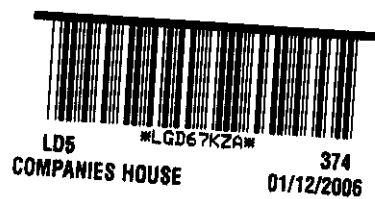


SFIA Educational Plans Limited

REPORT AND FINANCIAL STATEMENTS

31 July 2006



Company Registration No. 03311941

SFIA Educational Plans Limited

DIRECTORS AND OFFICERS

DIRECTORS

Mrs AE Feek	Chief Executive
Mr AJ Hastings	(Non-executive)
Mr AH Monro	(Non-executive)
Mr AJ Rees	(Non-executive)
Mrs B Roberts	(Non-executive)
Mr D Prince	(Non-executive)

COMPANY SECRETARY

Mrs AE Feek

REGISTERED OFFICE AND PLACE OF BUSINESS

39 Queen Street
Maidenhead
Berkshire SL6 1NB

BANKERS

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

LEGAL ADVISORS

Stone King
39 Cloth Fair
London EC1A 7JQ

Blandy & Blandy
1 Friar Street
Reading
Berkshire RG1 1DA

AUDITORS

Baker Tilly
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

INVESTMENT MANAGERS

Morgan Stanley Quilter
St Helens
1 Undershaft
London EC3A 8BB

SFIA Educational Plans Limited

DIRECTORS' REPORT

The directors submit their report and the financial statements of SFIA Educational Plans Limited for the year ended 31 July 2006.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the administration of educational plans.

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 original 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 the Accounting Policies on page 9 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 & 7 respectively.

RESULTS AND BUSINESS REVIEW

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

The company has gifted its profits (realised and unrealised) to the company's shareholder the registered charity S.F.I.A. Educational Trust Limited. Accordingly, the company will donate £108,429 to S.F.I.A. Educational Trust Ltd and this has been provided for in the results for the year.

DIRECTORS

The following have served as directors during the year:

Mrs B Roberts * (Chairman)
Mrs AE Feek
Mr AJ Hastings *
Mr AJ Rees *
Mr AH Monro*
Mr D Prince*

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

* These directors are also directors of SFIA Educational Trust Limited, the company's ultimate controlling party.

FUTURE DEVELOPMENTS

After a charity commission ruling in 1997, no new plans were entered into, so the school fee payments will reduce into the future until all of the plans currently held have ended.

SFIA Educational Plans Limited

DIRECTORS' REPORT

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



AE Feek
Secretary

16 November 2006

SFIA Educational Plans Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. 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 profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- d. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SFIA EDUCATIONAL PLANS LIMITED

We have audited the financial statements on pages 6 to 16.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and whether the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs at 31 July 2006 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Baker Tilly

BAKER TILLY
Registered Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

21 November 2006

SFIA Educational Plans Limited
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2006

	Notes	2006 £	2005 £
Gross receipts	1	16,784,075	20,082,705
School fee payments		(16,475,002)	(19,720,360)
Net receipts		<u>309,073</u>	<u>362,345</u>
Administrative expenses		(382,142)	(399,060)
Other operating income		15,112	13,536
OPERATING DEFICIT		<u>(57,957)</u>	<u>(23,179)</u>
Interest receivable and similar income	2	183,189	168,245
NET SURPLUS		<u>125,232</u>	<u>145,066</u>
Charitable donation	10	(108,429)	(14,290)
SURPLUS ON ORDINARY ACTIVITIES	3	<u>16,803</u>	<u>130,776</u>
Taxation	5	-	-
RETAINED SURPLUS FOR THE YEAR	13	<u><u>16,803</u></u>	<u><u>130,776</u></u>

The operating deficit for the year arises from the company's continuing operations.

SFIA Educational Plans Limited

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 July 2006

	2006 £	2005 £
Retained surplus for the year	16,803	130,776
Unrealised surplus on revaluation of investments	237,371	414,902
Total recognised gains and losses relating to the year	<u>254,174</u>	<u>545,678</u>

SFIA Educational Plans Limited

BALANCE SHEET

31 July 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Tangible assets	6	12,547	2,644
Investments	7	3,496,392	3,268,230
		<u>3,508,939</u>	<u>3,270,874</u>
CURRENT ASSETS			
Debtors	8	22,630	30,087
Cash at bank		822,244	724,814
		<u>844,874</u>	<u>754,901</u>
CREDITORS: Amounts falling due within one year	9	(364,317)	(290,453)
NET CURRENT ASSETS		<u>480,557</u>	<u>464,448</u>
NET ASSETS		<u>3,989,496</u>	<u>3,735,322</u>
CAPITAL AND RESERVES			
Called up share capital	11	3,500,000	3,500,000
Revaluation reserve	12	425,235	309,986
Income and expenditure account	13	64,261	(74,664)
SHAREHOLDER'S FUNDS	14	<u>3,989,496</u>	<u>3,735,322</u>

