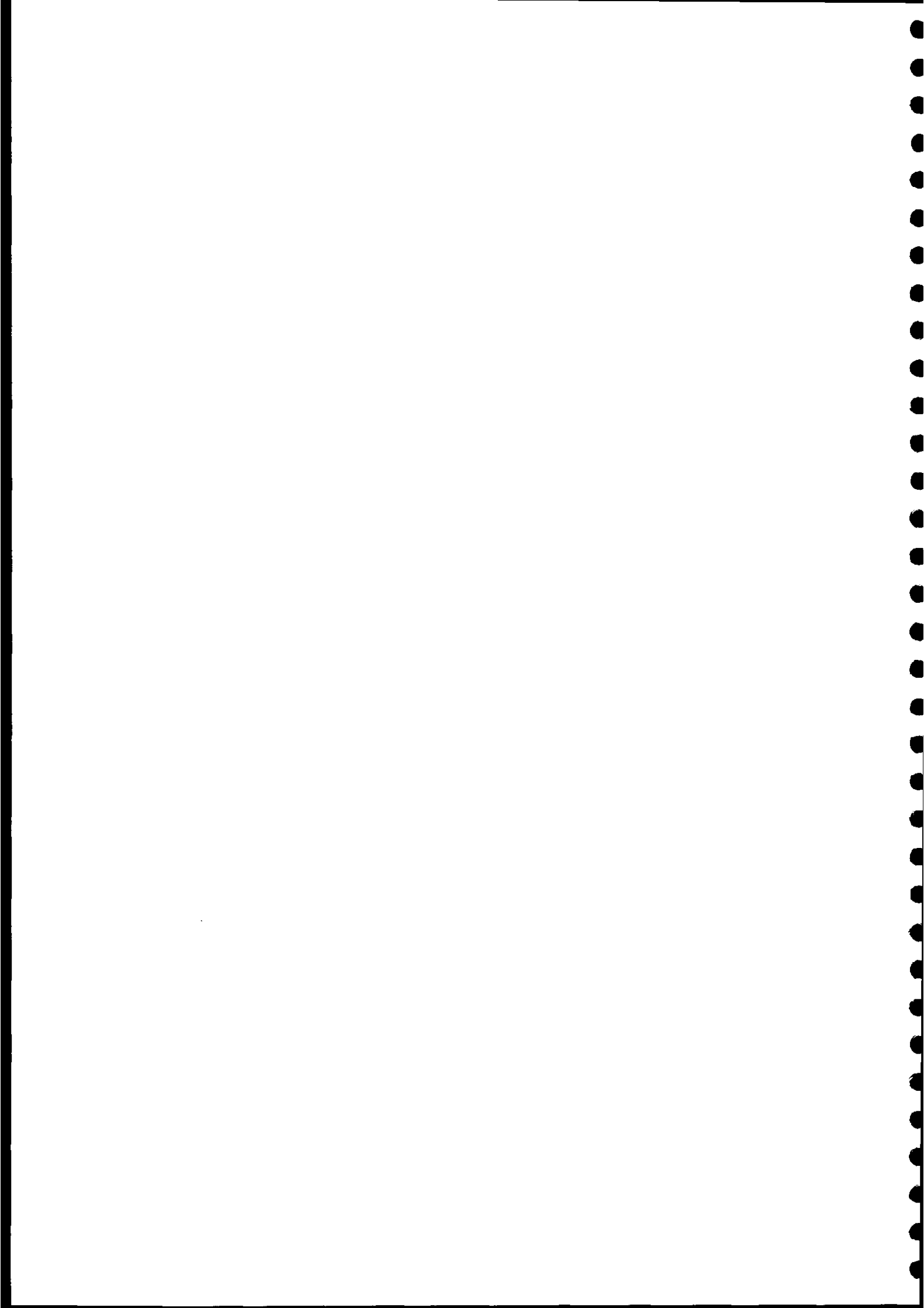
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 July 2000 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly
BAKER TILLY
Chartered Accountants
Registered Auditors

