

Company Number: 2429781
Charity Number: 803333

INCLUDE
TRUSTEE'S REPORT
AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2007

TUESDAY



A37 *A5QNRUFS* 287
06/11/2007
COMPANIES HOUSE

ANNUAL REPORT AND FINANCIAL STATEMENTS

TRUSTEE'S REPORT

The Trustee presents the annual report and audited financial statements for the period ended 31 March 2007

The Trustee believes that the financial statements comply with current statutory requirements and with the requirements of the charity's governing document

Contents of Trustee's Report

Reference and administrative information

Governance and Management

Financial Review

Auditors' Report

Statement of Financial Activities

Balance Sheet

Notes to the financial statements

1 REFERENCE AND ADMINISTRATIVE INFORMATION

1.1 Reference Information

| | |
|---|--|
| Name | INCLUDE |
| Registered Charity | Number 803333 |
| Company Limited by Guarantee | Number 2429781 |
| Registered Office (Principal Office) | 60 Queens Road, Reading RG1 4BS |
| Website | www.include.org.uk |
| Email | enquiries@cftb.com |
| Telephone | 0118 902 1000 |
| Fax | 0118 902 1434 |
| Bankers | Lloyds Bank Plc 24 Broad Street Reading RG1 2BT |
| Solicitors | Bates Wells & Braithwaite 2-6 Cannon Street London EC4M 6YH |
| Auditors | BDO Stoy Hayward LLP Emerald House East Street Epsom KT17 1HS |

1.2 Trustees

The Corporate Trustee and Director, CfBT Education Trust, is in post at 6 September 2007 and served throughout the period to which this report relates

As at 6 September 2007, the Trustee Directors of CfBT Education Trust are

| | |
|--------------------------|-----------------------|
| Chairman | John Harwood DL |
| Trustees | Cameron Bowles |
| | Graham Colls |
| | John Fielden |
| | Marion Headicar |
| | Thelma Henderson |
| | Iain MacArthur |
| | Professor Stephen Yeo |
| | John Webb |
| Company Secretary | Clive Adderley |

2 GOVERNANCE & MANAGEMENT

2.1 Governing Document and Constitution

INCLUDE was incorporated as a company limited by guarantee on 5 October 1989 (registered number 2429781). On 17 July 1990 INCLUDE obtained charitable status (registered charity number 803333).

The governing document of the charity is the Memorandum of Association, as drawn up on 5 October 1989 and subsequently amended by Special Resolution on 24 May 1990, 23 May 1998, 30 May 2000 and 14 September 2000.

2.2 Involvement with CfBT Education Trust

On 14 September 2000, CfBT Education Trust, a charity (registered number 270901) and company limited by guarantee (company number 867944) agreed to become the sole member and trustee of INCLUDE. CfBT Education Trust has nominated a representative. The terms of the member's guarantee are outlined in note 1 to these financial statements. All expenditure related to the governance of INCLUDE is reported within the financial statements of CfBT Education Trust.

INCLUDE's trade and assets were transferred to the ultimate parent company, CfBT Education Trust, on 1 April 2006 and there has been no trading activity within INCLUDE since that date. As at the end of the financial year, the Trustee does not foresee any further activity.

3 FINANCIAL REVIEW

3.1 Trustee Responsibilities

Company law requires the Trustee to prepare financial statements for each financial period of the company, which give a true and fair view of the state of the affairs of the company and of the surplus or deficit for that period. In preparing those financial statements, the Trustee is required to

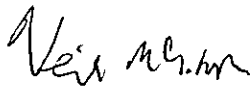
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustee has overall responsibility for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and to enable the Trustee to ensure that the financial statements comply with the Companies Act 1985 (as amended). The Trustee is responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee believes that it has taken all the necessary steps to inform itself and the Charity's auditors of all the necessary information required for the purposes of their audit. The Trustee is not aware of any relevant audit information of which the auditors have not been informed.

On 1 April 2006, INCLUDE's trade and assets were transferred to CfBT Education Trust for which a donation of £891,911 was made. This donation eliminates the accumulated deficits brought forward.

By order of the Board



Neil McIntosh
On behalf of the Corporate Trustee

6 September 2007

AUDITORS' REPORT

We have audited the financial statements of INCLUDE for the year ended 31 March 2007 on pages 8 to 15 which have been prepared under the accounting policies set out on pages 10 11

Respective responsibilities of the sole corporate trustee and auditors

The trustee's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Trustee's Report

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

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

We read the Trustee's Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2007 and of its profit for the year then ended,

- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Trustee's Report is consistent with the financial statements