The financial statements were approved by the board and authorised for issue on 16 November 2006 and signed on their behalf by:

Director

Beatrice Roberts

Director

Anthony Hastings

SFIA Educational Plans Limited

CASH FLOW STATEMENT

for the year ended 31 July 2006

	<i>Notes</i>	2006 £	2005 £
Cash flow from operating activities	15a	(82,459)	(240,045)
Returns on investments and servicing of finance	15b	161,680	159,588
Capital expenditure and servicing of finance	15b	18,209	26,876
NET INCREASE/(DECREASE) IN CASH IN THE PERIOD	15c	<u>97,430</u>	<u>(53,581)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2006 £	2005 £
Increase/(decrease) in cash in the period	97,430	(53,581)
MOVEMENT IN NET FUNDS/(DEBT) IN PERIOD	<u>97,430</u>	<u>(53,581)</u>
NET FUNDS AT 1 AUGUST 2005	724,814	778,395
NET FUNDS AT 31 JULY 2006	<u>822,244</u>	<u>724,814</u>

SFIA Educational Plans Limited

ACCOUNTING POLICIES

ACCOUNTING CONVENTION

- i) The financial statements are prepared under the historical cost convention as modified by the revaluation of 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 previously 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.

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:

Computer equipment	33 1/3%	of cost
Fixtures and fittings	33 1/3%	of cost

INVESTMENTS

Quoted investments, unit trusts and annuities are stated at market value quoted by the investment managers at the year end.

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 certain senior employees. Contributions are charged to the income and expenditure account as incurred.

OPERATING LEASES

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

INVESTMENT INCOME

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

DEFERRED TAXATION

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

SFIA Educational Plans Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2006

1 GROSS RECEIPTS

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

2	INTEREST RECEIVABLE AND SIMILAR INCOME	2006 £	2005 £
	Bank interest receivable	62,501	67,158
	Investment income	99,846	93,290
	Gain on disposal of investments	20,842	7,797
		<u>183,189</u>	<u>168,245</u>
3	SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2006 £	2005 £
	Surplus on ordinary activities before taxation is stated after Charging/(crediting):		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year	3,514	7,174
	Operating lease rentals: Land and buildings	36,243	46,281
	Auditors' remuneration		
	audit	31,725	31,725
	other non audit related	13,453	15,627
	Gain on disposal of fixed assets	(1,575)	(3,612)
		<u></u>	<u></u>
4	EMPLOYEES	2006 No.	2005 No.
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Office and management	4	4
		<u></u>	<u></u>
		2006 £	2005 £
	Staff costs for above persons:		
	Wages and salaries	144,237	150,349
	Social security costs	16,564	17,383
	Other pension costs	36,766	23,043
	Other employment costs	9,519	8,858
		<u>207,086</u>	<u>199,633</u>
	DIRECTORS' REMUNERATION		
	Remuneration for management services	59,666	59,896
	Pension contributions	6,199	5,690
		<u>65,865</u>	<u>65,586</u>

The number of directors to whom relevant benefits are accruing under money purchase pension schemes was 1 (2005: 1).

SFIA Educational Plans Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2006

5	TAXATION	2006 £	2005 £
	Current tax:		
	UK corporation tax on surplus	-	-
	Total current tax	-	-
	Factors affecting tax charge for the period		
	The tax assessed for the period is higher than the standard rate of corporation tax for small companies (20%) as explained below:		
	Surplus on ordinary activities before tax	16,803	130,776
	Surplus on ordinary activities multiplied by the standard rate of corporation tax for small companies (19%)	3,193	24,847
	Effects of:		
	Expenses not deductible for tax purposes	(1,954)	11,854
	Capital allowances less than depreciation	(1,239)	867
	Tax losses (utilised)/carried forward	-	(37,568)
	Current tax charge for the period	-	-

6 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures & fittings £	Total £
Cost			
1 August 2005	-	3,525	3,525
Additions	7,906	5,511	13,417
31 July 2006	7,906	9,036	16,942
Depreciation			
1 August 2005	-	881	881
Charge for year	1,977	1,537	3,514
31 July 2006	1,977	2,418	4,395
Net book value			
31 July 2006	5,929	6,618	12,547
31 July 2005	-	2,644	2,644

SFIA Educational Plans Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2006

7 INVESTMENTS

	2006 Market Value £	%	2006 Original Cost £	2005 Market Value £	%	2005 Original Cost £
Equities	1,393,223	40	1,101,275	1,381,643	42	1,212,460
Gilts and fixed interest bonds	1,137,108	32	1,124,326	940,966	29	961,191
Unit Trusts	905,777	26	730,524	746,492	23	572,979
Cash awaiting investment	60,284	2	60,284	199,129	6	199,129
31 July 2006	<u>3,496,392</u>	<u>100</u>	<u>3,016,409</u>	<u>3,268,230</u>	<u>100</u>	<u>2,945,759</u>