4 London Wall Buildings
Blomfield Street
LONDON EC2M 5UQ

14 November 2000



SFIA EDUCATIONAL PLANS LIMITED
INCOME AND EXPENDITURE ACCOUNT

For the year ended 31 July 2000

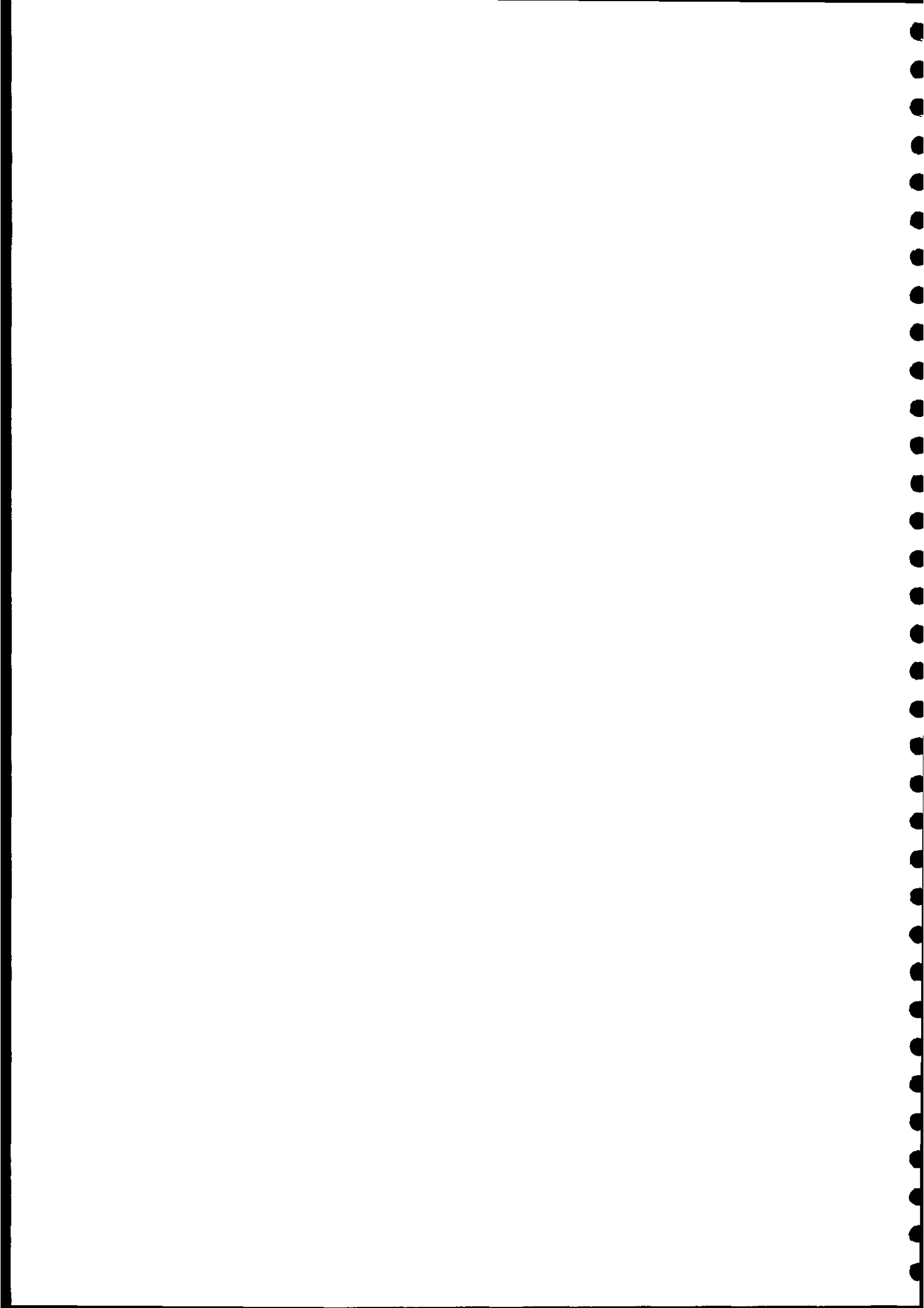
	Notes	2000 £	1999 £
Gross receipts	2	30,335,817	31,732,042
School fee payments		(29,813,596)	(31,187,900)
Net receipts		<u>522,221</u>	<u>544,142</u>
Administrative expenses		(544,641)	(634,229)
Other operating income		34,881	53,832
Operating surplus (deficit)	3	<u>12,461</u>	<u>(36,255)</u>
Interest receivable and similar income	5	365,845	452,265
Net surplus		<u>378,306</u>	<u>416,010</u>
Charitable donation	10	(389,904)	(460,502)
Retained deficit for the year		<u>(11,598)</u>	<u>(44,492)</u>
Balance brought forward		(26,906)	17,586
Balance carried forward at 31 July 2000		<u><u>(38,504)</u></u>	<u><u>(26,906)</u></u>

*The company's activities were transferred from
the S F I A Educational Trust and S F I A Educational Trust Ltd on 1 April 1997*

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

In addition to the above net surplus a movement on unrealised losses of £3,913 has been deducted from the Revaluation Reserve (Note 13).

