



ANNUAL REPORT

2013-2014

COMPANY NUMBER: 867944
CHARITY NUMBER: 270901

INTRODUCTION

CfBT Education Trust ('CfBT') has changed the Accounting Reference Date from 31 March to 31 August. This report and consolidated accounts for the 17 months ended 31 August 2014 have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', published by the Charity Commission in 2005. Although CfBT continues to be the Principal Sponsor, the group accounts exclude CfBT Schools Trust and St Mark's Academy Trust from 1 April 2013.

CONTENTS

1	REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS	2
	Charity Details	2
	Trustees	2
	Members	2
	President	2
	Executive	3
	Bankers and Professional Advisers	3
2	STRUCTURE, GOVERNANCE AND MANAGEMENT	4
	Responsibilities of the Board of Trustees	4
	Structure	4
	Governance	5
	Management	6
	Staff	6
	Risk Management and Internal Control	7
3	OBJECTIVES AND ACTIVITIES	9
	CfBT Mission, Vision and Values	9
	Organisational Objectives 2013-14	9
	The services we provide	10
	Research	10
4	STRATEGIC REPORT	12
	Key Reporting Changes for 2013-14	12
	Educational Impact	12
	Organisational Achievements	13
	Financial Overview	26
	Reserves Policy	27
	Share Portfolio Investment Policy and Returns	28
	Principal Risks	28
	Financial Risks	29
	Plans for Future Periods	30
	Operational Plans 2014-15	30
5	INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CfBT EDUCATION TRUST	33

1 REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

CHARITY DETAILS

Name	CfBT Education Trust
Registered Charity	Charity Number 270901
Company Limited by Guarantee	Company Number 867944
Registered & Principal Office	60 Queens Road, Reading RG1 4BS
Website	www.cfbt.com
Email	enquiries@cfbt.com
Telephone	0118 902 1000
Fax	0118 902 1410

TRUSTEES

Service by Trustees

The following Trustees served throughout the period to which this report relates unless otherwise indicated. (Current membership of Board committees is also indicated.)

Philip Graf CBE (Chairman, Nominations Committee, Executive Remuneration Committee)
Sir Jim Rose (Chair of Education Committee)
Philip Wood (Audit Committee, Executive Remuneration Committee)
Sue Hunt (Chair of Audit Committee)
Sara Hodson (Vice Chair, Chair of Nominations Committee, Education Committee)
Dr Tim Walsh (Education Committee, Executive Remuneration Committee, Audit Committee)
Alison Macleod (Education Committee, Nominations Committee, Chair of Executive Remuneration Committee)
David Hawker (Education Committee)
Dr Peter Rawlinson (Audit Committee)
Stuart Laing (Audit Committee)

MEMBERS

As at 31 August 2014, CfBT Education Trust had 70 Members. The Members take an active role in CfBT's work and share their educational experience and expertise for the benefit of the Trust. The Membership selects the Elected Trustees and is responsible for reviewing the work of the Trust, principally at the Annual General Meeting.

PRESIDENT

President A C Stuart CMG – until 27 January 2014

CfBT president Andrew Stuart sadly passed away on 27 January 2014 at the age of 85, following a long illness. Andrew was CfBT's Chairman from 1991 to 2004, Vice-president from 2005 and President from 2012. Andrew's chairmanship was an essential component of the new regime established at CfBT in the early 1990s, helping to expand the scope of the

charity, both professionally and geographically by creating an organisation which would become the country's leading supplier of educational expertise to the overseas aid programme at that time. When he stood down from his period of office in 2004 CfBT was a hugely more impressive organisation than the charity to which he had committed himself in 1991. His commitment and dedication were further demonstrated when he came back as vice-president in 2005 and subsequently took up the role of president in 2012.

EXECUTIVE

The Executive is responsible for the operational management of CfBT and, through the Chief Executive, reports to the Board of Trustees or its committees.

Steve Munby (Chief Executive)

Richard Birkett (Finance Director) – until April 2014

Bob Miles (Finance and Corporate Services Director) – from April 2014

Tony McAleavy (Development and Research Director)

Jonathan Greenwood (Business Services Director) – until November 2013

Anna Crispin (Director of Schools) – until August 2013

Chris Tweedale (UK Director) – August 2013 until January 2014; (Schools Director) – from 23 January 2014

Patrick Brazier (International Director) – from July 2013

Carol Glover and Maggie Farrar (Interim UK Directors) – from 23 January 2014

Clive Adderley (Company Secretary)

BANKERS AND PROFESSIONAL ADVISERS

Bankers	Lloyds Bank Plc 24 Broad Street Reading RG1 2BT	Auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick, West Sussex RH6 0PA
Solicitors	Bates Wells & Braithwaite LLP 2-6 Cannon Street London EC4M 6YH	Investment Managers	Newton Investment Management Limited 71 Queen Victoria Street London EC4V 4DR
	Clarkslegal LLP One Forbury Square The Forbury Reading RG1 3EB		HSBC Global Asset Management 78 St James's Street London SW1A 1HL

2 STRUCTURE, GOVERNANCE AND MANAGEMENT

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Board of Trustees is responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Board of Trustees is also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). In considering its responsibilities, the Board has had regard to 'Good Governance: A code for the Voluntary and Community Sector'.

Trustees have also given careful consideration to the Charity Commission's general guidance on public benefit and are satisfied that all the Trust's work is for the public benefit. Sections 3 and 4 set out CfBT's activity in more detail.

Charity and company law requires the Board of Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the surplus or deficit of the Charity for that year. In preparing those financial statements, the Board of Trustees is 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; and
- prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Board of Trustees has overall responsibility for keeping proper accounting records that show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

The Board of Trustees is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

All of the current Trustees have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Charity's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Trustees are not aware of any relevant audit information of which the auditors are unaware.

STRUCTURE

CfBT is a charity registered in England and Wales and includes international and UK trading subsidiaries. Some of our work in the United Kingdom is routed through separate subsidiary charities, for example CfBT Advice and Guidance Ltd. CfBT Education Trust is the sole shareholder and member of CfBT Advice and Guidance Ltd which through its objects seeks to relieve unemployment, promote the rehabilitation of offenders and offer careers guidance to young people. Through our UK Services business unit, CfBT manages education services under contract to local and national governments. CfBT's small group of independent schools is overseen by the Schools Director.

In 2010, CfBT Education Trust set up CfBT Schools Trust (CST) a subsidiary charity, to manage and provide education in English Academies and Free Schools. They include: infant, primary, upper, secondary and sixth form, which serve a wide range of communities in the Thames Valley and East Midlands areas.

In Brunei, CfBT Education Services (B) Sdn Bhd, a majority owned subsidiary, is principally engaged in the supplying of English language teachers to the Sultanate's public schools. The principal activities of the Centre for British Teachers LLC, registered in Abu Dhabi, are to provide educational consultancy and support for schools. Active trading subsidiary companies also operate in India, Malaysia, Oman and South Africa.

GOVERNANCE

CfBT Education Trust was incorporated on 31 December 1965 and received charitable status on 20 February 1976. CfBT Education Trust is governed by its Articles of Association, last amended in November 2013.

Board Structure

The Board of Trustees meets every two months to determine CfBT's strategy and policies and review performance. It is responsible for the approval of budgets, financial statements and new investments, delegating specific responsibilities to its committees. Details of the Trustees who served throughout the year (except as noted) are set out in Section 1.

There are five permanent committees of the Board of Trustees which report to the Board on their meetings and activities.

- The **Audit Committee** meets four times a year as a minimum. The Committee provides an independent oversight of the CfBT Group's systems of internal control, financial reporting, risk management and compliance.
- The **Education Committee** meets three times a year to review the educational impact of CfBT's activities. It also has the remit to commission educational research.
- The **Nominations Committee** meets as required to make recommendations on the recruitment and the appointment of Trustees and Members.
- The **Trustee Remuneration Committee**, made up of Elected Trustees, meets as required to review the performance and remuneration of Appointed Trustees.
- The **Executive Remuneration Committee** meets twice a year. It has responsibility for determining the remuneration and benefits strategy of the executives and for overseeing the remuneration strategy for all employees in the CfBT Group.

Each committee is comprised of Trustees (except the Nominations Committee which also has Member representatives) and is attended by executive directors and senior members of staff, as required. Current trustee membership of committees is indicated against each Trustee's name, as listed in Section 1.

Appointment and role of Trustees

Applications for new Trustees are sought by public advertisement including the internet, through external advisers and through personal contact. The Nominations Committee interviews all potential trustees and successful applicants for an Elected Trustee role are put forward for election by the membership of the company. Appointed Trustees (who are remunerated) are selected by the Elected Trustees. Trustees serve up to two terms of three years.

All new Trustees are supported through an induction process, which includes meetings with the Chief Executive, Company Secretary and operational Directors as well as written induction materials and relevant training. Trustees are encouraged to attend Board and relevant committee meetings before formally taking up post and to visit CfBT's operations after appointment.

Trustees are subject to a performance management process where individual training needs are identified. Trustees are also encouraged to engage with CfBT operational activities through visits to projects or knowledge-sharing events.

Trustee Indemnity Insurance

Trustee Indemnity Insurance provides insurance cover for charity trustees against claims which may arise from their legitimate actions as trustees. As a matter of law, charities require authority to purchase this type of insurance. In the case of CfBT Education Trust, that authority is obtained from the Trust's governing document – its Articles.

MANAGEMENT

Through our UK Services business unit, CfBT manages education services under contract to local and national governments. CfBT's small group of independent schools is overseen by the Schools Director. CfBT Schools Trust owns and manages academies and free schools.

Internationally, CfBT manages its operations principally through four business units:

- International Development and Education (IDE) based in the United Kingdom;
- the Middle East and North Africa (MENA) based in Abu Dhabi;
- Sub-Saharan Africa managed from Nairobi; and
- Asia, with the principal office in Brunei.

STAFF

CfBT employed over 1,419 staff worldwide on average over the period, whilst CfBT Schools Trust and St Mark's Academy Trust employed over 1,300 staff. They are responsible for teaching, research, counselling and guidance services, consultancy and supporting educators.

During the year, the Trust has provided training for employees at all levels. CfBT believes in providing training and development for educators and managers, and in extending opportunities impartially to all. All our employment decisions, policies and practices are made without regard to an individual's gender, race, colour, religion, creed, sexual preference or national origin. We support the employment of disabled people wherever possible and are an Equal Opportunities Employer. We have accreditation as an Investor in People.

To ensure employees are informed of developments and the Trust's activities, a monthly internal newsletter – *Headline News* – is made available (including to all Trustees and Members). Team meetings are held regularly and CfBT's intranet is accessible to all staff worldwide. The Employee Forum (with a membership of staff elected from all parts of the organisation) meets regularly, providing a mechanism for communication and consultation on key issues with all members of staff.

RISK MANAGEMENT AND INTERNAL CONTROL

CfBT's Board of Trustees has responsibility for ensuring that the appropriate financial and non-financial controls are in place to provide reasonable, but not absolute assurance against inappropriate use of resources and against the risk of errors or fraud. It also supports the achievement of the organisation's policies, aims and objectives.

The Audit Committee provides an independent oversight of the effectiveness of the systems of internal control and is responsible for reviewing and approving the annual internal audit programme, reviewing the key findings of the internal audit reports as well as monitoring the implementation of accepted recommendations. The Committee also meets at least twice a year with the external auditors, both with and without management, to discuss the annual statutory audit and any internal control weaknesses identified in the management letter.

The key components of CfBT's internal control and risk management environment include:

- a three-year strategic plan approved by the Board of Trustees against which performance is monitored;
- an annual plan and budget approved by the Board of Trustees;
- consideration of the financial results of the Group by the Board of Trustees including monthly management reports, variance from budgets, non-financial performance indicators and benchmarking reviews;
- regular consideration of organisational performance and the education impact of Group activity through Quarterly Business Review meetings;
- delegation of authority and segregation of duties;
- a Risk Review Group consisting of key staff overseeing the application of the risk management cycle, monitoring implementation of preventative and mitigating actions in light of issues that have occurred, managing the process for identifying and escalating risks to the corporate risk register;
- processes for identifying and managing compliance with relevant legislation and with the requirements of regulatory bodies;
- operational policies and procedures for staff including policies on whistle-blowing, health and safety, and serious incident reporting in relation to child protection; and
- an internal audit function which is responsible for the planning and completion of a rolling programme of risk-based audits designed to review the effectiveness of internal control processes across the CfBT Group and to provide recommendations on the strengthening of the control environment, the results of which are reported to management and the Audit Committee.

CfBT operates a formal risk management process which is incorporated within CfBT's system of internal control, and which is integrated into the organisation, with clear risk ownership at every level to enable CfBT to manage its risk profile. This process identifies the type of risks the charity faces (including strategic, operational, compliance and financial

risks), assessing and prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of managing the risks, resulting in Strategic and Operational Risk Registers. The Strategic Risk Register records the major risks faced by the organisation, in the context of the three-year plan (top down), whilst the Operational Risk Register contains risks that have been escalated from across the organisation, and which have a potential impact on the educational or financial viability of a specific contract or Business Area. Operating at all levels of the organisation, this approach ensures that CfBT's exposure to risk is regularly reviewed and escalated.

CfBT defines risk appetite as the amount of risk it is willing to take at any point in time in pursuit of its strategic and operational objectives. CfBT will take calculated risks where long-term rewards are expected to be greater than any short-term losses. In some areas CfBT's risk appetite can be very high due to the potential educational gains and in other areas where the benefits are deemed less significant it will be considerably lower. Critical risks inherent to CfBT are identified and evaluated in order that informed decisions are made about risks that are being accepted. The controls that are identified serve to mitigate the risk and reduce it to a tolerable level. Particular care is taken in considering the risks associated with activities which could have an adverse effect on CfBT's reputation and/or performance, or result in a fine by regulatory bodies or in financial loss.

3 OBJECTIVES AND ACTIVITIES

CfBT MISSION, VISION AND VALUES

The principal object of CfBT Education Trust, as defined in its Memorandum and Articles of Association, is *to advance education for the public benefit*. The priorities set out in its constitution are to:

- Carry out or commission educational *research*;
- Provide advice and *consultancy services* on education matters to governments and others;
- Provide training and other *support for educators*, which enable them to improve the quality of teaching and learning;
- Promote and assist *teaching* in educational or training establishments or other organisations throughout the world; and
- Provide *counselling and guidance* to young people.

Our organisational achievements set out in Section 4 are categorised using these five priorities as are the accounts that follow. Our educational performance is summarised in the Strategic Report.

Our **vision** is to provide outstanding, sustainable education and educational services that transform the learning in schools and settings for millions of children and young people worldwide.

We believe in the power of education to help individuals fulfil their potential and benefit society. In conducting our work we seek to embody the following **values**:

- **Excellence** in learning outcomes, our people and our solutions;
- **Integrity** in the way we build trust and bring purpose to our work as an education charity;
- **Accountability** through rigorous and transparent assessment of our performance; and
- **Collaboration** in working together across teams and in partnership with our clients to build capacity and sustainability.

We seek to apply these values to all of our activities, to our interaction with our clients and to our relationship with our beneficiaries.

ORGANISATIONAL OBJECTIVES 2013-14

To maximise opportunities and our competitive advantage in 2013-2014, we aimed to:

- continue to embed our core values, with collaboration and partnership working being at the heart of what we do and how we operate;
- increase our presence, focusing on the prioritisation of our core propositions – school improvement, school management and ownership, reforming national-level education and support for teaching English and other languages;
- continue to maximise opportunities and competitive advantage in connecting and learning worldwide, developing and delivering evidence-based solutions, delivering and achieving excellence, and building capacity and developing partnerships; and

- seek to consolidate our business priorities through the implementation of a change programme with a focus around people, business improvement and efficiency, and marketing and communications.

THE SERVICES WE PROVIDE

Established over 40 years ago, CfBT has always been an organisation focused on teaching and learning. The largest single group of employees is teachers, mostly in schools, others in alternative settings, working with young people excluded from the mainstream or inmates of young offender institutions. We are also providers of other services to young people, such as careers guidance. Other groups of staff are responsible for training teachers, undertaking school improvement activities and inspecting schools. We also deploy consultants, whose contribution is at a national level, designing and assisting in system-wide reforms.

