

# SFIA Educational Plans Limited

## REPORT AND FINANCIAL STATEMENTS

31 July 2007



Company Registration No 03311941

# SFIA Educational Plans Limited

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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### 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

Tectonic Place  
Holypot Road  
Maidenhead  
Berkshire  
SL6 2YE

### 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 UK Audit LLP  
Chartered Accountants  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1JJ

### INVESTMENT MANAGERS

Citi Quilter  
St Helens  
1 Undershaft  
London EC3A 8BB

# SFIA Educational Plans Limited

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of SFIA Educational Plans Limited for the year ended 31 July 2007

### 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 10 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 6 & 8 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 has donated £200,000 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

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### AUDITORS

The Directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the relevant provisions. Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

### 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

15 November 2007

# SFIA Educational Plans Limited

## DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we 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.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### 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 2007 and of its loss 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 UK Audit LLP*  
BAKER TILLY UK AUDIT LLP

Registered Auditor  
1<sup>st</sup> Floor  
46 Clarendon Road  
Watford  
Herts  
WD17 1JJ

29 November 2007

**SFIA Educational Plans Limited**  
**INCOME AND EXPENDITURE ACCOUNT**  
**for the year ended 31 July 2007**

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	Notes	2007 £	2006 £
Gross receipts	1	14,302,259	16,784,075
School fee payments		(14,027,218)	(16,475,002)
Net receipts		<u>275,041</u>	<u>309,073</u>
Administrative expenses		(403,122)	(382,142)
Other operating income		16,047	15,112
OPERATING DEFICIT		<u>(112,034)</u>	<u>(57,957)</u>
Interest receivable and similar income	2	207,569	183,189
NET SURPLUS		<u>95,535</u>	<u>125,232</u>
Charitable donation	10	(200,000)	(108,429)
(DEFICIT)/SURPLUS ON ORDINARY ACTIVITIES	3	<u>(104,465)</u>	<u>16,803</u>
Taxation	5	-	-
RETAINED (DEFICIT)/SURPLUS FOR THE YEAR	13	<u><u>(104,465)</u></u>	<u><u>16,803</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 2007

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	2007 £	2006 £
Retained (deficit)/surplus for the year	(104,465)	16,803
Unrealised surplus on revaluation of investments	213,897	237,371
Total recognised gains and losses relating to the year	<u>109,432</u>	<u>254,174</u>



# SFIA Educational Plans Limited

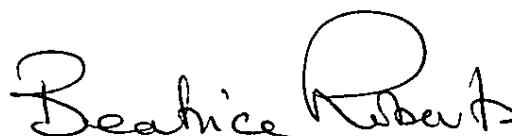
## BALANCE SHEET

31 July 2007

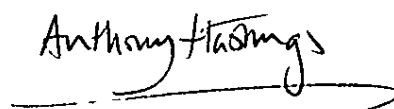
	Notes	2007 £	2006 £
<b>FIXED ASSETS</b>			
Tangible assets	6	7,088	12,547
Investments	7	3,710,286	3,496,392
		<u>3,717,374</u>	<u>3,508,939</u>
<b>CURRENT ASSETS</b>			
Debtors	8	28,620	22,630
Cash at bank		585,018	822,244
		<u>613,636</u>	<u>844,874</u>
<b>CREDITORS</b> Amounts falling due within one year	9	(232,084)	(364,317)
<b>NET CURRENT ASSETS</b>		<u>381,554</u>	<u>480,557</u>
<b>NET ASSETS</b>		<u>4,098,928</u>	<u>3,989,496</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	3,500,000	3,500,000
Revaluation reserve	12	533,092	425,235
Income and expenditure account	13	65,836	64,261
<b>SHAREHOLDER'S FUNDS</b>	14	<u>4,098,928</u>	<u>3,989,496</u>

The financial statements were approved by the board and authorised for issue on 15 November 2007 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 2007