The notes on pages 8 to 13 form part of these financial statements



SFIA EDUCATIONAL PLANS LIMITED

BALANCE SHEET

As at 31 July 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	6	21,825	35,784
Investments	7	3,535,963	3,535,503
Current assets			
Debtors	8	102,589	359,539
Cash at bank		508,369	481,742
		<u>610,958</u>	<u>841,281</u>
Creditors: Amounts falling due within one year	9	<u>(640,929)</u>	<u>(869,240)</u>
Net current liabilities		(29,971)	(27,959)
Total assets less current liabilities		<u>3,527,817</u>	<u>3,543,328</u>
Capital and reserves			
Share Capital	11	3,500,000	3,500,000
Income and Expenditure Account		(38,504)	(26,906)
Revaluation reserve	12	66,321	70,234
		<u>3,527,817</u>	<u>3,543,328</u>

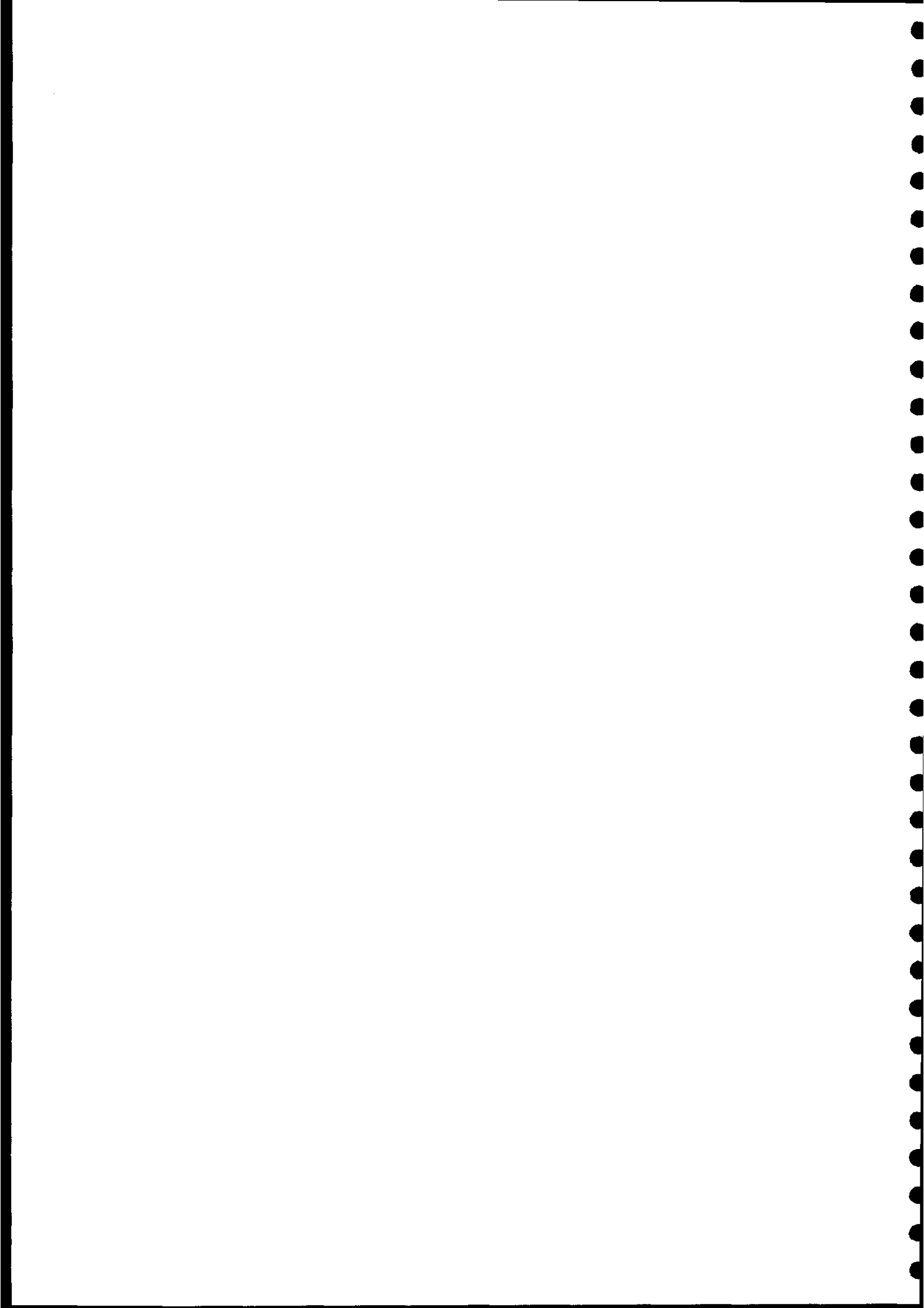
The financial statements were approved by the Board on 14 November 2000 and signed on their behalf by:

B Roberts
B ROBERTS

A E FEEK
A E FEEK

)
)
) DIRECTORS
)
)
)

The notes on pages 8 to 13 form part of these financial statements



SFIA EDUCATIONAL PLANS LIMITED

CASHFLOW STATEMENT

For the year ended 31 July 2000

	Notes	2000 £	1999 £
Net cash inflow/(outflow) from operating activities	17	(333,515)	24,997
Returns on investments and servicing of finance			
Interest received		120,676	159,893
Investment income		160,503	137,078
		<hr/>	<hr/>
Net cash outflow from returns on investments and servicing of finance		281,179	296,971
Capital expenditure and financial investment			
Payments to acquire fixed assets		(1,330)	(7,789)
Sale and maturity of investments		2,850,118	2,153,931
Payments to acquire investments		(2,769,825)	(2,194,496)
		<hr/>	<hr/>
Net cash inflow from capital expenditure and financial investment		78,963	48,354
Deed of covenant paid		-	(28,745)
		<hr/>	<hr/>
Net increase in cash and bank balances	18	26,627	273,614
		<hr/>	<hr/>

The notes on pages 8 to 13 form part of these financial statements

SFIA EDUCATIONAL PLANS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2000

1. Accounting policies

a) Accounting convention

- i) The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property and quoted investments. The financial statements are also prepared in accordance with applicable accounting standards.