The bulk of our work is directed at improving the quality of schools and schooling, acting on behalf of governments or the schools themselves. All of our income is generated by selling our services. CfBT's management of schools and its provision of services to governments and other clients are fully consistent with the mission of the charity as set out above.

RESEARCH

CfBT is a knowledge-led organisation recognised for our capacity to design and deliver high quality solutions that are evidence-based. CfBT's research portfolio informs policy and helps to improve classroom practice. CfBT promotes teaching as an evidence-based profession.

April 2013 – August 2014 saw a total of thirty-one reports published, covering a range of topics important to the development and improvement of education worldwide.

Our research this year has included the following publications:

- ***Lessons from London schools*** – research conducted in partnership with the think-tank Centre for London investigating the dramatic improvement in London schools since 2000.
- ***Partnership working in small rural primary schools*** – a project led by Robert Hill, with contributions from colleagues in Lincolnshire and NFER, which identified effective ways for small rural primary schools to work together in order to improve provision and raise standards.
- ***Language Trends 2013/14*** – the 12th edition of the annual survey of foreign language teaching in England, this year conducted jointly with the British Council.
- ***Educational blogs and their effects on pupils' writing*** – the result of a project led by CfBT's London Connected Learning Centre, this publication explores the differences in primary pupils' writing on online blogs compared to their other writing.
- ***Action research for school improvement*** – this report is based on seven action research projects undertaken by teachers in CfBT academies in the school year 2012/13. The action research focused on key aspects of school improvement
- ***Bilingual education in Brunei*** – researchers from the University of Oxford addressed the evolution of the Brunei approach to bilingual education and this report outlines CfBT's role in promoting educational change in the country.
- ***Employer engagement in education*** – undertaken on behalf of the Education and Employers Taskforce, this piece of research reviewed existing and new evidence about

how employer engagement can improve the learning and progression of young people in England.

- **Girls' education in pastoral communities** – winner of the 2012 'Tim Morris Award', this report focuses on the particularly challenging situation facing women and girls in pastoral communities and the marginalisation they suffer.
- The **Building high-performing and improving education systems** series – a series of five publications which can provide evidence-based and practical support for international education system reform, on the subjects of leadership; teachers; systems and structures; quality assurance and accountability; and curriculum and assessment.
- **Action research at St Mark's Academy 2013** – the third volume of findings from the action research programme at St Mark's Academy, this report focuses on research into improving the quality of teaching and learning, based upon a series of teacher-led projects.
- The **School improvement** series – this series of reviews of best practice in school improvement covers topics such as assessment for learning; inclusion of SEN students; effective teaching; school self-evaluation; and successful school leadership. It was led by Professor Pam Sammons from the University of Oxford and colleagues from the University of Manchester, the University of Nottingham, the University of Glasgow and the Hong Kong Institute of Education.
- **Developing the Talking School** – based on research within two CfBT schools, this report and guide for teachers explains the concept of the 'Talking School': a school which prioritises the importance of talking and listening as a means of thinking and learning and as a way of developing collaborative and cooperative skills.
- **Beyond the digital divide** – carried out with researchers from the Institute of Education, London, this research investigated the concept of the digital divide in England and how prevalent this still was.

All the research published in 2013/14 is available for free download along with the entire research portfolio at <http://www.cfbt.com/Research>.

4 STRATEGIC REPORT

KEY REPORTING CHANGES FOR 2013-14

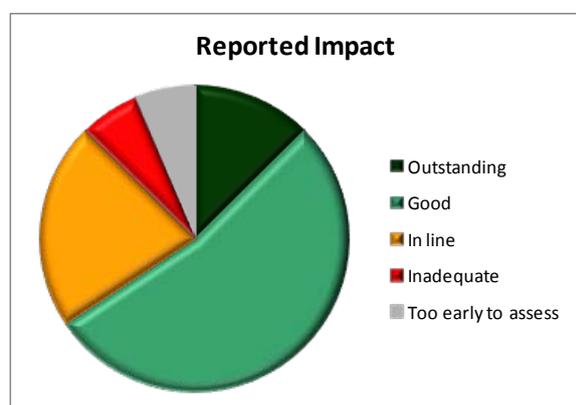
The accounting reference date has been changed to 31 August 2014, meaning a 17-month extended period has been reported.

In addition, due to the Department for Education's decision to consolidate all academies and multi-academy trusts into its own accounts, CfBT's accounts now exclude the CfBT Schools Trust, a separate subsidiary charity and St Mark's Academy Trust from 1 April 2013, in compliance with accounting standards. This change has a significant impact on the presentation of the accounts, which is discussed further in the financial review below. CfBT continues to be the principal sponsor of CfBT Schools Trust (which now incorporates St Mark's Academy Trust) and to provide support to CfBT Schools Trust as it pursues its vision to create a collaborative family of schools who take collective responsibility for inspiring learners to achieve personal and academic excellence. In the light of this important association, CfBT continues to reference CfBT Schools Trust's activities in this report.

EDUCATIONAL IMPACT

As an education charity, we seek to ensure maximum benefit for our beneficiaries from our work, and the Trust relies on the 'Business Review' process to assess the educational impact of its work:

Grading	Descriptor
Outstanding	High level of beneficial impact, significantly above comparators, exceeding all key targets, or recognised as an example of best practice
Good	Above comparators / Meet all and exceed some key targets / High level of beneficial impact
In line	In line with comparators / Meet all key targets / Clear beneficial impact
Inadequate	Significantly below comparators / Fail to meet a majority of key targets / No beneficial impact
Too early to assess	Cannot make a judgement



Of the 32 projects being implemented in the period under review, four achieved an impact grading of 'Outstanding'; 17 were 'Good'; seven were 'In line'; two were 'Inadequate' and two were at an early stage of delivery where it is 'Too early to assess'.

Outstanding Performance

The projects graded 'Outstanding' in the period under review were as follows:

- **UK (National Careers Service North East)** – 100% of clients received advice which resulted in a skills action plan being created to achieve a positive outcome. 100% of clients were satisfied with the service they received.
- **UK (Inspection Services)** – Across the remits (state-funded schools, independent schools, children's centres) 96–100% of respondents to the post-inspection survey reported they would use the recommendations to move their school or setting forward.
- **UK (Youth Careers Guidance)** – The proportion of young people not in education, employment or training in the boroughs of Hammersmith & Fulham, Harrow and Hillingdon are again well below that of statistical neighbours and client targets, with Harrow being the lowest nationally.
- **UK (Closing the Gap: Test and Learn)** – This is a randomised controlled trial programme whose purpose is to assess the effectiveness of specific interventions aiming to increase academic success among disadvantaged pupils. The outcomes of the research will not be available for some time; however, schools engaged in the programme have received training to enable them to develop their own small-scale experimental research designs to enhance school improvement. A number of schools are already conducting their own research.

In CfBT Schools Trust, 27% of schools in the Trust that received Ofsted inspection reports during the period were rated 'Outstanding'.

ORGANISATIONAL ACHIEVEMENTS

CONSULTANCY SERVICES

School Inspections

Since 2009 CfBT has held the contract with Ofsted to administer and deliver all Ofsted inspections across the north of England. We inspect not only maintained schools but also independent schools, FE colleges, work-based learning, guidance services, prisons and children's centres in the region. In March 2013, CfBT Inspection Services was awarded a national contract by Ofsted to manage the deployment of a cohort of former Her Majesty's Inspectors, to deliver inspection work in maintained schools and FE colleges in support of Her Majesty's Chief Inspector's improvement agenda. Following successful implementation, the contract has been extended until August 2015. The skilled management of this contract by CfBT has enabled Ofsted to undertake a higher volume of work in schools judged as requiring improvement and therefore bring about school and system improvement at a faster rate.

In 2013-14, 3,099 maintained school inspections took place, with 1,971 led by CfBT. A total of 3,704 inspections were delivered across all remits, which is the equivalent of carrying out almost a hundred inspections each week in term time. Schools and other settings are highly satisfied with the quality of the inspections delivered by CfBT. 97% of providers across all inspection remits were satisfied with the way their inspection was carried out – a strong achievement in a year where multiple changes were made to inspection frameworks and new inspection arrangements were being embedded. 98% of providers stated that inspection recommendations would be used to move the school forward and 97% of schools responded positively to the quality and findings of their inspection report.

In Ofsted's Annual Review of Performance in 2013-14, CfBT was graded as 'Good' with some 'Outstanding' areas. Ofsted commented: 'CfBT has proven itself to be a high performing

supplier demonstrating a drive to improve all aspects of contractual delivery. Its many strengths include an ingrained organisational paradigm of continued improvement and a consistent approach to delivering a high quality of service, which helps to engender a true partnering relationship, and excellent performance management processes that ensure only the very highest performing authorised inspectors continue to inspect on behalf of Ofsted.'

Our unprecedented success in 2013-14 was achieved against a background of significant change for managers, staff and inspectors alike as we supported Ofsted in achieving the regional restructure and adapted to new frameworks and a rapidly changing educational landscape. Excellent change management processes and the ability of staff to respond rapidly has enabled CfBT Inspection Services to accommodate significant changes to inspection systems and processes as well as managing the challenging requirement to deliver a significantly higher number of inspections than ever before.

Consultancy-based field research

We have grown our global International Development and Education (IDE) consultancy work, and have established our reputation in the areas of girls' education and Fragile and Conflict Affected States (FCAS). Work for the European Commission (EC) on promoting literacy in the media is progressing well. We are working with UNICEF to support institutional development in Cambodia and a programme on educational reform there is coming to an end. The latter has led to further assignments providing technical assistance and support to senior levels of the Ministry of Education, Sport and Youth, and assisting them in implementing their educational reform policies.

Framework contracts

CfBT manages three framework contracts which provide technical expertise to the Australian Department of Foreign Affairs and Trade (DFAT), the UK Government Department for International Development (DFID) and the European Commission (EC). These clients look to us to provide specialist expertise related to donor-funded education reform, often at very short notice. The value of our current framework contracts range from £800,000 to £1.4m over two years.

CfBT is the lead education partner in a consortium selected by DFID to implement its Professional Evidence and Applied Knowledge Services (PEAKS) contract for health, nutrition and education. Under this contract we delivered 25 contracts with a turnover of over £1 million between April 2013 and August 2014. We received 61 ratings of 'Very Good' and 32 ratings of 'Excellent' on call-down services for consultancy since July 2012.

CfBT currently leads a pan-European consortium that provides services to mainly low- and middle-income countries that receive aid from the EC under the Lot 9 Framework. 50 contracts have been awarded since 2009. The contract was renewed in 2014, with four contracts awarded between January and August 2014. We received a 96% excellence rating on the consultancy contracts managed.

Under the Education Resource Facility (ERF) contract with DFAT, we are on track with the delivery on our contracted inputs. We won an additional three service orders for work in the Democratic Republic of Timor-Leste and the Pacific, gradually increasing our experience in the Asia-Pacific region. CfBT has also recently learned that it has been named as an approved supplier on the DFAT Aid Advisory Services Panel for Education for the next three years, as a result of CfBT's performance as one of the partners who managed the Education Resource Facility (ERF). This recent appointment affirms our continued successful collaboration with the Australian Government.

For DFID, we undertook assignments in Burundi, Tanzania and Nigeria. CfBT provided consultancy services to DFID's Syria Crisis Unit, to support the development of programming interventions in Syria and the region to deliver against DFID's Secretary of State's No Lost Generation initiative. CfBT developed recommendations based on robust needs analysis for future DFID involvement in the education sector in Lebanon and Jordan.

The Ebola epidemic in West Africa impacted on two EC projects in 2014: work for the Brussels-based Education Advisory Service in Sierra Leone was put on hold, and in Liberia, enforced quarantines and a high mortality rate have resulted in the closure of schools and the Ministry of Education forcing a moratorium on work rebuilding teacher-training capacity.

ADEC Tamkeen

CfBT is a valued partner of the Abu Dhabi Education Council (ADEC) with a longstanding relationship in support of Abu Dhabi's educational reform agenda since 2006. The Tamkeen project is a key reform agenda for ADEC, and CfBT has a three-year contract, now with a one-year extension until August 2015, to identify, plan and deliver training sessions to meet the development needs of individual schools.

Over the 2013-14 period, CfBT trained 232 school leaders and 1,926 teachers in 45 schools, designing and delivering 95,980 hours of targeted training. CfBT achieved 100% KPI compliance in 2013-14, and in fact has always met or exceeded all KPI requirements for various contracts for this client since 2006.

ADEC Inspections

CfBT has another contract with ADEC, to provide services for its Irtiq'a Inspections programme. CfBT's responsibilities include carrying out inspections, report writing and quality assurance for 80% of private schools and 30% of government schools in the Emirate of Abu Dhabi, as well as providing on-demand inspections to respond to urgent complaints or concerns. More than 130 inspections have been completed during 2013-14.

CfBT also has the responsibility for training and accrediting 60 local Emirati inspectors over three years, which supports the national agenda for increasing responsibility for managing and carrying out these responsibilities autonomously. CfBT trains and accredits local inspectors with a CfBT Reviewer Competence Quality Mark (RCQM). Additionally, selected individuals are working towards the Post Graduate Certification for School Inspections with the Institute of Education, University of London.

There is an increasing focus on the use of the wealth of inspection data and findings from the thematic research carried out each year as part of this contractual agreement, to inform policy development and as a catalyst for targeted school improvement initiatives.

UAE Ministry of Education – School Evaluations

CfBT has worked with the UAE Ministry of Education since 2009 and supports the Licensing and Accreditation Department in their evaluation of all government schools in the Emirate of Dubai, and all schools in the five Northern Emirates of the UAE. More than 100 evaluations were completed this year as well as the annual programme of self-evaluation training for schools, provided over a five-week period. CfBT provides training to part-time Emirati evaluators and they then join evaluation teams with a shadowing role, taking an increasing role in evaluation teams over time. They are also supported in developing an evidence portfolio for submission to achieve the CfBT Reviewer Competence Quality Mark (RCQM) certification at international standards. There are more than 100 Emirati evaluators currently available on the Ministry of Education (MoE) database to take part in evaluation teams.

Dubai Schools Inspection Bureau

There is a strategic partnership agreement between the Knowledge and Human Development Authority (KHDA) and CfBT Education Trust, focused on strategic advice, joint research opportunities and consultancy, to meet emerging client priorities. Following the original design and development of the Dubai Schools Inspection Bureau, CfBT has provided a resource pool of specialist international inspectors from which KHDA has staffed the school inspection teams for 134 private school inspections covering 13 different curricula during 2013-14.

In the spring of 2014, KHDA awarded CfBT the 'Supplier of the Year' award (Excellence in Service Delivery) for 2013. KHDA has also commended CfBT on our high quality, responsive and flexible service to meet KHDA's evolving needs.

Kuwait: Ministry of Education

CfBT has developed a baseline evaluation framework for private schools and devised and delivered evaluation training for a core team of Kuwaiti evaluators. Pilot evaluations of 45 private schools following the British or American curriculum or providing a bilingual education were completed by the end of 2013. The next stage of this initiative is currently on hold due to changes proposed by the Minister of Education and senior advisers.

Libya: Curriculum Framework

Funded by UNICEF, CfBT has supported Libya's Ministry of Education to review and enhance a national-level curriculum framework. Research on international best practice has been completed as well as some development work; however, the final phases of consultation and training were postponed due to the serious security situation in Tripoli, and the contract was extended.

Libya: Education Management Information System (EMIS)

With funding from UNICEF, CfBT has supported Libya's Ministry of Education to review and advise on the development of an Education Management Information System (EMIS). Some development work was completed, but due to the security situation the final phases of consultation and training were postponed and the contract was extended.

Project evaluation

CfBT is a key partner in delivering DFID's Girls' Education Challenge (GEC) in Sub-Saharan Africa. The GEC will help up to one million girls from the poorest countries around the world to improve their lives through education, and CfBT has been awarded projects in both Kenya and Somalia. A key output during this period was the opening of a CfBT sub-office in Turkana county to support GEC delivery in northern Kenya, and this has raised our profile, providing the basis for increased work in 2014-15 in Kenya.