BDO Stoy Hayward LLP

BDO Stoy Hayward LLP

Chartered Accountants and Registered Auditors
Epsom, Surrey

16 October 2007

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2007

Income and Expenditure

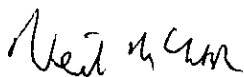
| | <i>Notes</i> | Restricted funds £ | Unrestricted funds £ | Total 2006/07 £ | Total 2005/06 £ |
|--|--------------|-----------------------------------|-------------------------------------|----------------------------|----------------------------|
| Incoming resources | | | | | |
| Activities for generating funds | | | | | |
| Voluntary income | | - | 891,911 | 891,911 | 2,514 |
| Activities in furtherance of the charity's objects | | | | | |
| Teaching | | - | - | - | 4,410,094 |
| Total incoming resources | | - | 891,911 | 891,911 | 4,412,608 |
| Resources expended | | | | | |
| Cost of activities in furtherance of the charity's objectives | | | | | |
| Teaching | 5 | - | - | - | 4,544,489 |
| Governance Costs | 5 | - | - | - | 6,525 |
| Total resources expended | | - | - | - | 4,551,014 |
| Net incoming (outgoing) resources for the year | | - | 891,911 | 891,911 | (138,406) |
| Balances brought forward at beginning of year | | 685 | (892,596) | (891,911) | (753,505) |
| Transfer between Funds | 9 | (685) | 685 | - | - |
| Balances carried forward for the year | | - | - | - | (891,911) |

There were no recognised gains or losses other than those disclosed in the statement of financial activities
All amounts relate to activities now transferred to CfBT Education Trust

Balance Sheet
As at 31 March 2007

| | Notes | As at 31/03/07 £ | As at 31/03/07 £ | As at 31/03/06 £ | As at 31/03/06 £ |
|--|-------|------------------------|------------------------|------------------------|------------------------|
| Fixed Assets | | | | | |
| Tangible Fixed Assets | 6 | | - | | 18,584 |
| Current Assets | | | | | |
| Debtors | 7 | - | | 684,093 | |
| Cash at bank and in hand | | - | | 34,607 | |
| | | <u>-</u> | | <u>718,700</u> | |
| Creditors amounts falling due within one year | | | | | |
| Creditors | 8 | - | | 1,629,195 | |
| Bank Overdraft | | - | | - | |
| | | <u>-</u> | | <u>1,629,195</u> | |
| Net current liabilities | | | - | | (910,495) |
| Total assets less current liabilities | | | <u>-</u> | | <u>(891,911)</u> |
| Accumulated funds | | | | | |
| Unrestricted funds | | | - | | (892,596) |
| Restricted funds | 9 | | - | | 685 |
| | | | <u>-</u> | | <u>(891,911)</u> |

The financial statements on pages 8 to 15 were approved by the Corporate Trustee on 20 September 2007 and were authorised for issue on its behalf by



N McIntosh
On behalf of the Corporate Trustee

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31st March 2007

1 Memorandum of Association

The company is limited by guarantee. At 31 March 2007 there was 1 member, who had undertaken to contribute £1 to the company's assets in the event of the company being wound up.

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in April 2005 and applicable accounting standards.

Going concern

INCLUDE'S trade and assets were transferred to the ultimate parent company CfBT Education Trust on 1st April 2006. There has been no trading activity within the charity since that date. As at the end of the period the Trustees do not foresee any future activity being undertaken within INCLUDE.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

| | |
|--------------------|-------------------|
| Computer equipment | 33.33 % per annum |
| Office equipment | 20 % per annum |
| Motor Vehicles | 25 % per annum |

Fund accounting

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

Income

Grants and donations are accounted for on receipt. All other income is accounted for on an accruals basis. An appropriate portion of the estimated surplus is recognised on contracts extending beyond the year end if the final outcome can be assessed with reasonable certainty, by including in the Statement of Financial Activities income and related costs as contract activity progresses.

Income is split between income received on activities for generating funds and income received to meet the charity's objects.

CfBT Education Trust has identified 5 key charitable objectives, namely:
Support Educational Reform, Teaching, Advising, Research and Training

The work undertaken by INCLUDE falls under the objective Teaching and is reported accordingly in both the INCLUDE charity accounts and the CfBT Group consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31st March 2007

2 Accounting policies (continued)

Expenditure

All expenditure is accounted for on an accruals basis. Direct charitable expenditure comprises costs directly attributable to charitable programmes. This includes costs related to supporting the programmes and education of the public.

Administrative expenditure relates solely to the management of the company's funds, organisational administration and compliance with statutory requirements.

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.

CfBT Education Trust has identified 5 key charitable objectives, namely
Support Educational Reform, Teaching, Advising, Research and Training

The work undertaken by INCLUDE falls under the object Teaching and is reported accordingly in both the INCLUDE charity accounts and the CfBT Group consolidated financial statements.

Support staff costs are allocated to the main charity objective in full and the actual cost is shown in a note to the accounts.

Operating Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a "finance lease". The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is shorter. Future instalments under such leases, net of finance charges, are included within creditors. Amounts payable are apportioned between the finance element, which is charged to the Statement of Financial Activities, and the capital element, which reduces the outstanding obligation for future instalments. All other leases are accounted for as 'operating leases'. The rental charges are charged to the Statement of Financial Activities on a straight line basis over the life of the lease. All leases were novated to the ultimate parent company CfBT Education Trust from 1st April 2006.

