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SFIA Educational Plans Limited

REPORT AND FINANCIAL STATEMENTS

31 July 2010



Company Registration No 03311941

SFIA Educational Plans Limited

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

Mrs B Roberts (Non-executive Chairman)
Mrs A E Feek Chief Executive
Mr A J Hastings (Non-executive)
Mr A H Monro (Non-executive)
Mr D Prince (Non-executive)
Mr A J Rees (Non-executive)

COMPANY SECRETARY

Mrs A E Feek

REGISTERED OFFICE AND PLACE OF BUSINESS

Suite 1 A1
Tectonic Place
Holyport Road
Maidenhead
Berkshire
SL6 2YE

BANKERS

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

LEGAL ADVISORS

Stone King
16 St Johns Lane
London
EC1M 4BS

Kidd Rapinet
33 Queen Street
Maidenhead
SL6 1NB

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
Herts
WD17 1JJ

INVESTMENT MANAGERS

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 2010

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 basis of accounting 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 for the year are as stated on page 6

Income is reducing year on year as forecasted, but investment returns in the year have resulted in a small operating surplus

DIRECTORS

The following have served as directors during the year

Mrs B Roberts * (Chairman)
Mrs A E Geek
Mr A J Hastings *
Mr A H Monro*
Mr D Prince*
Mr A J Rees *

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

* These directors are also directors of S F I A Educational Trust Limited, the company's parent undertaking

FUTURE DEVELOPMENTS

No new plans have been entered into since 1 April 1997 As a result gross annuity receipts and School Fee Payments will continue to reduce into the future until such time as all of the School Fees Plans currently held have ended

RISK AND UNCERTAINTIES

Risk Management

The directors are responsible for the management of the risks faced by the company Key controls used by the company to identify and assess risks during the year include

- Formal agenda items for Directors' meetings
- Comprehensive long term planning and budgeting
- Regular management accounting and reporting

SFIA Educational Plans Limited

DIRECTORS' REPORT

- Established approval and authorisation lines of reporting
- Formal authorisation and approval levels

Through the above risk management process, together with a risk review carried out during the year, the Directors are satisfied that major risks are identified and as far as practicable adequately mitigated

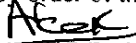
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office

By order of the board


Mrs A E Feek
Company Secretary

23 November 2010

SFIA Educational Plans Limited

DIRECTOR'S RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 accounting estimates that are reasonable and prudent,
- c 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

SFIA Educational Plans Limited

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

We have audited the financial statements on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2010 and of its surplus for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



GLYN FRANCIES (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1st Floor

46 Clarendon Road

Watford

WD17 1JJ

23 November 2010

SFIA Educational Plans Limited
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2010

	Notes	2010 £	2009 £
Gross receipts	1	5,104,991	7,867,063
School fee payments		(4,961,585)	(7,694,795)
Net receipts		<u>143,406</u>	<u>172,268</u>
Administrative expenses		(316,063)	(321,191)
Other operating income		30,246	5,727
OPERATING (DEFICIT)		<u>(142,411)</u>	<u>(143,196)</u>
Interest receivable and similar income	2	152,466	131,572
Loss on disposal of investments		-	(38,211)
SURPLUS/(DEFICIT) ON ORDINARY ACTIVITIES	3	<u>10,055</u>	<u>(49,835)</u>
Taxation	5	-	-
RETAINED SURPLUS/(DEFICIT) FOR THE YEAR	12	<u><u>10,055</u></u>	<u><u>(49,835)</u></u>

The operating surplus/(deficit) for the year arises from the company's continuing operations

The notes on pages 10 to 17 form part of these financial statements

SFIA Educational Plans Limited
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 July 2010

	2010 £	2009 £
Retained surplus for the year	10,055	(49,835)
Unrealised surplus/(deficit) on revaluation of investments	338,262	(96,330)
Total recognised gains and (losses) relating to the year	<u>348,317</u>	<u>(146,165)</u>

SFIA Educational Plans Limited

BALANCE SHEET

31 July 2010

Company No: 03311941

	<i>Notes</i>	2010 £	2009 £
FIXED ASSETS			
Tangible assets	6	3,351	5,403
Investments	7	3,737,815	3,373,768
		<u>3,741,166</u>	<u>3,379,171</u>
CURRENT ASSETS			
Debtors	8	5,543	200
Cash at bank		196,069	736,734
		<u>201,612</u>	<u>736,934</u>
CREDITORS Amounts falling due within one year	9	(88,615)	(610,259)
NET CURRENT ASSETS		<u>112,997</u>	<u>126,675</u>
NET ASSETS		<u>3,854,163</u>	<u>3,505,846</u>
CAPITAL AND RESERVES			
Called up share capital	10	3,500,000	3,500,000
Revaluation reserve	11	512,895	147,298
Income and expenditure account	12	(158,732)	(141,452)
SHAREHOLDER'S FUNDS	13	<u>3,854,163</u>	<u>3,505,846</u>