During this reporting period, our work on the EU-funded *Integrated Capacity Development for Somali Education Administrations* programme (ICDSEA, 2010-2013) was concluded. In addition, three short-term contracts were concluded; these include UNICEF's contract on *Early Childhood Development for Children affected with HIV/AIDS* in Kenya, Tanzania and Zambia, a review of DFID's programmes in Rwanda and a review of teacher policies in Kenya for the World Bank.

New contracts were won in Somalia and Tanzania. In South Central Somalia, we won a two-year UNICEF contract, *Rebuilding Education in Somalia*, which aims to increase management, planning, monitoring and supervision capacity at district and school levels in targeted districts and to improve delivery and support of basic education services for children and youth. We also signed a three-year contract with BMB Mott McDonald on a DFID-funded Somalia Development

Fund project, in which CfBT will provide education consultancy services to the Ministry of Education. In Tanzania, we won a UNICEF contract to undertake an evaluation of the Government's Children Agenda, which we delivered and concluded during this reporting period. With funding from UNICEF, we also supported the Ministry of Education in Zimbabwe to strengthen strategic plans and develop *Global Partnership for Education (GPE)* funding applications.

Under our national reform agenda in fragile states, we are delivering a total of five contracts, which are of strategic significance for CfBT in various regions within Somalia (EU's *SWES*, EU's *Elmidoon*, *Somalia Development Fund*, the UNICEF-funded *Rebuilding Education in South Central Somalia* and the DFID-funded *Girls Education Challenge*, Somalia), reinforcing our reputation as a key player in rebuilding education systems in fragile states and in national reform.

Services for Schools

In Sub-Saharan Africa, we concluded our component of the USAID/Research Triangle International *Primary Math and Reading* project (PRIMR, 2011-14), which successfully provided primary grade 1 and 2 pupils in low-income private ('non-formal') schools in Nairobi slums with fundamental skills in literacy and numeracy.

One comment received as a reflection of appreciation for CfBT's efforts in the non-formal schools was: 'I do really congratulate the pioneers of the program in Kenya. I'm lucky to be among the few non-formal schools chosen in Kayole. I have witnessed the goodness of the program in the improvement of the pupils' reading skills both in Kiswahili and English. I recommend that PRIMR sounds should be implemented in each school for the benefit of both the teachers and pupils.' (Director of a school in Kayole slums, Nairobi)

We have completed the first phase (baseline) of the *Evaluation of Learning Achievement* (2012-15) in the Addis Ababa and Amhara region in Ethiopia and are now delivering the second phase (mid-term evaluation) of this contract. We have worked with the Ministry of Education in Zimbabwe to design and pilot a national *School Grants Programme* (2012-13) which required us to undertake a situational analysis and design and pilot a school grants system to ensure efficient and transparent use of both government and donor resources to improve schools and provide for a phased reduction in compulsory parental education costs, especially for the poor and vulnerable.

International schools

During 2013-14, there has been a slow but steady growth in the number of international schools that CfBT has provided educational services to, including accreditation, inspection and related school improvement support. This has included accreditation work with 24 International School Quality Mark (ISQM) member schools, mainly in South East Asia, and eight British Schools Overseas (BSO) inspections under the DfE-authorized Inspection of British Schools Overseas process. Combined BSO/Dubai Schools Inspection Bureau inspections in Dubai have accounted for six of these inspections. The ongoing value of CfBT's approach to accreditation has been evident, and interest has been expressed by four schools that have registered for ISQM for the next school year, as well as other schools who have yet to register.

Client feedback has been consistently positive, indicating a high level of satisfaction in the service offered as well as the level of support and expertise provided: 'the supportive nature of the relationship between CfBT and Traill has been a tremendous help in getting us to where we are at the moment.' (Traill IS, Bangkok)

SUPPORT FOR EDUCATORS

Closing the Gap: Test and Learn

Closing the Gap: Test and Learn is a unique approach to the delivery of a large-scale randomised controlled trial programme in England, as participation is entirely voluntary on the part of schools. 178 teaching schools were engaged in the programme, 30 planned to join in September 2014, and through their extended network of teaching school alliance schools, 606 headteachers agreed to take part in and test over 7,000 children. The second strand of work, which involved training teachers in how to deliver small-scale experimental research, is designed to enhance school improvement and was well received, with a number of schools beginning randomised controlled trial work ahead of the proposed timescales. Up to 50 of these 'early adopters' of an RCT approach to teacher-led research will be able to apply for a National College for Teaching and Leadership (NCTL) grant to conduct research and have an opportunity to report their findings at a dissemination event in autumn 2015. In September 2014 we will publish our preliminary findings and disseminate evidence within the programme relating to closing the attainment gap for disadvantaged learners and this will inform the format of Year 2 of the programme.

CfBT Languages

Two new programmes commenced in 2013, one funded by the London Schools Excellence Fund to support the transition in languages learning from primary to secondary phases, the other by the Education Endowment Fund of the Sutton Trust to research the links between learning a foreign language and broader literacy attainment at primary.

These two pieces of work represent a valuable successor to our large-scale Department for Education (DfE) funded programme which ended in March 2013. Through our research programme, the annual Languages Trends survey was co-published with the British Council for the first time. We have continued to contribute to key policy discussions.

CfBT London City Learning Centre

During the 2013-14 period, the number of schools buying into the centre's service level agreements has increased from 49 to 65. Our presence in the London and UK markets was increased through securing DfE funding, matched by IBM, to support schools in introducing the new computing curriculum, being awarded the NAACE Impact Award for Curriculum Support and through our high-profile partnership work with Southbank Centre, Royal Shakespeare Company, BFI, IBM and the Institute of Education, University of London. We have enhanced evidence-based solutions through publishing a CfBT research study on the effects of blogging on students' writing and through being part of two Education Endowment Fund research projects – metacognition and computational thinking and maths. Our website, Vimeo channel and Twitter feed helped consolidate our reputation in the field of education technologies.

We regularly survey partner schools for feedback in respect of performance and each CLC activity is evaluated by learners. All schools have rated the CLC services as 'Good' or 'Excellent'. For the academic year 2013-14, 87% of students (taking part in 19,791 sessions) rated activities 'Excellent' and 12% rated them 'Good'. Teachers took part in 2,248 continuing professional development sessions; 66% rated these 'Excellent' and 31% rated them 'Good'.

'CLC has become synonymous with high quality work; its impact is evident in that it has sustained itself in a financially challenging climate, with schools clear that they would be disadvantaged not to have the guidance and expertise that the CLC possesses.' (Headteacher, Dunraven Secondary School)

Schools Partnership Programme (SPP)

Between February 2014 and August 2014, CfBT worked with a first group of partnership schools to deliver the pilot phase of the SPP. These six partnerships (representing approximately 12,000 pupils) supported the co-construction of SPP to ensure that it meets the needs and priorities of schools.

A headteacher from an SPP pilot school said: ‘The SPP isn’t asking us to change what we currently do in relation to school self-review – but it is forcing us to look at it and ask “Is what we do good enough?” ‘

We have raised the profile of SPP through a number of conferences, including *Inspiring Leadership* and through the Association of School and College Leaders, and as a result, created much interest in the offer. We are currently working with 17,000 pupils, an improvement on the 12,000 we worked with last year.

School Improvement and Management

CfBT provides education services in Lincolnshire and adjacent counties including school improvement, learning opportunities for pre-school children and families in children’s centres, initial teacher training and support for Newly Qualified Teachers, as well as environmental education at a residential centre in Freiston, near Boston. CfBT has engaged actively with headteachers, the local authority and teaching schools to develop sector-led models of school improvement. We are working collaboratively to establish a model that is best for Lincolnshire and will need to flex our own provision so that we can play a full part in the new model. The SPP is to be offered as an effective framework for peer review that sits at the heart of school-to-school support. CfBT is also involved in strategic discussions at a regional level.

The success of Lincolnshire’s Primary Collaborative Partnerships has been widely acknowledged following the publication of CfBT-sponsored research by Professor Robert Hill, *Partnership working in small rural primary schools*. We are starting to ‘close the gap’ between the achievement of children from poorer families and their peers in Early Years and Key Stages 1 and 2 but the gap is still too wide at Key Stages 4 and 5.

The Early Years contract has delivered 19,286 high quality activities to children and families in Lincolnshire. All KPIs have been judged at least ‘Good’ by the client and one is ‘Outstanding’. The overall contract rating is rated as ‘Good’. The contract has been subject to three separate children’s centre Ofsted inspections, which all received ‘Good’ outcomes. CfBT is now the main provider of Early Years activities in Lincolnshire children’s centres. Prior to April 2013, Early Years activities were delivered by a number of smaller providers.

Lincolnshire County Council submitted the following quote about the Early Years contract: ‘CfBT currently deliver Early Years activities across all our children’s centres and are offering our children robust activities to ensure they reach their potential and are ready for school. CfBT staff are trained and managed to be able to deliver these activities and are experts in the delivery of early years activities in Lincolnshire. CfBT are meeting all the targets and key performance indicators expected of them, bringing additionality to the contract via sourcing other funds to enhance the delivery of early years activities across Lincolnshire.’

Our School Centred Initial Teacher Training (SCITT) programme, which was completed by 70 trainees, has high quality outcomes in terms of the training of new teachers. 91% of trainees are now employed in schools, the majority of which are in Lincolnshire. Headteachers look out for trainees/applicants trained by CfBT SCITT.

Multiple changes to the curriculum and to assessment and accountability frameworks have led to significant variations in outcomes, especially in the secondary phase. While overall results in Lincolnshire have broadly held up, there are wide variations from school to school that will continue to present major challenges. Sector-led approaches are being supported actively to help secure transformational change in the future.

National Support Programme (NSP)

As part of the Welsh Government's National Support Programme, we have delivered 44 cluster workshops units of specialist Literacy and Numeracy Framework support to 283 schools and 248 individual school workshops. The programme is designed to move schools to a green RAG-rating over the period of the programme (until July 2016).

On behalf of our client, the Department for Education and Skills in Wales, we are adding value to the overall support offer to schools and our contract has been extended for 2014-15. Teachers were asked to evaluate our specialist partner literacy numeracy support, and 88% of them rated the workshops as 'Good' or 'Excellent'.

Core Maths Support Programme

The Core Maths Support Programme (CMSP), funded by the Department for Education (DfE), is part of the Government's plan to increase participation and raise standards in mathematics education for post-16 students. In March 2014, CfBT secured the contract running over three years to support the introduction of Core Maths in England, working with 170+ centres. Securing this contract has raised the profile of CfBT in maths education amongst higher education providers and employers.

The aim is to ensure that by 2020, the majority of all 16–19 students continue to do some form of mathematics: GCSE, A level or the new Core Maths qualifications. The first examinations for the Level 3 Core Maths qualifications will be held in summer 2016 and they will have a similar UCAS tariff for university entrance to that of AS levels. By 2020, the expectation is that up to 250,000 students will be following courses in Core Maths. Approximately 3,500 students in 170 centres (schools, sixth form colleges and FE colleges) have started on Core Maths qualifications from September 2014. Working groups are addressing issues of teaching, managing and promoting the new course.

Oman MoE: Curriculum Standards Development

The Oman Ministry of Education Curriculum Standards contract was completed in December 2013. CfBT carried out an international best practice review and developed the review methodology. We provided curriculum development consultancy to facilitate eleven subject-specific working parties of Omani supervisors and curriculum specialists. These working parties updated the skills and knowledge expectations and reviewed progression for each strand of Grade 1–12 curriculum in their area of specialism. During the consultancy, CfBT provided recommendations including options for training, implementation planning and the redesign of national textbooks to support the implementation of the revised curriculum. These next steps are currently under review by the Ministry of Education.

Oman: Academy for Education Professionals

Oman's Ministry of Education Academy for Education Professionals is now known as the Specialist Teacher Training Centre (STTC). This has been developed over a number of years with consultancy support from CfBT as the national institution to conduct training needs analysis, plan, commission and contract delivery, and quality-assure all professional development needs for all teachers, school leaders and para-professionals within the government school system over a number of years, with consultancy support from CfBT.

Cohorts of Omani trainers were selected and then trained to both deliver training in person and to facilitate online learning opportunities. Pilot courses began delivery in March and the Centre officially opened in June 2014. Full operations are under way for 2014-15, with CfBT holding two contracts: leadership support, aimed at building the internal capacity of the STTC to lead and manage national training for educators, and designing and delivering train-the-trainer inputs for courses for Associates and Expert Supervisors.

Oman: Ministry of Education

CfBT recruits specialists that are seconded to the Oman Ministry of Education. CfBT's original contract, for the provision of expert staff to be embedded into key MoE roles and to work alongside Omani colleagues to build capacity, commenced in 2002 and has been renewed on an annual basis since that time. Six experts are currently seconded to MoE: the head of English, an assessment department advisor, an English textbook author and three teacher training advisors who work peripatetically in different regions alongside Omani colleagues.

Egypt: Alexandria Schools Trust (AST)

As part of the activities of the Alexandria Schools Trust (AST) in Egypt, 56 English teachers sat for the Cambridge Teaching Knowledge Test (TKT) Young Learner (YL) module in June 2013. In the end, 77% scored Band 3 or 4, which far exceeded our expectations of 65%. Teachers were also observed in their classrooms and trainers reported improvements in all areas of classroom practice across the three schools that take part in the programme.

We had a very positive response from the teachers who took part in the 2012-13 training programme. Requests were received from other teachers (including teachers of other subjects, such as maths and science, as well as teachers in higher levels) to take part in subsequent training as a result of their colleagues' positive feedback.

Owing to the unstable security situation in Egypt, it proved impossible to deliver training from August 2013 to June 2014, let alone expand the project. However, formal contact was made with a new teacher training provider in Egypt, the National Institutes Training Centre for Foreign Languages (NITCFL), and it is anticipated that some training will be delivered collaboratively with NITCFL. A programme to improve the teaching of English in Palestine was also developed but was unable to take place in August 2014 owing to the unstable security situation there.

India: Reforming National Level Education Systems

CfBT has led two significant projects in India on behalf of the World Bank, both of which contribute to crucial aspects of national education policy. The first project was a study of secondary private-aided schools across identified states in the country. CfBT examined educational policies and identified ways in which these policies could be used to improve the quality of provision. CfBT's second World Bank contracted project was focused upon ways in which Corporate Social Responsibility (CSR) funding could best be used to improve educational outcomes. The workshop organised by CfBT, and the subsequent report, addressed CSR in education across the whole of India, but with a particular focus on two particularly disadvantaged states, Bihar and Jharkhand.

School Improvement through School Audit

CfBT India has significant expertise in delivering school quality assessments on behalf of clients across the country and beyond. We have conducted assessments in settings ranging from Indian curriculum schools in the UAE through to rural schools in Andhra Pradesh. We have worked with our partner, ARK, on a DFID-funded project to develop and deliver a School Quality Assessments Framework in the state of Madhya Pradesh. Throughout 2013-14, this approach was successfully piloted in 100 schools in preparation for roll-out across the state. The project is

currently in the process of building the capacity of local assessors to carry on the inspections for 120,000 government schools. CfBT India is also one of the twelve shortlisted agencies to accredit schools by the Indian Central Board of Secondary Education (CBSE). During 2013, we accredited the first CBSE school in southern India.

School Improvement through Workforce Development

CfBT India delivered quality training for 74 candidates who enrolled for the Certificate and Diploma courses of the University of Cambridge International Examinations. 100% of our trainees passed the examination, and our centre received very positive feedback from the examiners. A notable achievement during 2013-14 was the signing of a three-year contract with the Centre for Assessments, Evaluation and Research (CAER), which is a public-private partnership between the CBSE and Pearson Foundation, to train school teachers on student assessment. Over the course of the year we trained over 500 teachers on topics ranging from early childhood care and education to continuous comprehensive evaluation of students.