	2006 £	2005 £
Market value at 1 August 2005	3,268,230	2,872,407
Additions	1,140,368	598,525
Disposals	(1,149,577)	(617,604)
Revaluation to market value	237,371	414,902
Market value at 31 July 2006	<u>3,496,392</u>	<u>3,268,230</u>

8 DEBTORS

	2006 £	2005 £
Due within one year:		
Prepayments and accrued income	<u>22,630</u>	<u>30,087</u>

9 CREDITORS: Amounts falling due within one year

	2006 £	2005 £
Amounts held for clients and scheme balances	171,440	193,215
Taxation and social security costs	4,611	5,167
Other creditors	9,398	10,669
Accruals and deferred income	70,439	67,112
Amounts owed to parent organisation	108,429	14,290
	<u>364,317</u>	<u>290,453</u>

The parent organisation is S.F.I.A. Educational Trust Limited, a registered charity with which the company shares administrative facilities and expenses. (see note 17)

SFIA Educational Plans Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2006

10	CHARITABLE DONATION	2006 £	2005 £
	Gift	108,429	14,290
<p>The company has made a charitable donation to its shareholder, S.F.I.A. Educational Trust Limited a registered charity. For the year £108,429 (2005: £14,290) has been provided as a donation to S.F.I.A. Educational Trust Limited.</p>			
11	SHARE CAPITAL	2006 £	2005 £
	Authorised: 5,000,000 ordinary shares of £1 each	5,000,000	5,000,000
	Allotted, issued and fully paid: 3,500,000 ordinary shares of £1 each	3,500,000	3,500,000
12	REVALUATION RESERVE	2006 £	2005 £
	1 August 2005	309,986	(41,247)
	Revaluation of investments during the year to market value	237,371	414,902
	Transfer of realised profits to profit and loss account	(122,122)	(63,669)
	31 July 2006	425,235	309,986
13	INCOME AND EXPENDITURE ACCOUNT	2006 £	2005 £
	1 August 2005	(74,664)	(269,109)
	Retained surplus	16,803	130,776
	Transfer of realised profits from revaluation reserve	122,122	63,669
	31 July 2006	64,261	(74,664)
14	RECONCILIATION OF MOVEMENT IN FUNDS	2006 £	2005 £
	1 August 2005	3,735,322	3,189,644
	Retained surplus for the year	16,803	130,776
	Revaluation of investments during the year	237,371	414,902
	31 July 2006	3,989,496	3,735,322

SFIA Educational Plans Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2006

15	CASH FLOWS	2006 £	2005 £
a	Reconciliation of operating profit to net cash inflow from operating activities		
	Operating deficit	(57,957)	(23,179)
	Depreciation	3,514	7,174
	(Gain)/loss on disposal of fixed assets	(1,575)	3,612
	Decrease in debtors	8,124	2,595
	(Decrease) in creditors	(34,565)	(215,957)
	Charitable donation	-	(14,290)
	Net cash flow from operating activities	(82,459)	(240,045)
		2006 £	2005 £
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	63,655	64,854
	Investment income	98,025	94,734
	Net cash inflow from returns on investments and servicing of finance	161,680	159,588
	Capital expenditure and financial investment		
	Payments to acquire fixed assets	(13,417)	-
	Proceeds from disposals	1,575	
	Sale and maturity of investments	1,170,419	625,401
	Payments to acquire investments	(1,140,368)	(598,525)
	Net cash inflow from capital expenditure and financial investment	18,209	26,876
		<i>At</i> <i>1 August</i> <i>2005</i> £	<i>At</i> <i>31 July</i> <i>2006</i> £
c	Analysis of net funds		
	Cash in hand, at bank	724,814	822,244

16 COMMITMENTS UNDER OPERATING LEASES

At 31 July 2006 the company had annual commitments under non-cancellable operating leases as follows:

	2006 £	2005 £
Land and buildings expiring within one year	24,000	18,360

SFIA Educational Plans Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2006

17 PARENT UNDERTAKING

The company is 100% owned by S.F.I.A. Educational Trust Limited, the above shareholder is a charity. S.F.I.A. Educational Trust Limited is the company's ultimate parent undertaking, its principal business address is 39 Queen Street, Maidenhead, Berkshire SL6 1LU.

The company's ultimate controlling party is the Board of Directors of SFIA Educational Trust Limited who at 31 July 2006 were Mr A J Hastings, Mr A J Rees, Mr A H Monro, Mr D Prince and Mrs B Roberts; who also served as directors of the company throughout the year.

18 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 £36,766 (2005: £23,043) during the year. There were no amounts outstanding at the year end.

19 RELATED PARTY DISCLOSURES

The company has taken advantage of exemptions conferred by FRS8 not to disclose related party transactions.