	<i>Notes</i>	2007 £	2006 £
Cash flow from operating activities	15a	(244,797)	(82,459)
Returns on investments and servicing of finance	15b	175,774	161,680
Capital expenditure and servicing of finance	15b	(168,203)	18,209
NET (DECREASE)/INCREASE IN CASH IN THE PERIOD	15c	<u>(237,226)</u>	<u>97,430</u>

### RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2007 £	2006 £
(Decrease)/increase in cash in the period	(237,226)	97,430
MOVEMENT IN NET FUNDS/(DEBT) IN PERIOD	<u>(237,226)</u>	<u>97,430</u>
NET FUNDS AT 1 AUGUST 2006	822,244	724,814
NET FUNDS AT 31 JULY 2007	<u>585,018</u>	<u>822,244</u>

# SFIA Educational Plans Limited

## ACCOUNTING POLICIES

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### 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 2007

### 1 GROSS RECEIPTS

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

2	INTEREST RECEIVABLE AND SIMILAR INCOME	2007 £	2006 £
	Bank interest receivable	60,032	62,501
	Investment income	115,742	99,846
	Gain on disposal of investments	31,795	20,842
		<u>207,569</u>	<u>183,189</u>

### 3 SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

Surplus on ordinary activities before taxation is stated after  
Charging/(crediting)

Depreciation and amounts written off tangible fixed assets

	Charge for the year	5,459	3,514
	Operating lease rentals	30,473	36,243
	Land and buildings		
	Auditors' remuneration		
	audit	34,663	31,725
	other non audit related	14,100	13,453
	Gain on disposal of fixed assets	-	(1,575)
		<u></u>	<u></u>

### 4 EMPLOYEES

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>

		2007 £	2006 £
	Staff costs for above persons		
	Wages and salaries	136,338	144,237
	Social security costs	16,198	16,564
	Other pension costs	49,656	36,766
	Other employment costs	10,665	9,519
		<u>212,856</u>	<u>207,086</u>

#### DIRECTORS' REMUNERATION

	Remuneration for management services	58,279	59,666
	Pension contributions	7,414	6,199
		<u>65,693</u>	<u>65,865</u>

The number of directors to whom relevant benefits are accruing under money purchase pension schemes was 1 (2006 1)

# SFIA Educational Plans Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2007

5	TAXATION	2007 £	2006 £
	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		
	(Deficit)/surplus on ordinary activities before tax	(114,465)	16,803
	(Deficit)/surplus on ordinary activities multiplied by the standard rate of corporation tax for small companies (19%)	(21,737)	3,193
	Effects of		
	Expenses not deductible for tax purposes		(1,954)
	Capital allowances less than depreciation		(1,239)
	Tax losses (utilised)/carried forward		-
	Current tax charge for the period	-	-

## 6 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures & fittings £	Total £
Cost			
1 August 2006	7,906	9,036	16,942
Additions	-	-	-
31 July 2007	7,906	9,036	16,942
Depreciation			
1 August 2006	1,977	2,418	4,395
Charge for year	2,635	2,823	5,458
31 July 2007	4,612	5,241	9,853
Net book value			
31 July 2007	3,294	3,795	7,089
31 July 2006	5,929	6,618	12,547

**SFIA Educational Plans Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 July 2007

**7 INVESTMENTS**

	2007 Market Value £	%	2007 Original Cost £	2006 Market Value £	%	2006 Original Cost £
Fixed Interest	1,278,324	34	1,294,699	1,137,108	32	1,124,326
UK Equity	1,694,513	46	1,321,345	1,634,698	47	1,335,335
Overseas Equity	227,850	6	169,482	250,987	8	186,379
Hedge Funds	290,091	8	226,310	257,427	7	226,310
Other Assets	198,850	5	83,775	155,888	4	83,775
Cash awaiting investment	20,658	1	20,658	60,284	2	60,284
31 July	<u>3,710,286</u>	<u>100</u>	<u>3,116,269</u>	<u>3,496,392</u>	<u>100</u>	<u>3,016,409</u>

	2007 £	2006 £
Market value at 1 August 2006	3,496,392	3,268,230
Additions	413,709	1,140,368
Disposals	(413,712)	(1,149,577)
Revaluation to market value	213,897	237,371
Market value at 31 July 2007	<u>3,710,286</u>	<u>3,496,392</u>

