

Financial Statements for the Year Ended 31 December 2021

for

School Fees Investment Advisers Limited

**Contents of the Financial Statements
for the Year Ended 31 December 2021**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

School Fees Investment Advisers Limited

Company Information
for the Year Ended 31 December 2021

DIRECTORS:	D G Bonnar C Procter
SECRETARY:	L F A Swann
REGISTERED OFFICE:	27 Moorbridge Road Maidenhead Berkshire SL6 8LT
REGISTERED NUMBER:	09280804 (England and Wales)
AUDITORS:	Peter Upton Bridge House 2 Bridge Avenue Maidenhead Berkshire SL6 1RR
SOLICITORS:	FS Legal Solicitors LLP 1 Hagley Court South Waterfront East Brierley Hill West Midlands DY5 1XE

Balance Sheet
31 December 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Intangible assets	5		-		-
Tangible assets	6		114,022		159,297
Investments	7		-		-
			<u>114,022</u>		<u>159,297</u>
CURRENT ASSETS					
Debtors	8	49,390		811,066	
Cash at bank		<u>311,569</u>		<u>620,287</u>	
		360,959		1,431,353	
CREDITORS					
Amounts falling due within one year	9	<u>39,419</u>		<u>110,617</u>	
NET CURRENT ASSETS			<u>321,540</u>		<u>1,320,736</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			435,562		1,480,033
CREDITORS					
Amounts falling due after more than one year	10		-		(14,170)
PROVISIONS FOR LIABILITIES	11		<u>(21,665)</u>		<u>(31,859)</u>
NET ASSETS			<u><u>413,897</u></u>		<u><u>1,434,004</u></u>
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Share premium	13		12,000		12,000
Retained earnings	13		<u>401,797</u>		<u>1,421,904</u>
SHAREHOLDERS' FUNDS			<u><u>413,897</u></u>		<u><u>1,434,004</u></u>

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 21 April 2022 and were signed on its behalf by:

C Procter - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

School Fees Investment Advisers Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

The directors have assessed the potential impact of Coronavirus and Brexit and detailed consideration of this can be found in the strategic report.

Other estimates include depreciation and amortisation policies.

There are no other significant judgements or estimation uncertainties which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life of 5 years.

Valuation of investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-10%
Plant and machinery	-25%
Motor vehicles	-25%
Fixtures and fittings	-10%
Computer equipment	-33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjust appropriately if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only has financial assets and liabilities of a kind that qualify as basic financial instruments, which are initially recognised at transaction value and subsequently measured at their settlement value.

Debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently less any impairment losses for bad and doubtful debts.

Creditors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial liabilities are initially recognised at transaction price including any transaction costs and subsequently less any impairment losses for bad and doubtful debts.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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 measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Defined contribution pension plan

The company operates a defined contribution plan for its employee. 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 in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2020 - 15).

4. AUDITORS' REMUNERATION

	31.12.21	31.12.20
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>3,900</u>	<u>17,633</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

5. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2021	65,480
Disposals	(65,480)
At 31 December 2021	-
AMORTISATION	
At 1 January 2021	65,480
Eliminated on disposal	(65,480)
At 31 December 2021	-
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	-

6. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2021	17,325	12,881	165,672
Additions	-	-	-
Disposals	(17,325)	(12,306)	-
At 31 December 2021	-	575	165,672
DEPRECIATION			
At 1 January 2021	9,102	12,581	42,056
Charge for year	393	144	15,582
Eliminated on disposal	(9,495)	(12,306)	-
At 31 December 2021	-	419	57,638
NET BOOK VALUE			
At 31 December 2021	-	156	108,034
At 31 December 2020	8,223	300	123,616

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

6. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Office & sundry equipment £	Totals £
COST			
At 1 January 2021	37,688	32,493	266,059
Additions	-	493	493
Disposals	(37,688)	-	(67,319)
At 31 December 2021	-	32,986	199,233
DEPRECIATION			
At 1 January 2021	20,619	22,404	106,762
Charge for year	785	4,750	21,654
Eliminated on disposal	(21,404)	-	(43,205)
At 31 December 2021	-	27,154	85,211
NET BOOK VALUE			
At 31 December 2021	-	5,832	114,022
At 31 December 2020	17,069	10,089	159,297

7. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 January 2021 and 31 December 2021	150,000
PROVISIONS	
At 1 January 2021 and 31 December 2021	150,000
NET BOOK VALUE	
At 31 December 2021	-
At 31 December 2020	-

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Other debtors	-	774,591
Prepayments and accrued income	49,390	36,475
	<u>49,390</u>	<u>811,066</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Finance leases	-	5,395
Tax	27,719	50,146
Social security and other taxes	-	40,828
Other creditors	-	2,548
Accruals and deferred income	11,700	11,700
	<u>39,419</u>	<u>110,617</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.12.21	31.12.20
	£	£
Finance leases	<u>-</u>	<u>14,170</u>