The financial statements were approved by the board and authorised for issue on 23 November 2010 and signed on their behalf by

Director 
Beatrice Roberts

Director 
Anthony Hastings

The notes on pages 10 to 17 form part of these financial statements

SFIA Educational Plans Limited
CASH FLOW STATEMENT
for the year ended 31 July 2010

	<i>Notes</i>	2010 £	2009 £
Cash flow from operating activities	14a	(667,346)	167,486
Returns on investments and servicing of finance	14b	102,369	131,572
Capital expenditure and financial investment	14b	24,312	12,700
NET (DECREASE)/INCREASE IN CASH IN THE PERIOD	14c	<u>(540,665)</u>	<u>311,758</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN FUNDS

	2010 £	2009 £
(Decrease)/increase in cash in the period	(540,665)	311,758
MOVEMENT IN NET FUNDS IN PERIOD	<u>(540,665)</u>	<u>311,758</u>
NET FUNDS AT 1 AUGUST 2009	736,734	424,976
NET FUNDS AT 31 JULY 2010	<u>196,069</u>	<u>736,734</u>

SFIA Educational Plans Limited

ACCOUNTING POLICIES

for the year ended 31 July 2010

BASIS OF ACCOUNTING

- 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 Part 15 of the Companies Act 2006 is not wholly appropriate for the company and have taken advantage of paragraph 396 of Chapter 4 and have presented an alternative format which better 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.
- iii) Accounts are prepared on a going concern basis. Income is received from termly annuity payments, which are reducing in accordance with forecasts and reviewed annually. Investment portfolios generate further income and capital can be realised if required.

TURNOVER

Turnover represents gross amounts receivable from annuities purchased less school fee payments made.

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%	on cost
Fixtures and fittings	33 1/3%	on 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 contributes to Individual Personal Pension Plans for 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 a receipts 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.

SFIA Educational Plans Limited

ACCOUNTING POLICIES

for the year ended 31 July 2010

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.

A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. It is the company's intention to gift aid any taxable profits to the parent charity and so a deferred tax asset is not recognised.

SFIA Educational Plans Limited

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 July 2010

1	GROSS RECEIPTS		
	Gross receipts represents the total amounts due within the year from annuities purchased		
2	INTEREST RECEIVABLE AND SIMILAR INCOME	2010	2009
		£	£
	Bank interest receivable	793	14,872
	Investment income	101,576	116,700
	Gain on disposal of investments	50,097	-
		<u>152,466</u>	<u>131,572</u>
3	SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	2010	2009
		£	£
	Surplus on ordinary activities before taxation is stated after charging		
	Depreciation and amounts written off tangible fixed assets		
	Charge for the year – owned assets	2,052	2,379
	Operating lease rentals		
	- land and buildings	23,166	25,083
	Auditors' remuneration		
	- audit	29,963	33,925
		<u>29,963</u>	<u>33,925</u>
4	EMPLOYEES	2010	2009
		No	No
	The average monthly number of persons (including directors) employed by the company during the year was		
	Office and management	2	2
		<u>2</u>	<u>2</u>
		2010	2009
		£	£
	Staff costs for above persons		
	Wages and salaries	106,018	110,857
	Social security costs	13,020	13,457
	Other pension costs	53,944	48,486
	Other employment costs	7,600	5,944
		<u>180,582</u>	<u>178,744</u>
	DIRECTORS' REMUNERATION		
	Remuneration for management services	63,604	67,643
	Pension contributions	23,773	18,312
		<u>87,377</u>	<u>85,955</u>

The number of directors to whom relevant benefits are accruing under money purchase pension schemes was 1 (2009: 1)

SFIA Educational Plans Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2010

5	TAXATION	2010 £	2009 £
	Current tax		
	UK corporation tax on surplus	-	-
	Total current tax	<u>-</u>	<u>-</u>
	Factors affecting tax charge for the period		
	The tax assessed for the period is higher than the standard rate of corporation tax (28%/small companies 21%) as explained below		
	Surplus/(deficit) on ordinary activities before tax	10,055	(49,835)
	Surplus/(deficit) on ordinary activities multiplied by the standard rate of corporation tax (28%/small companies 21%)	<u>2,815</u>	<u>(10,465)</u>
	Effects of		
	Income not taxable for tax purposes	(7,551)	-
	Expenses previously disallowed for tax purposes now deductible	-	(6,145)
	Capital allowances in excess of/(less than) depreciation	575	(1,490)
	Charge on income	-	-
	Unrelieved tax losses and other deductions arising in the period	4,161	18,100
	Current tax charge for the period	<u>-</u>	<u>-</u>