<b>8 DEBTORS</b>	2007 £	2006 £
Due within one year		
Prepayments and accrued income	28,620	22,630
	<u>28,620</u>	<u>22,630</u>
<b>9 CREDITORS</b> Amounts falling due within one year	2007 £	2006 £
Amounts held for clients and scheme balances	156,021	171,440
Taxation and social security costs	4,008	4,611
Other creditors	5,454	9,398
Accruals and deferred income	66,601	70,439
Amounts owed to parent organisation	-	108,429
	<u>232,084</u>	<u>364,317</u>

The parent organisation is SFIA 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 2007

10	CHARITABLE DONATION	2007 £	2006 £
	Gift	200,000	108,429
		<u>200,000</u>	<u>108,429</u>
<p>The company has made a charitable donation to its shareholder, S F I A Educational Trust Limited a registered charity. For the year £200,000 (2006 £108,429) has been paid (2006 provided) as a donation to S F I A Educational Trust Limited</p>			
11	SHARE CAPITAL	2007 £	2006 £
	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
		<u>3,500,000</u>	<u>3,500,000</u>
12	REVALUATION RESERVE	2007 £	2006 £
	1 August 2006	425,235	309,986
	Revaluation of investments during the year to market value	213,897	237,371
	Transfer of realised profits to profit and loss account	(106,040)	(122,122)
	31 July 2007	<u>533,092</u>	<u>425,235</u>
13	INCOME AND EXPENDITURE ACCOUNT	2007 £	2006 £
	1 August 2006	64,261	(74,664)
	Retained (deficit)/surplus	(104,465)	16,803
	Transfer of realised profits from revaluation reserve	106,040	122,122
	31 July 2007	<u>65,836</u>	<u>64,261</u>
14	RECONCILIATION OF MOVEMENT IN FUNDS	2007 £	2006 £
	1 August 2006	3,989,496	3,735,322
	Retained surplus for the year	(104,465)	16,803
	Revaluation of investments during the year	213,897	237,371
	31 July 2007	<u>4,098,928</u>	<u>3,989,496</u>

# SFIA Educational Plans Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2007

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CASH FLOWS	2007 £	2006 £
a Reconciliation of operating profit to net cash inflow from operating activities		
Operating deficit	(112,032)	(57,957)
Depreciation	5,458	3,514
(Gain)/loss on disposal of fixed assets	-	(1,575)
Decrease in debtors	(5,990)	8,124
(Decrease) in creditors	(112,233)	(34,565)
Charitable donation	-	-
Net cash flow from operating activities	(244,797)	(82,459)
	2007 £	2006 £
b Analysis of cash flows for headings netted in the cash flow		
<b>Returns on investments and servicing of finance</b>		
Interest received	60,032	63,655
Investment income	115,742	98,025
<b>Net cash inflow from returns on investments and servicing of finance</b>	175,774	161,680
<b>Capital expenditure and financial investment</b>		
Payments to acquire fixed assets	-	(13,417)
Proceeds from disposals	-	1,575
Sale and maturity of investments	248,512	1,170,419
Payments to acquire investments	(416,715)	(1,140,368)
<b>Net cash inflow from capital expenditure and financial investment</b>	(168,203)	18,209
	<i>At 1 August 2006</i> £	<i>At 31 July 2007</i> £
c Analysis of net funds		
Cash in hand, at bank	822,244	(237,226)
	£	£

16

COMMITMENTS UNDER OPERATING LEASES

At 31 July 2007 the company had annual commitments under non-cancellable operating leases as follows

	2007 £	2006 £
Land and buildings expiring within one year	34,136	24,000



# SFIA Educational Plans Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2007

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### 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 Tectonic Place, Holyport Road, Maidenhead, Berkshire SL6 2YE

The company's ultimate controlling party is the Board of Directors of SFIA Educational Trust Limited who at 31 July 2007 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 £49,656 (2006 £36,766) 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