11. PROVISIONS FOR LIABILITIES

	31.12.21	31.12.20
	£	£
Deferred tax	<u>21,665</u>	<u>31,859</u>
		Deferred tax
		£
Balance at 1 January 2021		31,859
Deferred tax		(10,194)
Balance at 31 December 2021		<u>21,665</u>

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit and loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of uncertainties.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			31.12.21	31.12.20
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	0.1p	<u>100</u>	<u>100</u>

13. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	1,421,904	12,000	1,433,904
Deficit for the year	<u>(1,020,107)</u>		<u>(1,020,107)</u>
At 31 December 2021	<u>401,797</u>	<u>12,000</u>	<u>413,797</u>

14. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Peter Upton (Senior Statutory Auditor)
for and on behalf of Peter Upton

15. RELATED PARTY DISCLOSURES

Included within Other Debtors are balances owed by related companies totalling NIL (2020: £763,243)

During the year commission was paid to a company owned by a director totalling NIL (2020:£434,541)

No rent was paid to a related company during the year.(2020:£10,000)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

16. **ULTIMATE CONTROLLING PARTY**

The controlling party is C Procter.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

17. PILLAR 3 DISCLOSURE FOR SCHOOL FEES INVESTMENT ADVISERS LTD (SFIA)

Background

This is the Pillar 3 disclosure made in accordance with the UK Financial Conduct Authority (FCA) Prudential Sourcebook for Banks, Building Societies and Investment Firms ('BIPRU').

The European Capital Requirements Directive (CRD) created a regulatory capital framework consisting of three 'pillars' namely:

- Pillar 1 - which sets out the minimum capital requirements that firms are required to meet for
- Pillar 2 - which requires firms to take a view on whether additional capital should be held against capital risks not covered by Pillar 1, and
- Pillar 3 - which requires firms to publish certain details of its risks, capital and risk management process

Disclosure policy

The rules in BIPRU 11 provide that the firm may omit one or more of the required disclosures if it believes that the information is immaterial. Materiality is based on the criteria that the omission or misstatement of material information would be likely to change or influence the assessment or decision of a user relying on that information for the purposes of making economic decisions. Where the firm considers a disclosure immaterial, this will be stated in the relevant section.

The firm is also permitted to omit one or more of the required disclosures where it believes that the information is regarded as proprietary or confidential. Proprietary information is that which, if it were shared, would undermine the firm's competitive position. Information is considered confidential where there are obligations binding the firm to confidentiality with its clients and counterparties.

Where the firm has omitted information for any of the above reasons, a statement explaining this will be provided in the relevant section.

Unless stated as otherwise, all figures contained in this disclosure are based on the firm's audited annual reports for the year ending 31st December 2021.

Frequency

These Pillar 3 Disclosures will be reviewed on an annual basis as a minimum. The disclosures will be published as soon as is practical following the finalisation of the firm's Internal Capital Adequacy Assessment Process (ICAAP) and the publication of its annual reports.

Verification

The information contained in this disclosure has not been audited by our firm's external auditors and does not constitute any form of financial statement.

Scope and application of directive requirements

The disclosures in this document are made in respect of discretionary investment management services, a BIPRU firm.

Risk management objectives and policies

Our risk management policy reflects the FCA requirement that we must manage a number of different categories of risk. These include: liquidity, credit, market, interest rate, business and operational risks.

1. Liquidity risk

Liquidity risk is the risk that SFIA will not be able to meet its financial obligations as they fall due. We are equity funded with no debt and due to the strength of our balance sheet which holds significant net cash reserves there is no liquidity risk. We have sufficient liquid resources to meet continued business operating needs supported by a robust budgeting and forecasting process which involves the senior management team.

2. Credit risk

SFIA regularly monitor amounts due from its clients and has appropriate credit control procedures in place. The firm's revenues include annual management charges received from clients based on a percentage of client assets under management. These charges are made directly to the clients' portfolios, and therefore the credit risk relating to this income is minimal.

3. Interest rate risk

The firm has no borrowings and no exposure to interest rate risk.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

4. Business risk

The firm's Pillar 2 business risk assessment principally takes the form of a fall in assets under management following a market downturn that leads to lower management fees. To mitigate our business risk, we regularly analyse various different economic scenarios to model the impact of economic downturns on our financial position.

Whilst we monitor business risk, given our size and nature, no separate risk management function is considered necessary in respect of SFIA's own balance sheet. Matters arising from the review are considered and remedial action is taken where appropriate.

SFIA's revenue is dependent on the size and performance of its portfolios/funds under management. As such, risks posed relate to underperformance the consequence of which could be a decline in revenue and potentially a risk of loss of clients from the funds managed. This risk is mitigated by our conservative investment approach, its diversified and well-established client base and is further mitigated by capital maintained within the business which is kept at a sufficient level to cover expenses for at least twelve months.