The directors consider that the format of the income and expenditure account included in Schedule 4 of the Companies Act 1985 is not wholly appropriate for the company and have taken advantage of paragraph 3(3) of Schedule 4 and have presented an alternative format which greater reflects the special nature of the company's operations.

- ii) Capital sums received from parents in respect of obligations to pay future school fees and the subsequent purchases of annuities to discharge these obligations are not incorporated in either the income and expenditure account or balance sheet.

b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life on the following annual bases:

Plant and machinery	33 1/3%	of cost
Motor Vehicles	20%	of cost
Computer equipment	33 1/3%	of cost
Fixtures and fittings	20%	of cost

c) Investments

Quoted investments, unit trusts and annuities are stated at market value.

d) Pension contributions

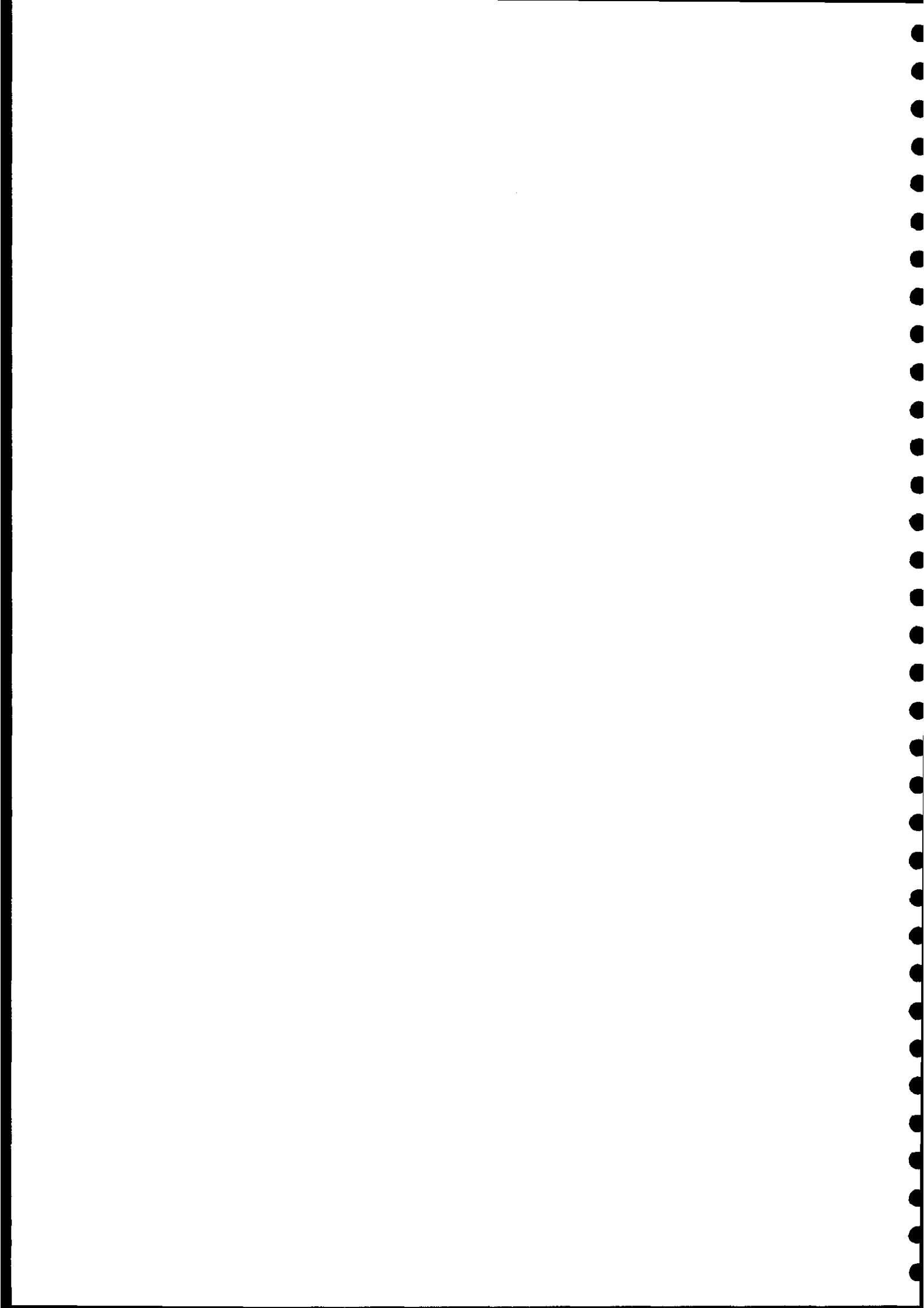
The company participates in a defined contribution group personal pension plan for the benefit of its employees. In addition the company contributes to Individual Personal Pension Plans for senior certain employees. Contributions are charged to the income and expenditure account as incurred.

e) Operating leases

Payments made under operating leases have been charged evenly to the income and expenditure account over the period of the lease.

f) Investment income

Interest earned on bank and investments is accounted for on an accruals basis.