Pension costs

The company contributes towards the employees' defined contribution pension schemes. The amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

3. Directors' emoluments and reimbursed expenses

No directors were employed by the company.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2007

4 Staff numbers and costs

The aggregate payroll costs of the persons employed were as follows

| | 2006/07 £ | 2005/06 £ |
|-------------------------|--------------|------------------|
| Salaries | - | 2,688,564 |
| Social Security | - | 233,408 |
| Pension Costs | - | 44,485 |
| | <u>-</u> | <u>2,966,457</u> |
| Average number of staff | <u>-</u> | <u>157</u> |

All employees were transferred to CfBT Education Trust from 1st April 2006
There were no employees whose emoluments exceeded £60,000 in either the current year or prior year

5 Direct charitable expenditure

| | Total 2006/07 £ | Total 2005/06 £ |
|---------------|-----------------------|-----------------------|
| Teaching | - | 4,243,092 |
| Support costs | - | 301,397 |
| Governance | - | 6,525 |
| | <u>-</u> | <u>4,551,014</u> |

| | Year ended 31/03/07 £ | Year ended 31/03/06 £ |
|--|-----------------------------|-----------------------------|
| Direct charitable expenditure is stated after charging | £ | £ |
| Depreciation | - | 25,346 |
| Hire of other assets - operating leases | - | 4,019 |
| Audit fee | - | 6,525 |
| Bank interest and charges | - | 1,064 |
| Interest on amount owed to parent company | - | 34,500 |
| | <u>-</u> | <u>34,500</u> |

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2007

6 Tangible Fixed Assets

| | Leasehold Improvements £ | Office equipment £ | Computer equipment £ | Total £ |
|----------------------------|--------------------------------|--------------------------|----------------------------|------------|
| Cost | | | | |
| At 1 April 2006 | 4,950 | 94,359 | 50,729 | 150,038 |
| Transfer to parent company | (4,950) | (94,359) | (50,729) | (150,036) |
| At 31 March 2007 | - | - | - | - |
| Depreciation | | | | |
| At 1 April 2006 | 4,950 | 85,988 | 40,516 | 131,454 |
| Transfer to parent company | (4,950) | (85,988) | (40,516) | (131,456) |
| At 31 March 2007 | - | - | - | - |
| Net book value | | | | |
| At 31 March 2007 | - | - | - | - |
| At 31 March 2006 | - | 8,370 | 10,213 | 18,584 |

All assets were transferred to CfBT Education Trust on 1st April 2006

7 Debtors

| | As at 31/03/2007 £ | As at 31/03/2006 £ |
|--------------------------------|--------------------------|--------------------------|
| Trade debtors | - | 437,645 |
| Other debtors | - | 8,393 |
| Prepayments and accrued income | - | 238,055 |
| | - | 684,093 |

All debtors were transferred to CfBT Education Trust on 1st April 2006

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2007

8 Creditors amounts falling due within one year

| | As at 31/03/2007 £ | As at 31/03/2006 £ |
|---------------------------------------|--------------------------|--------------------------|
| Amounts owed to parent company | - | 375,407 |
| Amounts owed to other group Companies | - | 582,808 |
| Tax and social security | - | 93,064 |
| Other creditors | - | 577,916 |
| | <u>-</u> | <u>1,629,195</u> |

All liabilities were transferred to CfBT Education Trust on 1st April 2006

9 Restricted Funds

| | Balance 01/04/06 £ | Movement in Incoming Resources £ | Balance 31/03/07 £ |
|-------------------------|--------------------------|---|--------------------------|
| <u>Voluntary income</u> | | | |
| Prince's Trust | 685 | (685) | - |
| Total | <u>685</u> | <u>(685)</u> | <u>-</u> |

The Prince's Trust Funds were transferred to CfBT Education Trust on 1st April 2006

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31st March 2007

10 Analysis of Net Assets between Funds

£685 restricted funds held at 1 April 06 were transferred to CfBT Education Trust. Restricted funds were transferred to CfBT Education Trust and will be reported separately.

11 Commitments

| | As at 31/03/2007 £ | As at 31/03/2006 £ |
|--|--------------------------|--------------------------|
| Annual commitments under operating leases are as follows | | |
| Operating leases which expire | | |
| Within one year | - | 5,850 |
| In the second to fifth year inclusive | - | 19,200 |
| In more than 5 years | - | 12,000 |
| | <u>-</u> | <u>37,050</u> |

All INCLUDE lease commitments at 1 April 2006 were transferred to CfBT Education Trust.

12 Transactions with Trustees and Related Parties

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8, "Related Party Transactions", not to disclose transactions with entities that are included in the consolidated financial statements of CfBT Education Trust.

During the year no Trustees nor any person connected with them were remunerated. No expenses were reimbursed to Trustees.

13. Ultimate Parent Company

The immediate and ultimate parent company and controlling party of the company is CfBT Education Trust, a company incorporated in England.

14 Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard 1 not to prepare a cashflow statement, as a consolidated cashflow statement is included in the accounts of the company's parent undertaking.