Support for English language teaching

The philanthropic foundations of three major Indian corporations, Tata, Tech Mahindra and Usha Martin, have turned to CfBT India to deliver support for English language teaching programmes. The three foundations' projects are situated in different parts of the country but are united by their common focus on helping students from disadvantaged communities. The projects have benefitted nearly 6,000 students in remote rural schools. Of these, over 1,000 students were orphaned or single-parent girls in state-run residential schools in Andhra Pradesh. We have seen an impressive impact across all three projects, with improvements of up to 67% in English language skills, compared to the baseline.

Malaysia

CfBT Education Malaysia currently manages a project with the Federal Land Development Authority (FELDA). We have worked with FELDA since July 2010, initially with an 18-month contract to deliver teacher training to both secondary and primary teachers of English in Chini, Pahang. This project delivered significant and measureable impact; it raised standards of proficiency, methodology and motivation in English language classrooms in two clusters of FELDA schools. In November 2011, FELDA identified a need to directly enhance student outcomes in English and selected the Maktab Rendah Sains Mara Felda (MRSMF), located in Trolak, Perak to receive the support. This resulted in the second project between FELDA and CfBT, aimed at improving the standard of English in the college. This 24-month project began in January 2012 and CfBT embedded and enhanced the use of English both in classes and throughout school activities. Indirect teacher training and teaching materials were also provided. From April 2013 to August 2014, 1,172 students benefitted from our intervention, with average exam results across five exams increasing by 14.4% in 12 months.

TEACHING

Fee-paying Schools

In 2013-14, CfBT owned and managed three fee-paying schools in the UK: Danesfield Manor School, Oakfield Preparatory School and St Andrew's School (as well as the International School of Cape Town (ISCT), South Africa). Independent UK inspections have rated overall provision as 'Good with outstanding elements' in all CfBT's independent schools.

Parent satisfaction is monitored via an annual 30-question survey which covers social and behavioural development, teaching and learning, leadership and responsiveness. It is an invaluable tool to help focus effort and results have improved year on year, with over 90% of questions now receiving the highest ratings from parents. Key positives identified are good

teacher/pupil relationships, high quality teaching, strong pastoral care, a safe environment and encouraging responsibility and mutual respect in pupils.

We encourage the independent schools to develop close working relationships and share best practice with CfBT Schools Trust's family of academies and free schools, and also to explore partnership opportunities across CfBT. One of the schools recently collaborated with young offenders at Cookham Wood to produce a highly creative life-sized set of totem poles, which are now displayed in the playground. We have also introduced an educational support partner with specific experience in the independent sector to work alongside the principals to improve the schools further.

CfBT Schools Trust (CST)

For the period of this report CST consisted of 20 schools. This includes Enfield Heights Academy which transferred to Cuckoo Hall Academy Trust on 1 September 2014 and Stamford Queen Eleanor Academy which transferred to Cambridge Meridian Academy Trust on 1 October 2014. These transfers were agreed by the CST Trustees as it was seen to be in the interest of the children within those schools. Our academies have a combined pupil capacity of 11,468 and had a roll of 10,013 in the summer 2014 school census. Through the provision of education support and research, the infrastructure has been consolidated and schools developed into cluster areas. This focus has enabled schools to work and support each other by ensuring that each cluster area has appropriate capacity to develop and continue to put in place sustainable performance improvement strategies. At the end of the 2013/14 academic year the rating of CST schools that had been inspected was:

- Outstanding – 27%
- Good – 27%
- Requires Improvement – 33%
- Special Measures – 13%

Day Nurseries

In line with a strategic review of operations, the board of Trustees agreed in December 2010 to effect a phased exit from CfBT's stand-alone nursery business, concluding that providing day care through the ownership and management of a small portfolio of nurseries was not a priority for the Trust, particularly as some of the nurseries needed subsidy from the Trust's operating budget. The divestment process reached its final stages with the closure of Westbourne Nursery in Lancaster at the end of September 2013 and a management buyout agreed for Parkway Nursery in Coulby Newham, Middlesbrough, in mid-August 2013.

Out-of-school teaching

Under its longstanding include brand, CfBT delivered a wide range of programmes in England and Wales on behalf of local and central government clients, supporting vulnerable young people from 5 to 18 years of age to access education, work or training. As part of a strategic review of CfBT's portfolio, to focus our work on our core propositions and move out of the alternative education sector, we completed the transfer of Include Ltd from CfBT control to Catch22 in December 2013. The transfer included the novation of over 60 individual contracts with local authority and central government clients and a change of employer for around 130 teachers, managers and support staff. Two contracts could not be novated and continued to be delivered successfully by CfBT until they expired in the summer of 2014.

Teaching in the Secure Estate

The secure estate has undergone two full HMCIP/Ofsted inspections, in both cases receiving an overall grade of 2 ('Good'). Significant improvement to learning is apparent at both prisons, Cookham Wood in Kent and Feltham A in West London.

At Feltham, progress made by boys in numeracy has increased from 9.1%, gaining a level in six months to 22.5%, whilst numeracy has increased from 3.7% in the same period last year to 15.1% in 2013-14. At Cookham Wood, literacy progress has increased from 13.4% to 34.7%, and numeracy from 15.7% to 35.1%. Additionally, 96.2% of all learners at Cookham achieved at least one qualification during their time in custody (this averages 88 days), up from 89.1% last year.

The contract to provide education and skills to 15–17 year olds at Josephine Butler Unit, at HMP Downview, ended in October 2013. This followed the announcement by the Youth Justice Board for England and Wales that it was reducing the number of custodial places commissioned for under-18s and fully withdrawing from the three remaining girls' under-18 young offender institution units (YOIs).

We have made very positive inroads with Teach First and local teaching school alliances, as well as linking with United Learning and our own academies to share good practice. We have held discussions with a number of external companies to broaden our visibility, as well as making valuable links with social enterprise schemes to develop links for future employability opportunities for our learners. We have also been awarded further funds by the Education Funding Agency to develop work on the Virtual campus.

Two bids were submitted to the Ministry of Justice for CfBT to continue as the education provider in Cookham Wood and Feltham YOIs.

Brunei

Of significance to CfBT is its work in Brunei. The partnership between CfBT and the Brunei MoE aims to raise standards of English in Brunei and involves the recruitment and management of native-speaker teachers of English in primary and secondary schools and pre-university colleges to teach over 25,000 Bruneian students. We have 300 English language teachers, trainers, mentors and managers stationed in more than 75% of Brunei's schools and working with more than 90% of Brunei's school-age learners. We also provide teachers for other schools in Brunei, operate an internationally accredited examinations centre and provide corporate and communications training.

'We appreciate the role of CfBT teachers in improving the English of students, especially in our more challenging schools and classrooms.' (Acting Director of Schools, Brunei MoE)

Achievements in the year include O Level results improving from 40% in 2012 to 42% in 2013 and continuing an outstanding improvement trajectory up from 23% in 2006. The IGCSE cohort increased from 777 in 2009 to 2,189 in 2013. The credit rate (A-C pass) rose from 5.2% in 2012 to 8.4% in 2013. In Year 1 the proportion of students with decoding and word recognition skills near, at or above expectations rose from 62% in 2012 to 64% in 2013. CfBT Brunei's commitment to evidence-based practice saw the publication of a joint research project with Professor Pamela Sammons from Oxford University in 2013, documenting the change and improvement processes related to bilingual education in Brunei and identifying and investigating features of effective practices that have helped to improve pupils' attainment of English from the perspectives of key stakeholders in the education system. In 2013, CfBT continued its community outreach programme by sponsoring teachers to spend a week in selected schools in the Asian region. Its intention is to share best practice initiatives from Brunei.

COUNSELLING AND GUIDANCE

Youth Careers Guidance

We have met all, and exceeded, the key contract targets in 2013-14 in our London delivery areas for NEET 16-18, Not Known, Participation/In learning and Year 11 Destinations and September Guarantee. The national DFE benchmarking of our areas' performance shows CfBT as better than our statistical neighbours on each of these counts. In Harrow we achieved the lowest NEET figure nationally, at 1.8%. The national second-highest sustained participation rate at Key Stage 5 was also in Harrow, with 94.3% (second after the Isles of Scilly – 95.5%).

In a recent user survey, 99% of young people rated the service received from their adviser as 'Excellent' or 'Good'. 100% of schools said they would recommend CfBT to other providers and judged the service delivered as 'Good' or 'Excellent' (75% judged it to be 'Excellent'). 84% of young people worked with said they were clearer about their career goal and 88% said they were clearer about their next steps (5,700 surveyed) after their guidance interventions.

We have continued to work across west and south London boroughs on a range of contracts with local authorities for tracking, SEN and NEET, and with schools and colleges for careers guidance and work experience.

National Careers Service

Under the National Careers Service brand in 2013-14, we supported 55,100 community clients and 11,642 in-custody clients to make informed career choices. Over 40% of community clients went on to gain sustained employment and 57% developed additional skills or retrained in line with labour market needs. A customer satisfaction rating of 98% was retained against a performance target of 95%. Reflecting on the service, one customer said, 'I wouldn't be anywhere near where I am without it. The service has built up my confidence and reassured me.'

The service was inspected by Ofsted in 2013, achieving a 'Good' rating overall and a Grade 1 for Leadership and Management, the only contractor to achieve 'Outstanding' in any criteria. The Skills Funding Agency, which funds the service, recognises the quality of provision offered by our guidance contracts, stating how highly they valued our efforts and how impressed they were by the team.

ADEC Careers Guidance

CfBT has developed an Academic Careers Guidance Framework for grades KG–12 with student and programme outcomes for all grade levels. Training programmes for teachers, careers counsellors and school leaders have been developed by CfBT, as well as train-the-trainer sessions including detailed Cycle 2 lesson plans for grades 6–9. Implementation of this Framework in schools was postponed due to the client's decision to conduct a review of their improvement priorities in light of the revised national education agenda.

FINANCIAL OVERVIEW

Almost all of the Charity's income and that of its subsidiary companies is derived from contracts that it manages on behalf of its clients, or services it provides directly to learners. The Charity and its subsidiaries are not dependent on the services of unpaid volunteers or on donations in kind or any other intangible income not evaluated or explained in the accounts.

The results of CfBT's subsidiary companies are incorporated on a line-by-line basis in the Consolidated Statement of Financial Activities and in the Group Balance Sheet. The surpluses/deficits of the subsidiary companies are set out in Note 10.

Following the Department for Education's decision to consolidate all academies and multi-academy trusts into its own accounts, CfBT's accounts exclude CfBT Schools Trust and St Mark's Academy Trust from 1 April 2013. This change is shown in the consolidated statement of financial activities as a loss on disposal of the £108 million of net assets attributed to those Trusts at that date, which have been removed from the accounts. The financial position and performance of the remaining components of the Group are explained by referring to the following summary statement of financial activities and balance sheets, which are restated to exclude the financial effects of the Schools Trusts. When comparing the results of the reporting period to the prior period, account must be taken of the differing time periods – 17 months for the reporting period and 12 months for the comparative period.

Restated Summary Statement of Financial Activities			
(excluding CST and St Mark's Academy)			
	2013/14		2012/13
			RESTATED
	17 mths		12 mths
	Total		Total
	£'000		£'000
Incoming Resources	125,179		93,708
Resources Expended	128,079		96,941
Net Outgoing Resources for the Period	(2,900)		(3,233)
Recognised (Losses) / Gains for the Period	(3,629)		1,068
Minority Interest	(231)		(467)
Net Movement in Funds after Minority Interest	(6,760)		(2,632)

Restated Balance Sheets		
(excluding CST and St Mark's Academy)		RESTATED
	As at	As at
	31/08/14	31/03/13
Fixed Assets	18,231	18,788
Net Current Assets	18,204	19,555
Total Assets less Current Liabilities	36,435	38,343
Long Term Liabilities	(24,911)	(19,829)
Net Assets	11,524	18,514
Charitable Funds		
General Fund (excluding pension assets and liabilities)	16,344	21,131
Designated Fund	168	48
Restricted Funds	5,588	5,188
Total Funds (excluding FRS 17 pension)	22,100	26,367
FRS 17 Pension Net Liabilities	(13,037)	(10,543)
Total Funds before Minority Interests	9,063	15,824
Minority Interests	2,461	2,690
Total Funds	11,524	18,514

The 17-month Group deficit of £2.9 million was the result of one-off costs associated with the divestment of discontinued operations, restructuring of the Group's activities and investment in new business management computer systems. On an annualised basis, underlying incoming resources during the period were 6% lower than in the 12 months to 31 March 2013. After accounting for actuarial losses of £2.3 million, underlying FRS 17 defined benefit pension net deficits (excluding the Schools Trusts) increased during the period by £2.5 million, from £10.5 million to £13 million, as the impact of the low interest rate environment on discount rates outweighed improvement such as in investment returns. Total Group funds, excluding minority interests, at 31 August 2014 were £9 million, a reduction of £6.8 million, due to the operating deficit, the increase in FRS 17 pension liabilities, and net exchange losses.

RESERVES POLICY

The Board of Trustees reviews the reserves of the Charity each year to determine the level of funds required to invest in future developments and the amounts to be distributed by way of educational research. The Board has determined that the Group should maintain free reserves within the range of two to three months of salary costs. Free reserves are the unrestricted, undesignated funds not tied up in fixed assets, i.e. the working capital of the Group supported by the investment portfolio. Free reserves exclude the FRS 17 pension deficit but include minority interests.

On 31 August 2014 the free reserves of the Group were £10.5 million (Charity £2.3 million) excluding the FRS 17 net pension deficit of £13 million (Charity £1.2 million). These reserves represent 2.9 months' salary costs of the Group and 1.2 months' salary costs of the Charity. The Charity plans to restore free reserves to the target range over the next three years.

The Charity plans to meet any contributions towards the pension deficit from the charitable operational income received each year.

In order to comply with the disclosure requirements of SORP 2005, research grants are accounted for on a commitments basis. The value of funds committed to third parties at 31 August 2014 (£670,000) is shown within creditors on the balance sheet. The total designated uncommitted funds are £168,000 as at 31 August 2014. A full analysis of the fund is shown in the financial statements Note 20.

The restricted funds of the Group relate to Kings Monkton School, the League for the Exchange of Commonwealth Teachers and Alexandria Schools Trust.

SHARE PORTFOLIO INVESTMENT POLICY AND RETURNS

CfBT Education Trust's policy is for its investments to provide growth in income and capital prudently over the long term. It invests its reserves through selected investment managers, and operates an ethical investment policy. Under the terms of that policy and having regard to the requirements of charity law to maximise returns, CfBT seeks to avoid investments in activities that the Trustees consider to be contradictory to its aims and objectives. Trustees periodically review implementation of this policy through consultation with the investment managers.

As permitted in the Charity's Memorandum of Association, the Board of Trustees has wide investment powers and has delegated responsibility for the management of its investment portfolio, within an agreed risk profile, to investment managers. To assess whether its policy is being successfully pursued, the Board of Trustees sets the investment managers the task of achieving a total rate of return each year that exceeds benchmark weighted indices. For its two main funds these are currently as follows.

	CfBT Education Trust	Alexandria Schools Trust
	Newton Socially Responsible Investment Fund for Charities	HSBC Growth & Income Fund
UK equities	37.5%	47.5%
Overseas equities	37.5%	15%
Fixed income	20%	24.5%
Alternatives (mainly property)	-	10.5%
Cash	5%	2.5%

In the 17 months to 31 August 2014, the portfolio showed a return of 8.9% (2012/13: 10.2%). Due to the change in reporting period a precise benchmark is not available. However, both current funds have met benchmark returns over the two calendar years 2013 and 2014.

PRINCIPAL RISKS

In 2014, the top corporate risks identified were:

- Occurrence of a serious child safeguarding incident through failure to implement appropriate checks and measures and follow clear procedures;

- Safety and security of staff working in unstable or volatile environments compromised due to lack of appropriate processes being in place to safeguard our people;
- Difficult economic climate impacts ability to secure or retain long-term, sustainable contracts, achieve competitive advantage, and/or respond effectively to diverse market opportunities (particularly in the UK);
- Failure of organisational change to embed or embrace new ways of working to deliver the appropriate financial model to support business need;
- Changes in government policy or political volatility prove detrimental to the long-term sustainable future of the organisation; and
- Defined benefit pension financing requirements which might exceed financial plans or threaten the viability of certain operations.