SFIA EDUCATIONAL PLANS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2000
(continued)

2. **Receipts**

Gross receipts represent the total amounts due within the year from annuities purchased.

3. **Operating (deficit)**

	2000 £	1999 £
Operating (deficit) is stated after charging:		
Directors' remuneration	49,508	48,925
Auditors' remuneration - audit	29,375	31,500
- accountancy	1,778	5,002
- other non audit related	10,555	10,328
Depreciation	15,316	15,036
	<u> </u>	<u> </u>

4. **Staff costs**

Salaries	265,846	330,262
Social security costs	27,197	27,664
Other pension costs	38,343	35,400
Other employment costs	10,946	6,537
	<u> </u>	<u> </u>
	341,882	399,863
	<u> </u>	<u> </u>

The average monthly number of employees during the year were 11 (1999: 13).

Directors' emoluments

Remuneration for management services	49,508	48,925
	<u> </u>	<u> </u>

SFIA EDUCATIONAL PLANS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2000
(continued)

5. Other interest receivable and similar income

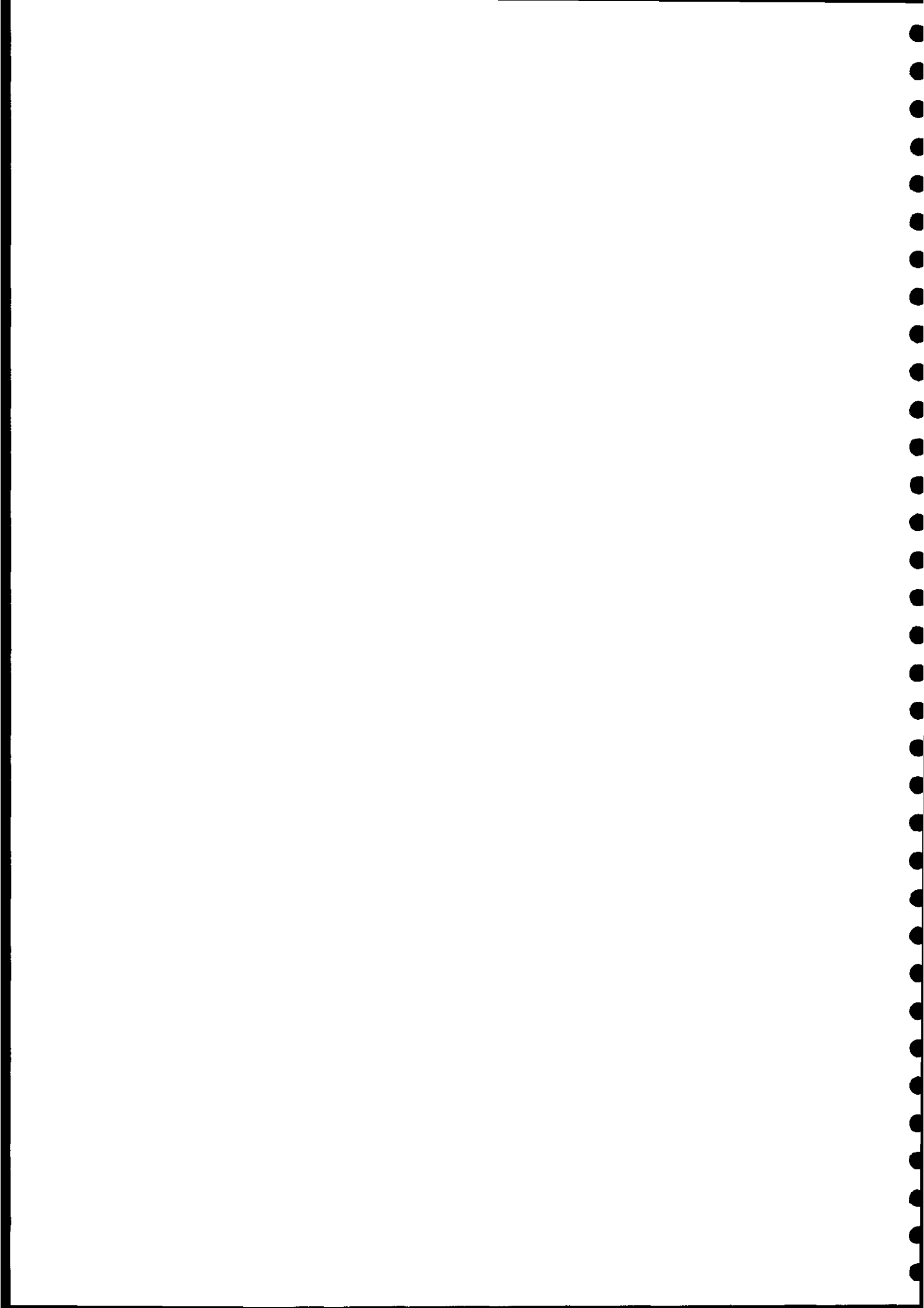
	2000	1999
	£	£
Bank interest receivable	120,676	123,242
Investment income	245,169	329,023
	<u>365,845</u>	<u>452,265</u>