6 TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures & fittings £	Total £
Cost			
1 August 2009 and 31 July 2010	14,058	9,036	23,094
Depreciation			
1 August 2009	8,655	9,036	17,691
Charge for year	2,052	-	2,052
31 July 2010	<u>10,707</u>	<u>9,036</u>	<u>19,743</u>
Net book value			
31 July 2010	<u>3,351</u>	<u>-</u>	<u>3,351</u>
31 July 2009	<u>5,403</u>	<u>-</u>	<u>5,403</u>

SFIA Educational Plans Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2010

7 INVESTMENTS

	2010 Market Value		2010 Original Cost		2009 Market Value		2009 Original Cost	
	£	%	£		£	%	£	
Fixed Interest	1,192,487	32	1,082,376		1,116,709	33	1,082,376	
UK Equity	1,663,619	44	1,397,895		1,623,242	48	1,570,591	
Overseas Equity	485,350	13	431,061		253,412	8	249,553	
Hedge Funds	214,660	6	143,247		201,875	6	143,247	
Other Assets	149,512	4	138,160		51,422	1	53,596	
Cash awaiting investment	32,187	1	32,187		127,108	4	127,108	
31 July	<u>3,737,815</u>	<u>100</u>	<u>3,224,926</u>		<u>3,373,768</u>	<u>100</u>	<u>3,226,471</u>	

	2010 £	2009 £
Market value at 1 August	3,373,768	3,527,160
Additions at cost	393,774	1,644,298
Disposals	(367,989)	(1,701,360)
Revaluation to market value	338,262	(96,330)
Market value at 31 July	<u>3,737,815</u>	<u>3,373,768</u>

8 DEBTORS

	2010 £	2009 £
Prepayments and accrued income	5,543	200
	<u>5,543</u>	<u>200</u>

9 CREDITORS Amounts falling due within one year

	2010 £	2009 £
Amounts held for clients	36,542	558,972
Taxation and social security costs	3,606	3,737
Accruals and deferred income	48,467	47,550
	<u>88,615</u>	<u>610,259</u>

SFIA Educational Plans Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2010

10	SHARE CAPITAL	2010 £	2009 £
	Allotted, issued and fully paid 3,500,000 ordinary shares of £1 each	3,500,000	3,500,000
11	REVALUATION RESERVE	2010 £	2009 £
	1 August	147,298	214,367
	Revaluation of investments during the year to market value	338,262	(96,330)
	Transfer of realised (profits)/losses to income and expenditure account (note 12)	27,335	29,261
	31 July	512,895	147,298
12	INCOME AND EXPENDITURE ACCOUNT	2010 £	2009 £
	1 August	(141,452)	(62,356)
	Retained surplus/(deficit)	10,055	(49,835)
	Transfer of realised (losses)/profits from revaluation reserve (note 11)	(27,335)	(29,261)
	31 July	(158,732)	(141,452)
13	RECONCILIATION OF MOVEMENT IN FUNDS	2010 £	2009 £
	1 August	3,505,846	3,652,011
	Retained surplus/(deficit) for the year	10,055	(49,835)
	Revaluation of investments during the year to market value	338,262	(96,330)
	31 July	3,854,163	3,505,846

SFIA Educational Plans Limited
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 2010

14	CASH FLOWS	2010 £	2009 £
a	Reconciliation of operating deficit to net cash (outflow)/inflow from operating activities		
	Operating deficit	(142,411)	(143,196)
	Depreciation	2,052	2,379
	(Increase) in debtors	(5,343)	(200)
	(Decrease)/Increase in creditors	(521,644)	308,503
	Net cash flow from operating activities	<u>(667,346)</u>	<u>167,486</u>
		2010 £	2009 £
b	Analysis of cash flows for headings netted in the cash flow		
	Returns on investments and servicing of finance		
	Interest received	793	14,872
	Investment income	101,576	116,700
	Net cash inflow from returns on investments and servicing of finance	<u>102,369</u>	<u>131,572</u>
	Capital expenditure and financial investment		
	Payments to acquire fixed assets	-	(6,152)
	Sale and maturity of investments	418,056	1,663,150
	Payments to acquire investments	(393,744)	(1,644,298)
	Net cash inflow from capital expenditure and financial investment	<u>24,312</u>	<u>12,700</u>
		<i>At 1 August 2009 £</i>	<i>At 31 July 2010 £</i>
c	Analysis of net funds		
	Cash in hand, at bank	<u>736,734</u>	<u>(540,665)</u> <u>196,069</u>

15 COMMITMENTS UNDER OPERATING LEASES

At 31 July 2010 the company had annual commitments under non-cancellable operating leases as follows

	2010 £	2009 £
Land and buildings		
expiring within 1 to 2 years	13,104	-
expiring within 2 to 5 years	-	23,652