Specific principles in relation to certain types of financial risks are set out below.

FINANCIAL RISKS

The following sets out the specific principles in relation to certain types of financial risks.

Liquidity risk

The Group retains sufficient cash funds to meet the day-to-day needs of the organisation, and invests its remaining reserves in longer-term investments to maximise returns.

Financial Market risk

The Group's exposure to market risk arises primarily from the Group's fixed asset investments: an investment portfolio of stocks and shares managed by an asset management company and investment properties. The Group's policy for the investment portfolio is to limit the amount the investment managers can invest in any one company and to ensure the investment portfolio is spread between equities and bonds, both in the UK and overseas, and is invested ethically. There are no investments in unquoted stocks, derivatives or unregulated collective investment schemes. The investment managers are also limited on how much they can invest in any one foreign currency or country.

Properties originally acquired by the Group for operational purposes that are subsequently not required for the day-to-day activities of the Group are retained as investment assets until it is deemed appropriate to realise the value of the asset.

Credit risk

The Group is mainly exposed to credit risk from credit sales. A significant amount of income is derived from major institutional, government and donor funding agencies and so the associated credit risk is modest. However, where it works for private sector clients it has started to assess the credit risk of new customers and factors the information from these credit ratings into future dealings with the customers. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Foreign Exchange risk

Due to the international nature of its activities, the Group's reported reserves, net assets and gearing are all affected by foreign exchange movements. Although the Group carries out operations through a number of foreign enterprises, Group exposure to currency risk at a transactional level is moderate. The day-to-day transactions of overseas subsidiaries are

carried out in local currencies with, wherever possible, both income and expenditure being in the currency of that location.

Procurement risk

All third party expenditure is governed by a procurement policy and any purchases over a defined amount are subject to a tender process and contracts are put in place.

PLANS FOR FUTURE PERIODS

CfBT Education Trust is operating within a rolling Three Year Plan timeframe. Factors both within and outside the Charity's control, including our relationships with clients and beneficiaries, together with economic and political challenges will continue to present themselves in the locations and the markets in which we operate. Notwithstanding these challenges the future aims and objectives of the charity for 2014-15 (year three of the Three Year Plan 2012-15) are to:

- Continue to strive to embed our values: excellence; integrity; accountability and collaboration, at the heart of what we do and how we operate;
- Continue to develop our capability in our core proposition areas, combining our knowledge and expertise of what works to deliver impactful education solutions;
- Embed efficiencies and improvements to secure sustained performance in the delivery of effective education solutions;
- Enhance our brand and reputation for having a proven impact on the education of children, young people and adults to increase our presence in key markets; and
- Develop strong partnerships to maximise opportunities and competitive advantage.

The implementation of a monitoring and evaluation framework gives rise to qualitative and quantitative management information which informs our approach to continuous improvement. Building transparency and accountability, we evaluate the effectiveness of our inputs and outputs, focusing on the delivery of outstanding educational outcomes.

OPERATIONAL PLANS 2014-15

The following sets out some of the operational priorities for 2014-15.

During 2014-15, we aim to continue our **fee-paying schools**' move from 'Good' to 'Excellent' as measured by future independent inspections, by maintaining concentration on high quality teaching and by the appointment of an educational advisor with independent sector experience. We will continue to clarify and strengthen governance, by refocusing governing body responsibilities, introducing sector-specific governor training and sharing information, resources and best practice across CfBT schools overall.

Within **CfBT Schools Trust** the focus is on consolidation and ensuring that robust support is provided to all schools, and that there is appropriate capacity in every cluster area to deliver sustained improvement in pupil performance. During 2014-15 CST plans to secure 'Good' or better Ofsted judgements for all schools.

Careers information, advice and guidance remains a core area of expertise. It has been identified, together with school improvement, as one of the two major growth areas for CfBT over the next four years as we move into our next Three Year Plan.

In the **Youth Careers and Guidance** sectors, we have continued to publish research demonstrating the value of independent professional careers advice to young people still at school, to complement and coordinate the work of teachers, employers and sector bodies. We will continue to lobby for additional funds to be made available to schools through the National Careers Service – exploiting our membership of key trade bodies. Maintaining a significant portfolio of local authority contracts to complement our traded or retail guidance and work experience services to schools remains critical. In recent years, contracts have been renewed or retendered on a one- or two-year basis only, causing uncertainty and curtailing our ability to invest in service improvements and innovation. The increased focus of local authority clients on SEN young people as well as those at risk of being NEET or Not Known will require us to upskill our workforce and retarget some of our services and product range.

Our two new contracts for a five-year period to deliver the **National Careers Service** in two of the regions defined by the Skills Funding Agency – North East and South Central – create new opportunities every year for CfBT to influence and improve the lives of over 100,000 adults living and working in these regions. We will seek to exploit new economies of scale in procurement, staff deployment and training, service innovation and resource deployment, not only transferring best practice from our established North East base to South Central, but also benefitting from the talents and knowledge of the 60+ staff joining us from the two outgoing providers. These contracts represent CfBT's first major involvement in large-scale UK government contracts funded entirely on a payment-by-results basis and we will closely monitor our early performance against delivery targets until we have achieved a stable state across all indicators to our satisfaction and that of our client.

For CfBT's **London City Learning Centre (CLC)**, the introduction of the new computing national curriculum and CLC's reputation for computer science expertise means the number of schools purchasing a CLC SLA is set to increase by 35% for the academic year 2014-15. The centre will continue to be self-financing through a mixed portfolio of local authority grants, retail services to schools, specialist contracts and research programmes, the imaginative use of its building and cutting-edge resources.

Austerity measures and social care challenges in local government have led to a planned reduction in the value of our school improvement contract with **Lincolnshire** County Council. A primary objective, therefore, will be to maintain the trajectory of improvement in educational outcomes while managing a reduction in core funding. Linked to this is the strategic objective of transforming our school improvement operation to one that embraces all the opportunities presented by a transition to a sector-led model. We need to work collaboratively across the company, to transition our operation in phases to one that is solely traded by the end of 2016. Continuation of involvement in Initial Teacher Training is under review. Our Early Years contract will end in March 2016 with little likelihood of extension.

The Schools Partnership Programme (SPP) plans to reach at least 50,000 pupils this academic year. In particular, we have raised our profile in the city of Birmingham as a result of a strategic partnership with the Birmingham Education Partnership. We plan to target local education systems (local authorities, teaching school alliances, multi-academy trusts) and also explore a model whereby proven participant schools can lead their own regional hub.

Our priority for the **Ofsted inspections** contract in its final year is ongoing delivery of inspections of the highest quality for the benefit of children and young people. We will work hard to maintain workforce morale, capacity and skill against a background of the contract terminating in August 2015, proactively supporting Ofsted, employed staff and Additional Inspectors in ensuring a smooth and seamless transition.

Key objectives for CfBT's **international schools** include increasing the number of schools seeking services from CfBT and the ranges of services offered, implementing a more cost-effective and supportive system of delivery and management.

In the **Middle East and North Africa region (MENA)** we aim to continue to work with our clients to deliver high quality outcomes on existing projects. We will have a particular focus on capacity building in light of the regional focus on upskilling and empowering country nationals. We will prioritise the delivery of emerging consultancy opportunities with existing and new clients.

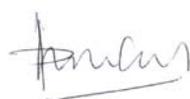
In 2014-15, training will resume in the three **Alexandria Schools Trust (AST)** schools with full-time trainers in two schools and two consultants delivering training inputs and carrying out classroom observations in the third. Training will be given to approximately 50 English teachers from Kindergarten (KG) and Primary departments. Further support will also be given to the 2012-13 cohort of teachers. In collaboration with National Institutes Training Centre for Foreign Languages (NITCFL), four training courses will be delivered to KG and Primary Grade 1 English teachers (80 teachers in total). To expand the AST project and allow externally funded training programmes to be undertaken, the possibility of opening an office will be explored.

CfBT's main priority in **Brunei** is to prioritise integration, collaboration and effective client delivery. We will continue to focus on improving learner proficiency, improving learner involvement and building enduring local capacity in English language and English-medium education. We will continue to strengthen our links with government and private organisations. We aim to expand our corporate and professional language training services by 30% and our examinations unit by 20% to assist in Bruneian capacity development.

In **Sub-Saharan Africa**, we will be undertaking market analysis in Tier 2 countries in early 2015 to facilitate growth. We will implement the organisational change programme to enhance efficiencies through structure redesign in order to support implementation of the regional strategy for 2014-15. We aim for excellent delivery of our GEC Kenya project to strengthen our reputation as an organisation specialising in girls' education and with experience in delivering a large-scale programme.

CfBT will prioritise delivering consultancy support in **International Development and Education** in our target countries. We will continue to work with clients including DFID, DFAT, USAID, the Asian Development Bank (ADB), the World Bank, the EU and UNICEF. Four of the collective thematic priorities of the major donors align well to CfBT's organisational expertise and experience: quality and learning, institutional development and capacity building, marginalisation and equity, and post-basic education. The International Development team will broaden its expertise in the first three areas, supporting CfBT to continue to be an expert organisation on these themes. Our consultancy continues to support major donors and we will build on our expertise of delivering framework contracts and seek to become a world leader in this area.

The Trustees' Annual Report and Strategic Report was approved by the Board of Trustees on 12 March 2015 and signed on its behalf by:



Philip Graf
Chairman
12th March 2015

5 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CfBT EDUCATION TRUST

We have audited the financial statements of CfBT Education Trust for the 17-month period ended 31 August 2014 which comprise the Group and Parent Charitable Company Statements of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. 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 charity'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 charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2014 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent's income and expenditure, for the 17-month period 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 trustees' report, which includes the strategic report, for the financial period 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:

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

BDO LLP

James Aston, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom
Date: 13th March 2015

BDO LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

					17 Months to 31 August 2014	12 Months to 31 March 2013
		General Fund £'000	Designated Fund £'000	Restricted Funds £'000	Total £'000	Total £'000
INCOMING RESOURCES						
Activities for generating funds						
Dividends receivable	1b	243	-	138	381	262
Rental income		108	-	8	116	258
Interest income		53	-	-	53	97
Voluntary income - net assets taken on with transfers into the Group		-	-	-	-	42,414
Activities in furtherance of the charity's objects						
Teaching	1b	47,222	-	-	47,222	101,851
Research		-	-	-	-	-
Consultancy services		44,246	-	-	44,246	30,339
Counselling and guidance		7,994	-	-	7,994	6,378
Support for educators		24,968	-	199	25,167	15,741
Total Incoming Resources	2a	124,834	-	345	125,179	197,340
RESOURCES EXPENDED						
Cost of generating funds						
Investment Manager's fees	1h	36	-	51	87	62
Costs of activities in furtherance of the charity's objects						
Teaching	1k	48,208	-	(202)	48,006	97,992
Research		-	202	-	202	520
Consultancy services		43,718	-	-	43,718	29,069
Counselling and guidance		8,177	-	-	8,177	6,347
Support for educators		25,678	-	176	25,854	16,664
Governance costs		412	-	-	412	371
Development costs		1,623	-	-	1,623	1,066
Total Resources Expended	5	127,852	202	25	128,079	152,091
Net (Outgoing) / Incoming Resources before Transfers	2b	(3,018)	(202)	320	(2,900)	45,249
Transfers between funds	1j / 1i	(123)	322	(199)	-	-
Net (Outgoing) / Incoming Resources for the period before disposal	4	(3,141)	120	121	(2,900)	45,249
Disposals		-	-	(108,330)	(108,330)	-
Net (Outgoing) / Incoming Resources for the period		(3,141)	120	(108,209)	(111,230)	45,249
Other Recognised Gains and Losses						
Gains on investments - realised and unrealised	9	424	-	199	623	892
Actuarial loss on defined benefit pension schemes	16	(6,515)	-	-	(6,515)	(2,530)
Gain on current asset relating to pension schemes	11	4,249	-	-	4,249	1,267
Exchange differences		(1,986)	-	-	(1,986)	568
Total Recognised (Losses) / Gains for Current period		(3,828)	-	199	(3,629)	197
Net Movement in Funds before Minority Interest		(6,969)	120	(108,010)	(114,859)	45,446
Less: Minority Interest		(231)	-	-	(231)	(467)
Net Movement in Funds after Minority Interest		(7,200)	120	(108,010)	(115,090)	44,979
Balance brought forward at 1 April 2013		10,692	48	113,413	124,153	79,174
Balance carried forward at 31 August 2014		3,492	168	5,403	9,063	124,153

STATEMENT OF FINANCIAL ACTIVITIES
(COMPANY ONLY)



For the year ended 31 August 2014

	Notes	General Fund £'000	Designated Fund £'000	Restricted Funds £'000	17 Months to 31 August 2014 Total £'000	12 Months to 31 March 2013 Total £'000
INCOMING RESOURCES						
Activities for generating funds						
Dividends receivable	1b	166	-	77	243	117
Rental income		116	-	-	116	49
Interest income		37	-	-	37	26
Exchange gains		-	-	-	-	33
Voluntary income - net assets taken on with transfers into the Charity		-	-	5,228	5,228	-
Activities in furtherance of the charity's objects						
Teaching	1b	17,306	-	-	17,306	18,856
Research		-	-	-	-	-
Consultancy services		33,102	-	-	33,102	22,262
Counselling and guidance		3	-	-	3	7
Support for educators		23,916	-	-	23,916	13,572
Total Incoming Resources		74,646	-	5,305	79,951	54,922
RESOURCES EXPENDED						
Cost of generating funds						
Investment manager's fees		36	-	15	51	30
Costs of activities in furtherance of the charity's objects						
Teaching	1k	18,194	-	-	18,194	20,339
Research		-	202	-	202	520
Consultancy services		32,005	-	27	32,032	22,389
Counselling and guidance		9	-	-	9	4
Support for educators		26,699	-	-	26,699	14,136
Governance costs		412	-	-	412	371
Development costs		1,623	-	-	1,623	1,066
Exchange losses		855	-	-	855	-
Total Resources Expended		79,833	202	42	80,077	58,855
Net (Outgoing) / Incoming Resources before Transfers		(5,187)	(202)	5,263	(126)	(3,933)
Transfers between funds	1j	(322)	322	-	-	-
Net (Outgoing) / Incoming Resources for the Year		(5,509)	120	5,263	(126)	(3,933)
Other Recognised Gains and Losses						
Gains on investments - realised and unrealised	9	327	-	98	425	388
Actuarial loss on defined benefit pension schemes	16	(4,005)	-	-	(4,005)	(1,210)
Gain on current asset relating to pension schemes	11	4,249	-	-	4,249	1,267
Exchange differences		(71)	-	-	(71)	48
Total Recognised Gains For Current Year		500	-	98	598	493
Net Movement in Funds		(5,009)	120	5,361	472	(3,440)
Balance brought forward at 1 April 2013		14,400	48	-	14,448	17,888
Balance carried forward at 31 August 2014		9,391	168	5,361	14,920	14,448