6. Tangible fixed assets

	Plant and Machinery	Motor Vehicles	Fixtures and Fittings	Total
Cost	£	£	£	£
At 1 August 1999	26,677	12,510	23,377	62,564
Additions	1,005	-	325	1,330
At 31 July 2000	<u>27,682</u>	<u>12,510</u>	<u>23,702</u>	<u>63,894</u>
Depreciation				
At 1 August 1999	13,796	4,379	8,605	26,780
Charge for the year	8,046	2,502	4,741	15,289
At 31 July 2000	<u>21,842</u>	<u>6,881</u>	<u>13,346</u>	<u>42,069</u>
Net book value				
At 31 July 2000	<u>5,840</u>	<u>5,629</u>	<u>10,356</u>	<u>21,825</u>
At 31st July 1999	<u>12,881</u>	<u>8,131</u>	<u>14,772</u>	<u>35,784</u>

7. Investments

	2000		2000		1999		1999
	£		£		£		£
	Market Value	%	Original Cost		Market Value	%	Original Cost
Equities	2,338,592	66	2,255,002		2,001,084	57	1,937,831
Gilts	736,156	21	744,998		1,073,521	30	1,079,997
Unit Trusts	328,422	9	333,343		89,173	3	74,634
Cash awaiting investment	132,793	4	132,793		371,725	10	371,725
	<u>3,535,963</u>	<u>100</u>	<u>3,466,136</u>		<u>3,535,503</u>	<u>100</u>	<u>3,464,187</u>



SFIA EDUCATIONAL PLANS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2000
(continued)

7. Investments (continued)

	2000	1999
	£	£
Market value at 1 August 1999	3,535,503	3,311,844
Additions	2,769,825	2,194,496
Disposals	(2,765,452)	(1,998,637)
Revaluation to market value	(3913)	27,800
	<hr/>	<hr/>
Market value at 31 July 2000	3,535,963	3,535,503
	<hr/>	<hr/>

8. Debtors

School fees paid in advance	9,161	243,471
Amounts owed by parent companies	-	46
Other debtors	1,229	100,330
Prepayments and accrued income	92,199	15,692
	<hr/>	<hr/>
	102,589	359,539
	<hr/>	<hr/>

The parent companies are S F I A Educational Trust and SFIA Educational Trust Limited, a trust and a company, with similar principal activities to the company and with which the company shares administrative facilities and expenses.