5. Operational risk

Operational risk is the potential risk of financial loss or impairment to reputation resulting from inadequate or failed internal processes and systems, from the actions of people or from external events.

Major sources of operation risk include: Outsourcing of operations, IT security, internal and external fraud, implementation of strategic change and regulatory non-compliance.

The firm's risk management process is regularly reviewed and updated with details provided to all staff.

All senior management will bear responsibility for internal controls and the management of business risk as part of their accountability to the board.

Individuals are responsible for identifying the risks surrounding their work, implementing controls over those risks and reporting areas of concern to their line manager.

The Compliance Oversight will provide the board with a quarterly / half-yearly summary report on all significant risk issues.

6. Other risks

The firm operates a simple business model. Accordingly, many of the specific risks identified by the FCA do not apply.

Capital resources

Pillar 1 requirement

In accordance with GENPRU 2.1.45R (calculation of variable capital requirement for a BIPRU firm), our capital requirement has been determined as being our fixed overhead requirement and not the sum of our credit risk capital requirement and our market risk capital requirement.

The Pillar 1 capital requirement was £214,225 as at 31st December 2021.

Pillar 2

Our overall approach to assessing the adequacy of our internal capital is set out in our ICAAP. The ICAAP process involves separate consideration of risks to our capital combined with stress testing using scenario analysis. The level of capital required to cover risks is a function of impact and probability. We assess impact by modelling the changes in our income and expenses caused by various potential risks over a 1-year time horizon. Probability is assessed subjectively.

In addition, we have reviewed the outputs of our risk reviews to quantify any risks identified. This has identified a number of key business risks which we have classified against the risk categories contained in GENPRU 1.2.30R and reviewed the guidance in BIPRU 2.2.61-65.

Our Pillar 2 capital requirement, which is our own assessment of the minimum amount of capital that we believe is adequate against the risks identified, has been assessed as no greater than our Pillar 1 requirement. There is a considerable surplus of reserves above the capital resource requirement deemed necessary to cover the risks identified.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

Regulatory capital

The main features of capital resources for regulatory purposes, as at 31st December 2021 are as follows:

Capital item:	£
Tier 1 capital (called up share capital, share premium account, profit and loss account, externally verified interim net profits)	£413,897
Total of tier 2 and tier 3 capital (broadly long- and short-term subordinated loans)	£
Deductions from tier 1 and tier 2 capital	£
Total capital resources, net of deductions	<u>£413,897</u>

The firm holds regulatory capital in accordance with the Capital Requirements Directive. All such capital is classified as Tier 1 capital and is therefore of the highest quality.

Remuneration code disclosure

We are subject to the BIPRU Remuneration Code. This section provides further information on our remuneration policy.

BIPRU Remuneration Code Staff

We have identified, and maintain a record of, 'BIPRU Remuneration Code Staff' - i.e. staff to whom the BIPRU Remuneration Code applies. This includes senior management and members of staff whose actions may have a material impact on a firm's risk profile. All of our Code Staff fall into the 'senior management' category of Code Staff (rather than the 'risk taker' category) for the purposes of the BIPRU Remuneration Code.

Decision making / remuneration committee

We do not have a Remuneration Committee. The Directors are responsible for our remuneration policy including:

- Determining the framework and policy for remuneration and ensuring it does not encourage undue risk taking
- Agreeing any major changes in remuneration structures
- Reviewing the terms and conditions of any new incentive schemes and in particular, considering the appropriate targets for any performance related remuneration schemes
- Considering and recommending the remuneration policy for the senior employees taking into account the appropriate mix of salary, discretionary bonus and share based remuneration
- In determining remuneration arrangements, the Directors / Partners will give due regard to best practice and any relevant legal or regulatory requirements including the BIPRU Remuneration Code

Quantitative information on remuneration

The FCA rules require certain firms to disclose aggregate information on remuneration in respect of its BIPRU Remuneration Code Staff broken down by business area, senior management, and other Code Staff, including 'risk takers'.

The firm only has one business area - investment management.

The firm has 2 Directors but no risk takers.

Director remuneration is agreed formally at board meetings. The link between performance and pay is inevitable in a small firm, but the firm's risk adverse strategy and robust risk management systems mitigate any risks.

We have calculated our firm's aggregate quantitative information on remuneration inclusive of all elements of remuneration. The aggregate quantitative remuneration for our firm's BIPRU

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

SFIA identified Code Staff, as defined by the FCA Remuneration Code, are the Directors, who exercise significant control functions. Due to the size and scale of the business no separate remuneration committee exists; this function is instead undertaken by the Directors. The overall policy is that the remuneration of Code Staff complies with the FCA's Remuneration Code, with an appropriate balance being struck between financial performance and risk management. The remuneration policy is agreed and approved by the Directors due regard to risk management.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.