	Notes	GROUP		COMPANY/CHARITY	
		As at 31/08/14 £'000	As at 31/03/13 £'000	As at 31/08/14 £'000	As at 31/03/13 £'000
FIXED ASSETS					
Intangible Assets					
Goodwill	1c, 7	69	86	-	-
Negative goodwill	1c, 7	(322)	(358)	-	-
		<u>(253)</u>	<u>(272)</u>		
Tangible assets	1d, 8	8,508	121,033	6,567	6,333
Investments	1f, 9	9,976	9,406	9,976	4,565
Investments in group undertakings	10	-	-	1,720	1,720
				<u>18,263</u>	<u>12,617</u>
Total fixed assets		18,231	130,167	18,263	12,617
CURRENT ASSETS					
Debtors:					
Amounts falling due within one year	11	19,057	23,370	14,570	17,122
Amounts falling due in more than one year	11	9,616	4,851	9,100	4,851
Cash at bank and in hand		9,607	24,390	3,373	4,869
		<u>38,280</u>	<u>52,611</u>	<u>27,043</u>	<u>26,842</u>
CURRENT LIABILITIES					
Creditors:					
Amounts falling due within one year	12	(20,076)	(24,793)	(16,847)	(14,163)
		<u>18,204</u>	<u>27,818</u>	<u>10,196</u>	<u>12,679</u>
Net current assets					
		<u>18,204</u>	<u>27,818</u>	<u>10,196</u>	<u>12,679</u>
Total assets less current liabilities		36,435	157,985	28,459	25,296
Creditors:					
Amounts falling due after one year	12	-	-	-	-
Provision for liabilities and charges	15	(2,774)	(4,435)	(3,191)	(4,662)
Defined benefit pension schemes:					
schemes in surplus	16	697	651	-	-
schemes in deficit	16	(22,834)	(27,358)	(10,348)	(6,186)
		<u>11,524</u>	<u>126,843</u>	<u>14,920</u>	<u>14,448</u>
NET ASSETS		11,524	126,843	14,920	14,448
CHARITABLE FUNDS					
General Fund (excluding pension liabilities and assets)		16,344	32,548	10,639	15,735
Designated Fund	20	168	48	168	48
Restricted Funds	11, 13	5,588	113,413	5,361	-
		<u>22,100</u>	<u>146,009</u>	<u>16,168</u>	<u>15,783</u>
SUB TOTAL FUNDS (excluding pension liabilities and assets)		22,100	146,009	16,168	15,783
FRS 17 Pension Liability - General Funds	16	(21,952)	(26,707)	(10,348)	(6,186)
FRS 17 Pension Liability - Restricted Funds	16	(185)	-	-	-
Related Pension Asset	11	9,100	4,851	9,100	4,851
		<u>9,063</u>	<u>124,153</u>	<u>14,920</u>	<u>14,448</u>
TOTAL FUNDS (including pension assets/liabilities but excluding Minority Interest)		9,063	124,153	14,920	14,448
Minority Interests		2,461	2,690	-	-
		<u>11,524</u>	<u>126,843</u>	<u>14,920</u>	<u>14,448</u>
TOTAL FUNDS		11,524	126,843	14,920	14,448

The financial statements were approved by the Board and signed on its behalf by:



Philip Graf
Chairman
12th March 2015

CONSOLIDATED CASH FLOW STATEMENT



	Notes	17 Months Ended 31 August 2014 £'000	12 Months Ended 31 March 2013 £'000
Net cash (outflow) / inflow from operating activities	18	(624)	10,374
Returns on investments and servicing of finance			
Interest received		54	97
Interest paid		(2)	(8)
Dividends received from investments		381	262
Net cash inflow from returns on investments and servicing of finance		433	351
Overseas tax paid		(267)	(706)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(2,271)	(9,200)
Sale of tangible fixed assets		518	343
Purchase of fixed asset investments		(9,756)	(2,764)
Sale of fixed asset investments		9,614	2,945
Net cash outflow from capital expenditure and financial investment		(1,895)	(8,676)
Net cash acquired with academies and subsidiary undertakings			598
Net cash disposal with removal of subsidiary undertakings		(12,176)	-
Dividends paid to minority interests		(449)	(239)
Net cash inflow before management of liquid resources		(14,978)	1,702
Management of liquid resources			
Increase in short term deposits with banks	1m	-	1,000
Net cash inflow from management of liquid resources		-	1,000
Financing			
Capital repaid		-	(30)
(Decrease) / increase in cash in the year	18	(14,978)	2,672

1. PRINCIPAL ACCOUNTING POLICIES

a. Basis of accounting and consolidation

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost convention, except for the revaluation to market value of fixed asset investments.

The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in April 2005 in preparing the annual report and financial statements of the charity. The Group consolidated financial statements have been prepared in accordance with the Companies Act 2006 as applicable to charitable companies reporting under UK GAAP.

All branches are consolidated fully within the charity. The results and balance sheet of CfBT Education Trust and its subsidiaries have been consolidated on a line by line basis.

The consolidated Statement of Financial Activities includes the financial activities of the charity and its subsidiary undertakings up to 31 March. The results of subsidiaries acquired or sold are included in the consolidated Statement of Financial Activities from, or up to, the date control passes. Intra-group transactions are eliminated fully on consolidation. Following the Department for Education's decision to consolidate all academies and multi-academy trusts into its own accounts, CfBT Schools Trust and St Mark's Academy Trust were deconsolidated with effect from 1 April 2013 by way of a disposal at that date.

On acquisition of subsidiaries, all of the assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. Where the acquisition is akin to a gift (for example, the Group is given control of another entity with surplus assets and a sound business plan) the fair value of the assets and liabilities acquired are treated as a donation, in line with accounting policy 1b below. All other acquisitions are accounted for in accordance with policy 1c below. All changes to those assets and liabilities and the resulting surpluses or deficits that arise after the group has gained control of the subsidiary are charged to the post-acquisition Statement of Financial Activities.

b. Incoming resources

In the Statement of Financial Activities, income is split between income received on activities for generating funds and income received to meet the charity's objectives.

Income for generating funds includes investment income, rental income and interest, and is included in the Statement of Financial Activities on a receivable basis.

Voluntary income includes donations. Donations are recognised at their open market value in the period in which they are receivable as incoming resources where the benefit to the company can be reliably measured. Where the donation relates to a fixed asset, it is independently assessed to obtain the depreciated replacement cost and the asset is included in the appropriate fixed asset category and depreciated over the remaining useful economic life in accordance with the group policy.

Voluntary income includes the fair value of subsidiaries acquired in the period where this is akin to a gift (see note 1a). When an academy transfers into the group with net assets the fair value of the net assets is treated as a donation. When an academy transfers into the group with net liabilities the fair value of these net liabilities are disclosed on the SOFA under 'Teaching - net liabilities taken on with transfers into the Group'.

Income received from activities to meet the charity's objects represents amounts receivable for goods and services provided in the UK and overseas, net of taxes levied on sales.

The income has been split under the five key activities identified to meet the charity's objectives: Teaching, Research, Counselling and Guidance, Consultancy Services and Support for Educators.

Incoming resources are included in the Statement of Financial Activities when the Group has entitlement to the funds, the amount can be quantified, and there is certainty of receipt. Specifically:

- Income from tuition and nursery fees is recognised to the extent that the related services have been provided.
- Income from contracts is recognised using the stage of completion method which is equivalent to the aggregate of related expenditure incurred plus a portion of estimated surplus. Anticipated losses on contracts are charged to the Statement of Financial Activities in their entirety when losses become evident.

Income received in advance of the performance of the service is treated as deferred income.

Any associated expenditure is accounted for according to the accruals concept.

c. Intangible fixed assets

Intangible fixed assets represent goodwill arising on acquisitions less accumulated amortisation. Goodwill arising on an acquisition of a subsidiary undertaking is the difference between the fair value of the consideration paid and the fair value of the assets and liabilities acquired. It is capitalised and amortised through the Statement of Financial Activities over the trustees' estimate of its useful economic life which ranges from 5 to 10 years. Impairment tests on the carrying value are undertaken:

- at the end of the first full year after acquisition
- in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Under FRS 10, negative goodwill arising on acquisitions should be allocated to non-monetary assets. The negative goodwill is then retained on the balance sheet and released to the Statement of Financial Activities over the remaining useful life of those assets. In the event the assets are disposed of prior to the end of their useful life any remaining negative goodwill should be released immediately.

d. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life as follows:

Freehold property	Over a period of 30 years or expected remaining life whichever is the shorter. Land is not depreciated.
Long-term leasehold property	Buildings over a period of 30 years or expected remaining useful life whichever is the shorter. Land related to a long term lease is depreciated over the period of the lease
Leasehold improvements	Over lease term or remaining contract period, whichever is shorter
Office furniture and equipment	20%
Motor vehicles	25%
Computer equipment - laptops / desktop	33%
IT Infrastructure equipment and system software	20%

For office furniture, equipment and computer equipment purchased second-hand, the depreciation rate is 50% straight-line.

Where assets are held for a specific contract, those assets are written off over the shorter of the estimated life of the asset and the underlying contract.

The company policy is not to capitalise items costing under £1,000. VAT is normally excluded in the cost of the capital item unless it is irrecoverable in which case it will be treated as part of the cost of that asset.

Assets in the course of construction, and funded by DfE grants, are capitalised at cost and included in the financial statements. The assets are not depreciated until they are brought into use. No value is placed on existing buildings that are leased on a short term basis whilst construction work is taking place.

Tangible fixed assets transferred to the group for no consideration are reflected within fixed assets at the point of transfer. The assets are independently valued and included in the statements at depreciated replacement cost and then depreciated according to the Group policy.

1. PRINCIPAL ACCOUNTING POLICIES (continued)

e. Operating leases

Rentals paid under leases are charged against income on a straight-line basis over the lease term.

f. Fixed asset investments

Fixed asset investments comprise investment portfolios and investment properties. The valuations of the investment portfolios were performed by the group's investment managers, Newton Investment Management Limited and HSBC Global Asset Management (UK) Limited. All investment income is derived from quoted investments and recorded in the books of the charity when received. Investment properties are revalued periodically to open market value and are recorded in the financial statements at market value. No depreciation is provided. Any loss or gain on revaluation is reflected in the Statement of Financial Activities.

Investment properties are independently valued once every five years, unless there is a possibility of a material movement between valuations.

g. Foreign currency translation

Assets and liabilities held in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year and the results of foreign operations are translated at the average rate of exchange for the year. Differences on exchange arising from the retranslation of the opening net investment in overseas operations and exchange movements arising from intercompany balances are reported within the Statement of Realised and Unrealised Gains and Losses. Differences on exchange arising from retranslation of foreign currency bank balances and other assets are reported under income and expenditure in the Consolidated Statement of Financial Activities.

All other foreign exchange differences are taken to the Statements of Financial Activities in the period in which they arise.

h. Cost of generating funds

The cost of generating funds includes charges made by the investment managers, Newton Investment Management Limited and HSBC Global Asset Management (UK) Limited for the Group's portfolio management.

i. Pension scheme arrangements

The Charity's Statement of Financial Activities comply with the FRS 17 requirement to report pension assets and liabilities for defined benefit schemes in the Statement of Financial Activities and the balance sheet. These are detailed in note 16 in the accounts.

(i) Defined contribution scheme

The parent company and its subsidiaries operate defined contribution pension schemes whereby contributions are charged against revenue as they are made.

(ii) Defined benefit scheme

The parent company and two of its subsidiary companies contribute to defined benefit pension schemes. The funds are valued every three years by professionally qualified independent actuaries, the rates of contributions payable being determined by the actuaries. In the intervening years the actuaries review the continuing appropriateness of the rates.

Pensions are accounted for in accordance with FRS 17 so that the difference between the fair value of the assets held in these schemes and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the group's balance sheet as a pension asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the group is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

Changes in the defined benefit pension schemes assets or liabilities arising from factors other than cash contributions by the group are charged to the Statement of Financial Activities in accordance with FRS 17 'Retirement benefits'.

The group provides no other significant post-retirement benefits to its employees.

j. Awards and grants, designated fund and commitments

The trustees allocate a budget at the beginning of the financial year taking into account the level of opening reserves and any budgeted surplus for the coming year. This budget is transferred from the general fund to a designated fund for awards and grants at the beginning of the year. In order to comply with SORP 2005 resources expended in the designated fund are accounted for when commitments are made to grant recipients.

k. Charitable expenditure

The charity derives its income directly from conducting its charitable activities through operating. Within the Statement of Financial Activities, charitable expenditure is split between expenditure for generating funds and expenditure on activities to meet the charity's objects.

The expenditure on activities to meet the charity's objectives has been split under the five key activities identified namely: Teaching, Research, Counselling and Guidance, Consultancy Services and Support for Educators. Further detail of the work within each of these areas is detailed in the Trustees' Report.

Governance costs represent expenditure incurred by the Board of Trustees in undertaking their role as Trustees of the Charity and compliance with statutory requirements.

Expenditure incurred by subsidiary companies is deemed to be direct operating expenditure. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a fair basis. All other indirect expenditure is allocated based on the proportion of incoming resources of that activity as a percentage of the group incoming resources.

Development expenses, which include marketing expenses, both those of a promotional nature and those specific to negotiating and obtaining future projects, are written off in the period in which the expenses are incurred and shown separately on the face of the Statement of Financial Activities. Project start-up expenses are carried forward and charged in the period in which the project income commences.

Where input VAT is not recoverable on work undertaken by the Group it is treated as a cost of that project and reflected in the Statement of Financial Activities.

l. Restricted funds

The company's reserves are allocated to two separate types or funds: restricted funds and unrestricted funds. Restricted funds are those relating to income which may only be used for specific purposes. All other funds, including designated funds, are unrestricted.

The Trustees may approve the transfer of funds from unrestricted to restricted funds if operating losses would otherwise result in negative restricted funds being carried forward and it is not anticipated that future operating profits will cover those losses.

m. Liquid resources in the cash flow statements

Liquid resources are readily disposable current assets, including items such as money market deposits, listed investments and local authority bonds. Funds placed on money market deposit for more than one day or held in cash, current or call accounts are defined as liquid resources.

2. SEGMENTAL ANALYSIS

(a) Group incoming resources relating to operating activities

An analysis of group turnover by geographical segment is given below:

	17 Months to 31 August 2014 £'000	12 Months to 31 March 2013 £'000
United Kingdom	72,532	159,656
South and South East Asia	26,333	19,846
Middle East	16,483	13,152
Africa	9,505	4,170
Europe and other	326	516
	<u>125,179</u>	<u>197,340</u>

(b) Net incoming resources

An analysis of (deficit) / surplus by geographical segment is given below:

	£'000	£'000
United Kingdom	(4,637)	42,357
South and South East Asia	819	1,659
Middle East	59	929
Africa	812	243
Europe and other	47	60
	<u>(2,900)</u>	<u>45,248</u>

3. STAFF AND TEACHER COSTS

	17 Months to 31 August 2014 £'000	12 Months to 31 March 2013 £'000
Wages and salaries	54,823	76,174
Social security costs	3,187	4,912
Pensions - payments made to funds	2,840	6,936
Pensions - other adjustments	228	471
Temporary staff	1,524	2,476
Seconded staff	1,561	295
	<u>64,163</u>	<u>91,264</u>

Staff members whose total annual remuneration was in the ranges:

	No. of Staff	No. of Staff
£60,000 - £69,999	34	43
£70,000 - £79,999	10	23
£80,000 - £89,999	20	7
£90,000 - £99,999	14	8
£100,000 - £109,999	3	3
£110,000 - £119,999	3	4
£120,000 - £129,999	1	3
£130,000 - £139,999	-	-
£140,000 - £149,999	-	-
£160,000 - £169,999	2	-
£240,000 - £249,999	1	-
	<u>88</u>	<u>91</u>

Total employer pension contributions for the provision of money purchase schemes totalled £234,949 (£159,958 2012/13) for those staff whose total remuneration was over £60,000.

The number of staff whose remuneration was over £60,000 to whom retirement benefits are accruing under:

	17 Months to 31 August 2014 No. of Staff	12 Months to 31 March 2013 No. of Staff
- money purchase schemes	40	26
- defined benefit schemes	16	38

By activity, the average monthly number of persons employed by the group during the period was:

	17 Months to 31 August 2014	12 Months to 31 March 2013
Fee earning staff	1,186	3,045
Service staff	233	315
	<u>1,419</u>	<u>3,360</u>

Staff numbers have reduced mainly due to the non-consolidation of CfBT Schools Trust and St Mark's Academy in 2013/14 (2012/13 average staff: 1650) and the disposal of a school (2012/13 average staff 65).