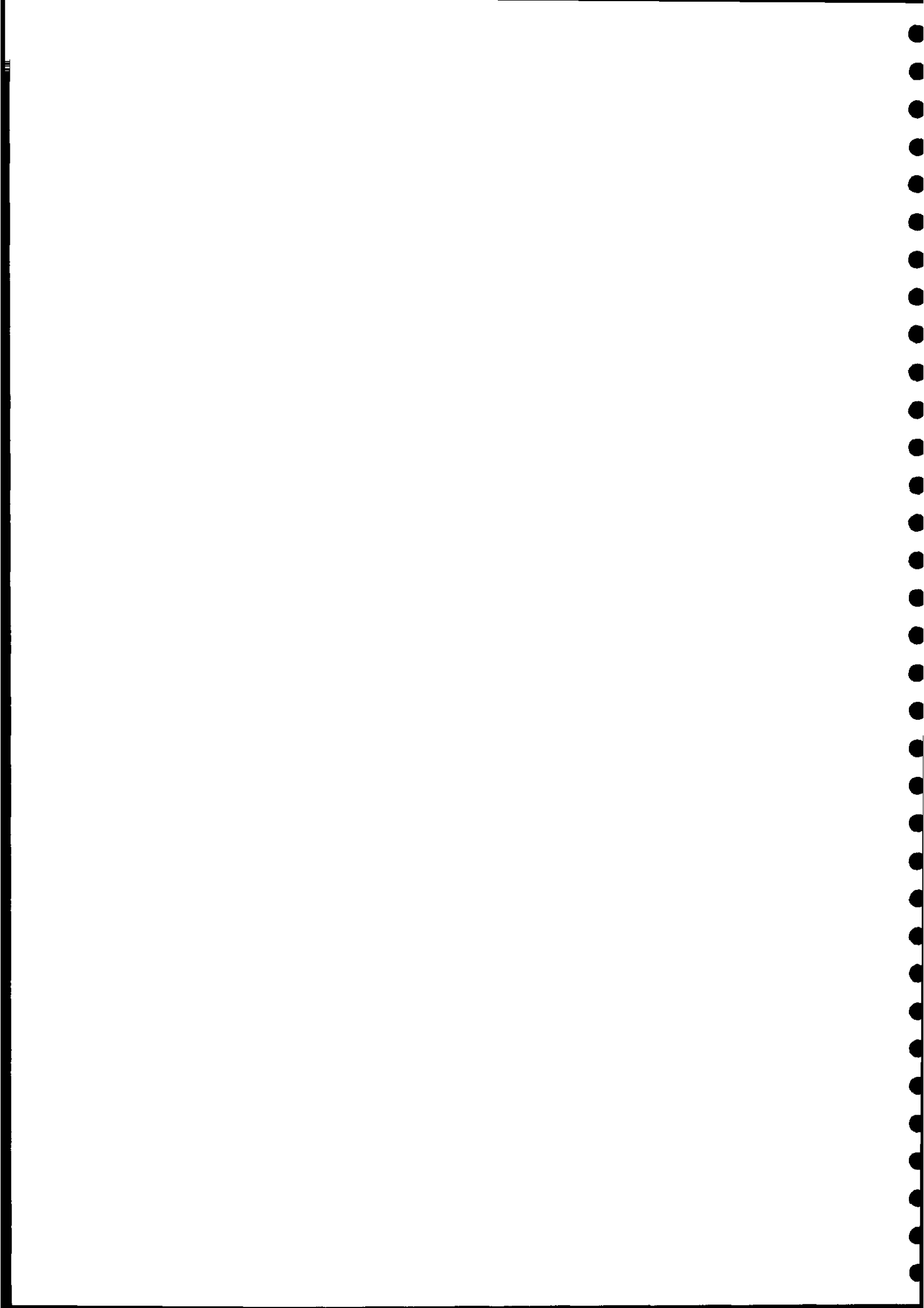
9. Creditors - Amounts falling due within one year

	2000	1999
	£	£
Amounts held for clients and scheme balances	197,478	371,432
Taxation and social security costs	8,532	107,563
Other creditors	4,816	342,570
Accruals and deferred income	39,949	47,459
Amounts owed to parent company	253,287	216
Amounts owed to associated company	136,867	-
	<hr/>	<hr/>
	640,929	869,240
	<hr/>	<hr/>

10. Charitable Donation

Deed of covenant payment	389,904	460,502
	<hr/>	<hr/>

The company has made a charitable donation to its shareholders, S.F.I.A. Educational Trust and S.F.I.A. Educational Trust Limited two registered charities. For the year £253,438 was donated to S.F.I.A. Educational Trust and £136,466 to S.F.I.A. Educational Trust Limited.



SFIA EDUCATIONAL PLANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2000
(continued)

11.	Share Capital	2000 £	1999 £
	Authorised:		
	5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
		<hr/>	<hr/>
	Allotted, Called up and fully paid		
	3,500,000 Ordinary shares of £1 each	3,500,000	3,500,000
		<hr/>	<hr/>
12.	Revaluation reserve		
	At 1 August 1999	70,234	42,434
	Revaluation of investments during the period to market value	(3,913)	27,800
		<hr/>	<hr/>
	At 31 July 2000	66,321	70,234
		<hr/>	<hr/>
13.	Reconciliation of movements in funds		
	At 1 August 1999	3,543,328	3,560,020
	Retained deficit for the period	(11,598)	(44,492)
	Revaluations of investments during the period	(3,913)	27,800
		<hr/>	<hr/>
	At 31 July 2000	3,527,817	3,543,328
		<hr/>	<hr/>