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 August 2014



4. NET INCOMING RESOURCES
is stated after charging / (crediting)

	17 Months to 31 August 2014	12 Months to 31 March 2013
	Total £'000	Total £'000
Auditors' remuneration:		
Audit (company 2013/14: £48,530, 2012/13: £61,002)	87	104
Tax Advice	19	10
Other	24	32
Depreciation (note 8)	1,899	5,162
Goodwill amortisation (note 7)	(19)	(1,797)
Remuneration of the Board of Trustees (note 6)	124	87
Exchange differences	51	61
Operating lease rentals:		
Hire of plant and machinery	309	170
Property	2,786	2,606
Vehicles	19	207
Loss on sale of tangible fixed assets	(179)	(1)
Loss on disposal of goodwill (note 7)	-	-
Impairment of assets	-	1,611

5. ANALYSIS OF TOTAL RESOURCES EXPENDED - Group

Group	Direct Staff Costs £'000	Support Staff Costs £'000	Materials Production and Training Delivery £'000	Premises £'000	Other Project Expenditure (including depreciation) £'000	Other Support Expenditure £'000	17 Months to 31 August 2014 £'000	12 Months to 31 March 2013 £'000
Activities in furtherance of the charity's objects								
Teaching	29,422	2,120	249	2,467	11,847	1,901	48,006	97,992
Research	116	-	28	-	58	-	202	520
Consultancy services	8,980	2,388	2,663	435	27,473	1,779	43,718	29,069
Counselling and guidance	5,764	433	191	251	1,217	321	8,177	6,347
Support for educators	12,445	1,370	1,077	232	9,718	1,012	25,854	16,664
	56,727	6,311	4,208	3,385	50,313	5,013	125,957	150,592
Governance costs	162	-	1	-	249	-	412	371
Investment managers' fees	-	-	-	-	-	87	87	62
Development costs	963	-	69	2	589	-	1,623	1,066
Total resources expended	57,852	6,311	4,278	3,387	51,151	5,100	128,079	152,091

All direct expenditure is charged to the relevant charitable activity on an accruals basis. Expenditure has been shown under the main categories and split between direct and indirect costs. Other expenditure includes consultancy fees and other costs incurred in order to meet the charity's contractual obligations. Support expenditure which is not directly attributable to a charitable activity has been allocated based on the income of that activity as a proportion of the Group incoming resources.

6. TRANSACTIONS WITH TRUSTEES AND CONNECTED PARTIES

(a) Remuneration and transactions

Recipient	Nature	£	£
P. Graf	Stipend	35,417	25,000
S. Hunt	Stipend	22,100	15,600
S. Laing	Stipend	22,100	15,600
P. Wood	Stipend	22,100	15,600
J. Rose	Stipend	22,100	15,600
		123,817	87,400

P Graf, S Hunt, S Laing, P Wood and J Rose were appointed trustees under clause 5.2.9/5.2.10 of the Memorandum of Association.

(b) Expenses reimbursed to, and paid on behalf of, the Board of Trustees

Nature of expense	Number of Board Members		17 Months to	12 Months to
	2013/14	2012/13	31 August 2014	31 March 2013
Travel expenses	7	9	£ 8,040	£ 6,038
Subsistence/meals/hospitality	4	1	78	47
Hotels/accommodation	2	2	249	432
Other costs	2	2	130	43
			8,497	6,560

(c) Transactions with Connected Parties

Trustees

Sara Hodson, a trustee of CfBT Education Trust, is the spouse of an employee of CfBT Education Trust. This employee was paid £19,999 during the period ended 31 August 2014 (2012/13: £23,626).

Director

The spouse of Steve Munby, the CEO of CfBT Education Trust, was contracted at arm's length as a self-employed inspector on an external contract managed by the Trust. During the period she was paid £8,710 (2012/13 Nil).

The charity has taken advantage of the exemption available under Financial Reporting Standard 8, 'Related Party Transactions' not to disclose details of any transactions with its wholly owned subsidiaries, which are consolidated into the group.

CfBT Schools Trust and St Mark's Academy are no longer deemed wholly owned subsidiaries of CfBT Education Trust (note 10). The Trusts are related parties due to CfBT Education Trust having representation on the CfBT Schools Trust Board.

CfBT Education Trust continues to transact with CfBT Schools Trust and St Mark's Academy on an arm's length basis. The transactions during the 17 month period to 31 August were:

Trading with CfBT Schools Trust :	£'000
Recovery of transactional expenditure paid on behalf of Schools Trust	361
Recovery of Trust staff salary costs paid by Education Trust on behalf of Schools Trust	1,007
Recovery of staff expenses paid on behalf of the Trust	15
Charge for CfBT Education Trust staff's time supporting Schools Trust	561
Services provided within normal CfBT Business	187
Payments made to schools as part of normal CfBT Business	59

Trading with St Mark's Academy is as follows:

Services provided within normal CfBT Business	£'000
	36

CfBT Schools Trust owed £678,678 to CfBT Education Trust as at 31 August 2014 and this amount is included within other debtors in both the charity and group figures.

7. INTANGIBLE FIXED ASSETS

	Group		Company	
	2013/14 £'000	2012/13 £'000	2013/14 £'000	2012/13 £'000
GOODWILL				
Cost				
At 1 April	11,130	13,656	9,938	12,464
Additions	-	-	-	-
Disposals	-	(2,526)	-	(2,526)
At 31 August (2013/14) and 31 March (2012/13)	11,130	11,130	9,938	9,938
Aggregate Amortisation				
At 1 April	(11,044)	(13,356)	(9,938)	(11,982)
Charge for the year	(17)	(214)	-	(482)
Disposals	-	2,526	-	2,526
At 31 August	(11,061)	(11,044)	(9,938)	(9,938)
Net Book Amount at 31 August (2013/14) and 31 March (2012/13)	69	86	9,938,000	-
NEGATIVE GOODWILL				
Cost				
At 1 April	(3,923)	(3,923)	(64)	(64)
Additions	-	-	-	-
Disposals	2,255	-	-	-
At 31 August (2013/14) and 31 March (2012/13)	(1,668)	(3,923)	(64)	(64)
Aggregate Amortisation				
At 1 April	3,565	1,554	64	64
Disposals	(2,255)	-	-	-
Impairment	-	1,986	-	-
Charge for the year	36	25	-	-
At 31 August (2013/14) and 31 March (2012/13)	1,346	3,565	64	64
Net Book Amount at 31 August (2013/14) and 31 March (2012/13)	(322)	(358)	-	-

Goodwill amortisation policy:

Type of business	Amortisation period
Consultancy based services	5 years straight line
Schools and nurseries	10 years straight line

During 2013/14 the fully amortised negative goodwill relating to the sale of a school was removed from goodwill.

During 2012/13 CfBT disposed of a school and a nursery which were originally acquired as part of a group of schools and nurseries in 2005/06. A proportion of the goodwill relating to those nurseries, which was already fully amortised, was removed from goodwill. In addition, two of the Group's other nurseries were transferred out of the Group and the associated goodwill removed.

During 2012/13 agreement was reached to divest of a school. Negative goodwill, along with the net book value of the buildings, was impaired down to the amount recoverable under the agreements.

8. TANGIBLE FIXED ASSETS

Group	Freehold Property £'000	Long Term Leasehold Property £'000	Leasehold Improvement £'000	Motor Vehicles £'000	Office Fixtures £'000	Computers £'000	Total £'000
Cost							
As at 1 April 2013	78,020	41,800	5,331	516	5,136	7,555	138,358
Additions	102	-	192	34	77	343	748
Additions - work in progress	-	-	-	-	-	1,523	1,523
Disposal of Schools Trust and St Mark's Academy	(70,466)	(41,800)	-	(124)	(1,976)	(1,586)	(115,952)
Other Disposals	(2,985)	-	(367)	(58)	(1,044)	(1,337)	(5,791)
Exchange adjustment	(342)	-	(7)	(44)	(72)	(49)	(514)
As at 31 August 2014	4,329	-	5,149	324	2,121	6,449	18,372
Depreciation							
As at 1 April 2013	4,493	1,671	2,001	292	3,433	5,435	17,325
Donations	-	-	-	-	-	-	-
Charge for year	226	-	402	76	323	872	1,899
Impairment	-	-	-	-	-	-	-
Eliminated on disposal of Schools Trust and St Mark's Academy	(1,220)	(1,671)	-	(42)	(852)	(789)	(4,574)
Eliminated on disposal	(2,057)	-	(256)	(58)	(1,023)	(1,249)	(4,643)
Exchange adjustment	(13)	-	(8)	(28)	(55)	(39)	(143)
As at 31 August 2014	1,429	-	2,139	240	1,826	4,230	9,864
Net book value at 31 August 2014	2,900	-	3,010	84	295	2,219	8,508
Net book value at 31 March 2013	73,527	40,129	3,330	224	1,703	2,120	121,033

During 2013/14 the company invested in a global ERP system. This is reflected within Additions - work in progress. The system will be capitalised on completion and depreciated from that date.

During 2013/14 Schools Trust and St Mark's Academy were disposed from the CfBT group consolidation (see note 10). Therefore all assets relating to these companies were removed from the consolidated figures.

Company	Freehold Property £'000	Long-Term Leasehold Property £'000	Leasehold Improvement £'000	Motor Vehicles £'000	Office Fixtures £'000	Computers £'000	Total £'000
Cost							
As at 1 April 2013	1,843	-	5,212	160	2,581	5,874	15,670
Additions	77	-	188	-	66	274	605
Additions - work in progress	-	-	-	-	-	1,521	1,521
Disposals	(191)	-	(356)	(32)	(878)	(1,471)	(2,928)
As at 31 August 2014	1,729	-	5,044	128	1,769	6,198	14,868
Depreciation							
As at 1 April 2013	479	-	1,901	129	2,181	4,647	9,337
Impairments	-	-	-	-	-	-	-
Charge for year	67	-	390	14	233	791	1,495
Eliminated on disposal	(9)	-	(245)	(24)	(865)	(1,388)	(2,531)
As at 31 August 2014	537	-	2,046	119	1,549	4,050	8,301
Net book value at 31 August 2014	1,192	-	2,998	9	220	2,148	6,567
Net book value at 31 March 2013	1,364	-	3,311	31	400	1,227	6,333

9. FIXED ASSET INVESTMENTS

Portfolio structure	Group			
	2013/14		2012/13	
	%	£'000	%	£'000
British Government treasury stocks			3.7%	320
GBP Bonds	4.3%	397	5.1%	444
International Bonds	4.7%	431	7.8%	674
UK equities	26.3%	2,423	49.4%	4,277
International equities (other than UK)	11.2%	1,036	24.1%	2,082
UK Multi Asset Funds	5.9%	541	4.0%	343
International Multi Asset Funds	1.4%	129	2.1%	185
Multi Asset Funds non region specific	44.8%	4,133	-	-
Cash held by investment managers in money market funds	1.5%	136	3.8%	331
Market value as at 31 August 2014 (and 31 March 2013)	100%	9,226	100%	8,656
Investment Property				
Property		750		750
Total value of fixed asset investments at 31 August 2014 (and 31 March 2013)		9,976		9,406
Movement in market value of investments				
		2013/14		2012/13
		£'000		£'000
Market Value as at 31 March 2013		9,406		8,545
Additions		9,756		2,764
Disposals		(9,614)		(2,945)
Unrealised gains		146		570
Realised gains		477		322
(Decrease) / increase in cash		(195)		150
Market value as at 31 August 14		9,976		9,406

Portfolio structure	Company			
	2013/14		2012/13	
	%	£'000	%	£'000
British Government treasury stocks			6.0%	230
GBP Bonds	4.3%	397	3.5%	133
International Bonds	4.7%	431	3.8%	144
UK equities	26.3%	2,423	46.3%	1,766
International equities (other than UK)	11.2%	1,036	33.8%	1,290
UK Multi Asset Funds	5.9%	541	-	-
International Multi Asset Funds	1.4%	129	-	-
Multi Asset Funds non region specific	44.8%	4,133	-	-
Cash held by investment managers in money market funds	1.5%	136	6.6%	251
Market value as at 31 August 2014 (and 31 March 2013)	100%	9,226	100%	3,814
Investment Property				
Property		750		750
Total value of fixed asset investments at 31 August 2014 (at 31 March 2013)		9,976		4,564
Movement in market value of investments				
		2013/14		2012/13
		£'000		£'000
Market Value as at 31 March 2013		4,564		4,177
Donation		4,997		-
Additions		7,671		1,162
Disposals		(7,566)		(1,246)
Unrealised (losses) / gains		(861)		298
Realised gains		1,286		90
(Decrease) / increase in cash		(115)		82
Market value as at 31 August 2014		9,976		4,564

The donation in the company only note relates to the transfer on 1 April 2014 of the portfolio of Alexandria Schools Trust (a wholly owned subsidiary of CfBT Education Trust) into the charity. The value of the donation is the market value at the date of transfer.

During 2013/14 one investment portfolio was fully liquidated and the funds invested in shares in an SRI Fund. This fund is now reported as a Multi Asset fund non region specific.

The investment property was assessed to have a market value, as defined in the Valuation Standards published by the Royal Institution of Chartered Surveyors, of £750,000 on 2 March 2010. The valuation was undertaken by Lambert Smith Hampton, property surveyors.

Historical cost of investment portfolio	Group		Company	
	2013/14	2012/13	2013/14	2012/13
	£'000	£'000	£'000	£'000
Cost as at 31 August 2014 (and 31 March 2013)	8,470	7,754	8,470	2,893

10. INVESTMENTS IN SUBSIDIARIES

The Company holds investments in principal undertakings as follows:

	Country of registration	Activity	% Holding of Issued Share Capital	Turnover £'000	Expenditure £'000	Net Assets/ (Liabilities) £'000
CfBT Advice and Guidance Limited	Great Britain	Teaching, Counselling & Guidance	100%	13,065	12,361	(11,862)
International School of Cape Town (Pty) Ltd	South Africa	Teaching	100%	1,750	1,640	325
CfBT Education Services (B) Sdn Bhd	Brunei	Teaching	55%	24,776	23,855	3,431
CfBT Education Services and Partners LLC	Oman	Support for Educators	70%	1,417	1,442	(120)
CfBT Multimedia Education Sdn Bhd	Malaysia	Support for Educators	100%	148	197	663
CfBT Education Services	India	Support for Educators	100%	164	207	65
CfBT Education Resource Management Private Ltd	India	Support for Educators	100%	189	174	(10)
Monkton House Kings College (Cardiff) Educational Trust Ltd	Great Britain	Teaching	100%	(5)	(7)	(492)

Following the Department for Education's decision to consolidate all academies and multi-academy trusts into its own accounts, CfBT Schools Trust and St Mark's Academy Trust ceased to be treated as accounting subsidiaries with effect from 1 April 2013.

The assets of Alexandria Schools Trust were transferred to CfBT Education Trust on 1 April 2014.

Additionally, CfBT has a material, 49% shareholding in CfBT for Education LLC, a company which delivers education and training services in Abu Dhabi. CfBT has effective control of the company and as such its results have been consolidated within the group.

INVESTMENTS DURING THE YEAR

COMPANY

Cost as at 1 Sept 2014 and as at 31 March 2013

Subsidiary
Investment Total
£'000

1,720

11. DEBTORS

	Group		Company	
	As at 31/08/14 £'000	As at 31/03/13 £'000	As at 31/08/14 £'000	As at 31/03/13 £'000
Amounts falling due within one year				
Trade debtors	8,722	7,185	6,348	3,833
Amounts owed by group undertakings	-	-	3,279	6,655
Other debtors	4,231	4,901	1,638	976
Prepayments	1,635	3,133	1,008	1,671
Accrued income	4,469	8,151	2,297	3,987
	<u>19,057</u>	<u>23,370</u>	<u>14,570</u>	<u>17,122</u>
Amounts falling due in more than one year				
Pension asset	9,100	4,851	9,100	4,851
Other debtors	516	-	-	-
	<u>9,616</u>	<u>4,851</u>	<u>9,100</u>	<u>4,851</u>

Other debtors represents deferred consideration in respect of the disposal of an independent school previously owned by CfBT Education Trust. Amounts receivable after more than one year are discounted to present value at the rate of 6% per annum.