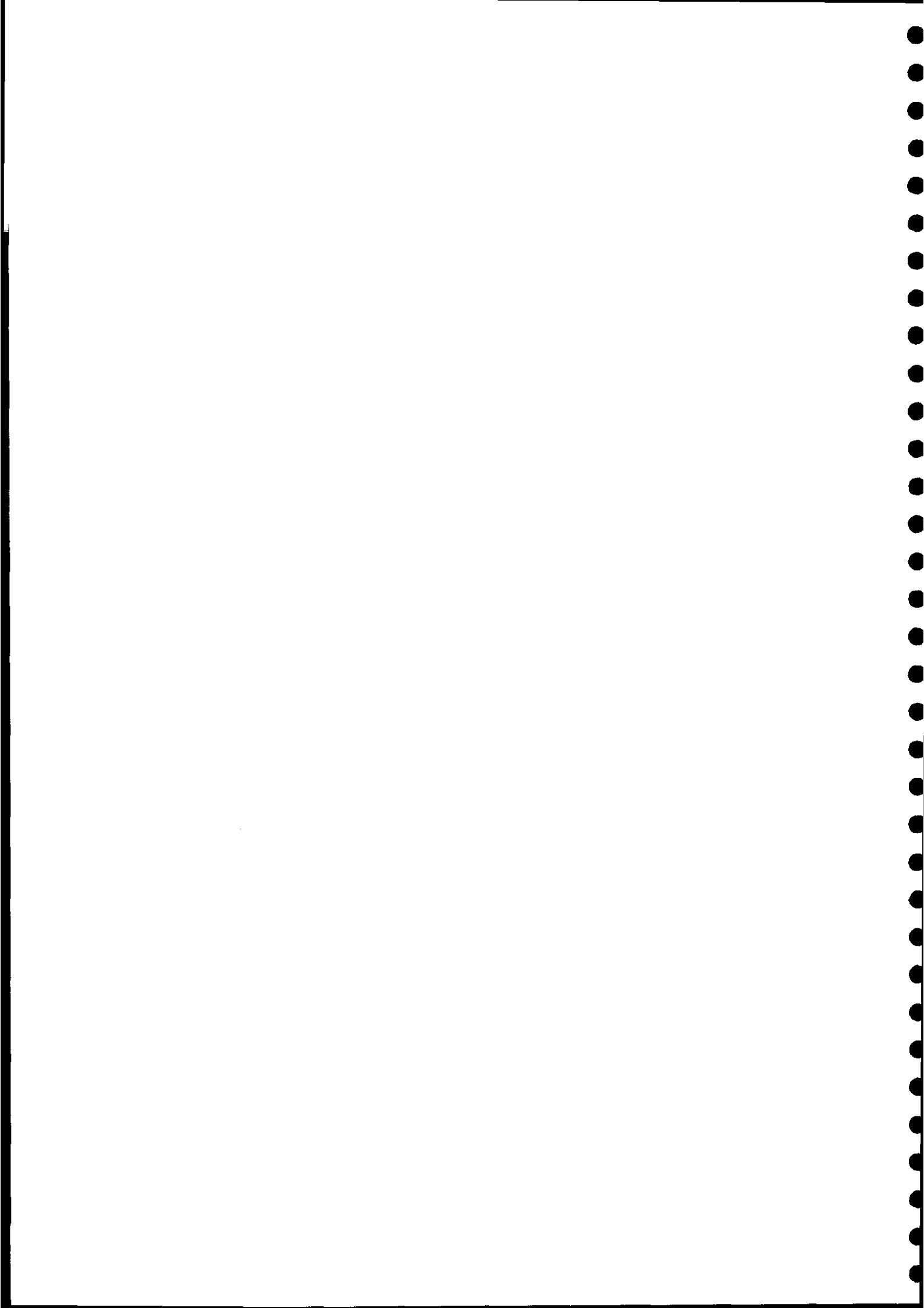
14. Parent Undertaking

The company is 65% owned by S.F.I.A. Educational Trust and 35% by S.F.I.A. Educational Trust Limited, both of the above shareholders are charities and are under common control. S.F.I.A. Educational Trust is the company's ultimate parent undertaking, its principal business address is 34 - 36 Broadway, Maidenhead, Berkshire SL6 1LU.

The company's ultimate controlling party is the Board of Directors of SFIA (Trustees) Limited who at 31 July 2000 were Mr A J Hastings, Mr A J Rees and Mrs B Roberts; who also served as directors of the company throughout the year.

15. Pension commitments

The company participates in a Group Personal Pension Plan. This is a defined contribution pension scheme which the company operates for its employees, the assets of which are held separately from those of the company in independently administered funds. For two employees the company contributes to their individual Personal Pension Plans. The company paid total pension contributions of £38,343 (1999 -£35,400) during the year. There were no amounts outstanding at the year end.



SFIA EDUCATIONAL PLANS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2000

(continued)

16. Operating lease commitments

At 31st July 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	£	£
Land and buildings	40,000	28,000
Equipment	10,257	14,187
	<u>50,257</u>	<u>42,187</u>

17. Reconciliation between operating surplus and net cash inflow from operating activities

Operating surplus/(deficit)	12,461	(36,255)
Loss on sale of tangible fixed assets	-	11,736
Depreciation	15,289	15,036
Decrease in debtors	256,950	246,894
(Decrease)/increase in creditors	(228,311)	248,088
Charitable donation	(389,904)	(460,502)
	<u>(333,515)</u>	<u>24,997</u>

18. Analysis of net funds

Cash and bank at 1 August 1999	481,742	208,128
Net cash inflow	26,627	273,614
	<u>508,369</u>	<u>481,742</u>

19. Related party transactions

The following relating party transactions took place during the year:

- a) The company shares administrative facilities and expenses with SFIA Educational Trust and SFIA Educational Trust Limited.
- b) Rental payments of £28,000 were paid to SFIA Educational Trust Limited for the occupation at 34-36 Broadway.