Under a contract with a local authority, the latter has assumed responsibility for a part of any pension deficit that may exist at the end of the contract. As a result, an amount equal to an appropriate share of the pension deficit calculated in accordance with FRS 17 is included as a current asset recoverable in more than one year. In addition, CfBT is reclaiming from the local authority any pension payments made in the year in respect of

12. CREDITORS

	Group		Company	
	As at 31/08/14 £'000	As at 31/03/13 £'000	As at 31/08/14 £'000	As at 31/03/13 £'000
Amounts falling due within one year				
Trade creditors	961	3,715	856	1,776
Amounts owed to group undertakings	-	-	1,374	1,127
Monies held on behalf of third parties	733	1,112	720	915
Taxation and social security	551	1,549	422	650
R&D committed funds	670	1,048	670	1,048
Other creditors	4,366	3,268	2,290	2,016
Accruals	5,693	7,822	4,440	3,304
Deferred income	6,827	6,122	6,075	3,327
Tax	275	157	-	-
	<u>29,076</u>	<u>24,793</u>	<u>16,847</u>	<u>14,163</u>

13. RESTRICTED FUNDS						17 Months to	12 Months to
	League for the Exchange of Commonwealth Teachers £'000	Kings Monkton College £'000	Alexandria Schools Trust £'000	CfBT Schools Trust £'000	St Mark's Academy £'000	31 August 2014 £'000	31 March 2013 £'000
Balance at 31 March 2013	157	-	4,927	83,332	24,997	113,413	64,961
Donations	-	-	-	-	-	-	42,414
Income	35	(3)	313	-	-	345	63,812
Expenditure	(149)	202	(79)	(83,332)	(24,997)	(108,355)	(58,464)
Other recognised gains	-	-	199	-	-	199	-
Transfers	-	(199)	-	-	-	(199)	690
Balance at 31 August 2014	43	-	5,360	-	-	5,403	113,413
Restricted Fund Balance Sheet							
Tangible Fixed Assets / Investments	-	-	5,084	-	-	5,084	116,775
Intangible Fixed Assets	-	-	-	-	-	-	-
Current Assets (Excluding Cash)	230	709	18	-	-	957	3,575
Cash	7	1	308	-	-	316	12,372
Current Liabilities	(9)	(1,202)	(12)	-	-	(1,223)	(8,345)
Provisions for liabilities and charges	-	-	(38)	-	-	(38)	(237)
Transfers from General funds	-	492	-	-	-	492	690
Net Assets before pension scheme liabilities	228	-	5,360	-	-	5,588	124,830
Defined benefit pension scheme liabilities	(185)	-	-	-	-	(185)	(11,417)
Net Assets as at 31 August 2014	43	-	5,360	-	-	5,403	113,413

The charitable objectives of Monkton House Kings College (Cardiff) Educational Trust Ltd and the League for the Exchange of Commonwealth Teachers are narrower than those of CfBT Education Trust giving rise to the restricted funds.

Alexandria Schools Trust was acquired on 8 December 2011. The assets of the Trust were transferred to CfBT Education Trust on 1 April 2014. As part of the transfer agreement the former Trustees of Alexandria Schools Trust placed restrictions on the use of the funds and therefore the fund is still treated as restricted in the Charity. The use of these funds is restricted to the advancement of education in Egypt and other countries, in accordance with British educational principles and practice.

The transfer of funds out of Kings Monkton reflects the final net assets of this company after the transfer of business to a new provider. This transfer is more than offset by the transfer of unrestricted funds to the Kings Monkton restricted fund made in the previous financial year.

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

£5,403,000 of reserves represent restricted funds. All other assets and liabilities represent unrestricted funds.

15. PROVISION FOR LIABILITIES AND CHARGES

GROUP

	Onerous Leases £'000	Dilapidations £'000	Tax £'000	Other £'000	Total £'000
As at 1 April 2013	575	2,219	795	846	4,435
Utilised during the year	(335)	(107)	(51)	(538)	(1,031)
Charge/(Release) for the year	(139)	(477)	108	(122)	(630)
As at 31 August 2014	101	1,635	852	186	2,774

COMPANY

As at 1 April 2013	546	2,067	738	1,311	4,662
Utilised during the year	(307)	(16)	(51)	(463)	(837)
Charge/(Release) for the year	(140)	(491)	168	(171)	(634)
As at 31 August 2014	99	1,560	855	677	3,191

The provisions for dilapidations is a best estimate of the Group's liability as tenant for the repair and redecoration of leased buildings on termination of the leases. Dilapidation provisions of £74,003 (2012/13: £151,610) have been provided for within subsidiary undertakings.

16. PENSION

The Group operates both defined contribution and defined benefit pension schemes.

a. Defined contribution schemes

The assets of these schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the fund and amounted to £1,160,992 (2012/13: £818,589). Contributions totalling £105,589 (2012/13: £94,190) were payable to the fund at the year end and are included in creditors.

The group also contributes to the Teachers' Pension Scheme which is an unfunded, statutory, final salary scheme. Under this scheme, benefits are paid out of monies provided by Parliament and teachers' and employers' contributions are credited to the Exchequer. The pension cost charge represents contributions payable by the Company to the fund and amounted to £290,440 (2012/13: £3,255,051). Contributions totalling £21,160 (2012/13: £258,334) were payable to the fund at the year end and are included in creditors.

b. Defined benefit schemes

The parent company and three subsidiary companies participate in local government pension schemes (LGPS) operated by The Royal Borough of Windsor & Maidenhead (the former Berkshire County Council scheme), Oxfordshire County Council, The London Pension Authority, Lincolnshire County Council, South Yorkshire Pension Authority, Cambridgeshire County Council and Merton Council providing benefits based on final pensionable salary. The assets of the schemes are held separately from those of the Group.

A subsidiary company also participates in the multi-employer Prudential Platinum Defined Pension Scheme. The assets of each employer in the scheme are kept entirely separate. Another subsidiary company, the League for the Exchange of Commonwealth Teachers, has a closed scheme.

The Pension costs for each scheme are assessed in accordance with the advice of independent qualified actuaries using the projected unit method.

Derivation of figures

With the exception of the Prudential Platinum Pension Scheme where the figures disclosed below have been derived by approximate methods from the full actuarial valuation carried out by Hazell Carr Pensions Consulting plc as at 31 December 2009 and the closed subsidiary scheme where the figures have been derived by approximate methods from the full actuarial valuation carried out by Pension Capital Strategies Ltd as at 1 April 2009, the figures disclosed below have been derived by approximate methods from the latest full actuarial valuations of the funds at 31 March 2010 carried out by Barnett Waddingham LLP (Royal County of Berkshire Pension Fund, Oxfordshire County Council Pension Fund, The London Pension Authority and London Borough of Merton Pension Fund), Hymans Robertson (Lincolnshire County Council Pension Fund) and Mercer Ltd (South Yorkshire Pension Fund).

There is no provision for unitising the assets of a fund under the LGPS. The assets of each fund as a whole are allocated to participating bodies on a consistent and reasonable basis. The values placed on the assets and liabilities that relate to the group are shown in the following table together with those of the Prudential Platinum Scheme and the closed subsidiary scheme:

Assumptions	2013/14	2012/13	2011/12
RPI	3.1%-3.4%	2.6%-3.3%	2.6%-3.3%
CPI	2.5%-2.6%	2.4%-2.6%	2.5%-2.6%
Salary increases per annum	3.6%-4.4%	3.1%-5.1%	3.1%-4.8%
Pension increases per annum	2.5%-3.4%	2.3%-3.4%	2.3%-3.3%
Discount Rate per annum	3.6%-3.9%	4.1%-4.7%	4.6%-5.1%

The above salary increases are the long-term rates, the current short-term pay freezes are reflected in the valuations.

Mortality assumptions

Each fund uses assumptions appropriate to that fund. The Prudential Platinum Scheme uses the PNA00 tables, medium cohort with a minimum 1% improvement. The closed scheme uses the same tables but with long cohort projections and 1% underpin. The Local Government schemes use both Club Vita and SP1A tables. Club Vita tables are used with a medium cohort projection and 1% underpin, the SP1A tables are projected on both long and medium cohort bases within different funds, both with a 1% underpin to improvements.

Return on Assets

The overall expected rate of return for each fund is based on the asset distribution within that fund and the expected long-term return on each asset class.

The overall long-term rate of return expected at 31 August 2014 is generally within the range 5.5%-5.9%. (Prior year 5.4%-5.9%). The only exceptions are the Lincs with a rate of 4.4% (4.1%) and the Prudential Platinum Fund with a rate of 3.6% (3.5%).

16. PENSION (continued)

	17 Months to 31 August 2014	12 Months to 31 March 2013	12 Months to 31 March 2012	12 Months to 31 March 2011	12 Months to 31 March 2010
Assets held 31 August 2014 (31 March 2013 and 2012)	£'000	£'000		£'000	£'000
Equities	30,685	45,562		36,115	
Gills	10,572	7,413		6,504	
Other bonds/property	7,317	8,074		8,075	
Cash/other	8,346	7,131		6,157	
Total	<u>56,600</u>	<u>68,180</u>		<u>54,851</u>	
Reconciliation of funded status to balance sheet					
Fair value of assets	56,600	65,179			
Present value of funded liabilities	(78,737)	(91,820)			
	<u>(22,137)</u>	<u>(26,641)</u>			
Present value of unfunded liabilities	-	(66)			
Net liability	<u>22,137</u>	<u>26,707</u>			
Amounts in the balance sheet					
FRS 17 Assets	697	651			
FRS 17 Liabilities	(22,834)	(27,358)			
Net liability	<u>(22,137)</u>	<u>(26,707)</u>			
Analysis of SOFA charge					
Current service cost	1,093	2,333			
Past service cost	113	-			
Interest cost	4,174	3,656			
Expected return on assets	(3,832)	(3,161)			
Settlement cost	156	263			
Expense recognised	<u>1,704</u>	<u>3,091</u>			
Return on assets					
Actual return on assets	<u>6,506</u>	<u>7,788</u>			
Analysis of amount recognised in STRGL					
Total actuarial losses	<u>(6,516)</u>	<u>(2,530)</u>			
Changes to the present value of liabilities during the period					
Opening present value of liabilities	91,886	75,503			
Current service cost	1,093	2,333			
Interest cost	4,174	3,656			
Contributions by participants	261	675			
Actuarial losses on liabilities	9,190	7,157			
Net benefits paid out	(3,615)	(3,369)			
Transfers	(24,521)	5,668			
Past service cost	113	-			
Settlements	156	263			
Closing present value of liabilities	<u>78,737</u>	<u>91,886</u>			
Changes to the fair value of assets during the period					
Opening fair value of assets	65,180	54,851			
Expected return on assets	3,832	3,161			
Actuarial gains on assets	2,674	4,627			
Contributions by the employer	1,476	2,621			
Transfers	(13,208)	2,614			
Settlements	-	-			
Contributions by participants	261	675			
Net benefits paid out	(3,615)	(3,369)			
Closing fair value of assets	<u>56,600</u>	<u>65,180</u>			
History					
	17 Months to 31 August 2014	12 Months to 31 March 2013	12 Months to 31 March 2012	12 Months to 31 March 2011	12 Months to 31 March 2010
Fair value of assets	£'000	£'000	£'000	£'000	£'000
Present value of liabilities	56,600	65,179	54,851	52,548	48,432
Deficit	<u>(78,737)</u>	<u>(91,886)</u>	<u>(75,503)</u>	<u>(60,990)</u>	<u>(79,937)</u>
	<u>(22,137)</u>	<u>(26,707)</u>	<u>(20,652)</u>	<u>(8,442)</u>	<u>(31,505)</u>
Experience gains / (losses) on assets	2,674	4,627	(2,037)	(355)	8,749
Experience (losses) / gains on liabilities	(178)	(421)	(215)	8,869	32
Estimated employer contributions					
	12 Months to 31 August 2015				
	£'000				
	949				

The transfers in 2013/14 represent the transfer of pension liabilities related to CfBT Schools Trust and St Mark's Academy out of the CfBT Education Trust group. See note 1a for further details.

17. OPERATING LEASE COMMITMENTS

At 31 August 2014 (and 31 March 2013) there were annual commitments under non-cancellable operating leases expiring as follows:

	At 31 August 2014	At 31 March 2013
	£'000	£'000
Land and buildings		
Group		
Within one year	1,082	1,007
Within two to five years	1,716	3,263
After five years	614	566
	<u>3,412</u>	<u>4,836</u>
Company		
Within one year	63	156
Within two to five years	599	1,394
After five years	614	566
	<u>1,276</u>	<u>2,116</u>
Other operating leases		
Group		
Within one year	36	118
Within two to five years	97	338
After five years	-	8
	<u>133</u>	<u>464</u>
Company		
Within one year	25	64
Within two to five years	33	69
	<u>58</u>	<u>133</u>

18. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	17 Months to 31 August 2014	12 Months to 31 March 2013
	£'000	£'000
Net (outgoing) / incoming resources	(2,900)	45,249
Depreciation on tangible fixed assets	1,899	5,162
Goodwill amortisation charge net (credit) / charge	(19)	189
Negative goodwill impairment	-	(1,986)
Fixed asset impairment	-	1,611
Profit on sale of tangible fixed assets	(179)	(1)
(Increase) / decrease in debtors	(176)	1,622
Increase in creditors	2,232	223
Decrease in provisions	(1,661)	(191)
Less dividends receivable	(381)	(262)
Less interest receivable	(54)	(97)
Plus interest payable	2	8
Taxation payable	385	356
Post-retirement benefits adjustment	228	471
Less net assets and liabilities from transfers into the Group	-	(42,414)
Net cash (outflow) / inflow from operating activities	<u>(624)</u>	<u>9,940</u>

NET FUNDS

Reconciliation of net cash flow to movements in net funds

	17 Months to 31 August 2014	12 Months to 31 March 2013
	£'000	£'000
Net cash (outflow) / inflow	(14,978)	2,672
Cash outflow from increase in liquid resources	-	(1,000)
Cash inflow from decrease in debt	-	30
Change in net debt resulting from cash flows	<u>(14,978)</u>	<u>1,702</u>
Net funds at 1 August 2014 and 1 April 2013	24,721	23,018
Net funds at 31 August 2014 and 31 March 2013	<u>9,743</u>	<u>24,720</u>

Analysis of net funds

	As at 1 April 2013	-----2013/14 ----- Change in year	As at 31 August 2014
	£'000	£'000	£'000
Cash			
Cash at bank and in hand	24,390	(14,783)	19,214
Less deposits treated as liquid resources	(93)	-	(186)
	<u>24,297</u>	<u>(14,783)</u>	<u>19,028</u>
Cash at Investment Managers			
Money market deposit	331	(195)	272
	<u>24,628</u>	<u>(14,978)</u>	<u>19,300</u>
Liquid resources			
Current assets investments	93	-	186
Net funds	<u>24,721</u>	<u>(14,978)</u>	<u>19,486</u>

19. AWARDS AND GRANTS

Group and
company
£

Research grants awarded during the 17 months for 2013/14

Evidence for Practice

UNICEF ESARO Partnership: Children with Disabilities

50,000

Evidence for Schools

London Schools - What Went Right?

69,500

A Self improving school-led system

50,000

Evidence for Government

Annual Trends Survey 2013

20,000

ResearchED Web development project

110,000

English Language Trends 14/15

20,900

Other small grants under £10,000 each

14,500

Sub Total of Research Grants Awarded

334,900

Administration expenditure 2013/14

108,399

Grants awarded in prior years no longer required

(241,954)

Total Net Expenditure on Awards and Grants 2013/14

201,345

The above awards and grants exclude any bursaries awarded in the Group's UK schools.
Further information regarding the recipients of these grants can be provided on request.

20. RECONCILIATION OF DESIGNATED FUND

Uncommitted
Funds

Committed
Funds

Total
Fund

Total
Fund

At 31 August 2104

At 31 March 2103

£'000

£'000

£'000

£'000

Balance at 1 April 2013

48

1,048

1,096

1,026

Budget for the year (including administration)

322

-

322

566

Funds committed in prior years no longer required and released during the year

241

(241)

-

-

Total Funds for Grants and Awards 2013/14

611

807

1,418

1,592

Grants and awards approved by the Trustees and committed during 2013/14

(443)

443

-

-

Funds available for research

168

1,250

1,418

1,592

Awards and grants paid during the year

-

(472)

(472)

(420)

Administration expense for the year

-

(108)

(108)

(76)

Balance at 31 August 2014

168

670

838

1,096