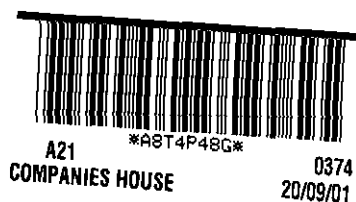


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**The Bell Educational Trust Limited**

**Financial Statements**

**For the year ended 31 December 2000**



# **The Bell Educational Trust Limited**

## **Company Information**

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### **Governors**

Ms J Little (Chairperson)  
R V White (Deputy Chairman)  
J Arnold-Baker  
Ms C Connolly  
Ms V Cowley  
J P Evans  
R Gower  
R Grant  
A B du Plessis  
T J Rix  
Ms M Standley  
Ms H C Walter

### **Secretary**

C Harris

### **Registered Office**

Hillscross  
1 Red Cross Lane  
Cambridge  
CB2 2QX

### **Registered Number**

1048465 (England and Wales)

### **Registered Charity**

311585

### **Auditors**

Peters, Elworthy & Moore  
Salisbury House  
Station Road  
Cambridge  
CB1 2LA

### **Bankers**

Barclays Bank plc  
7/8 Clifton Court  
Cambridge  
CB1 4BN

# **The Bell Educational Trust Limited**

## **Report of the Governors**

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The Governors present their report and financial statements for the year ended 31 December 2000.

### **Objects**

The objects of the Group are:-

- 1 To promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom or elsewhere any boarding or day schools or colleges for the education of children and adults of both sexes.
- 2 To establish and support or aid in the establishment and support of any charitable association or institutions and to subscribe or guarantee money for charitable purposes in any way connected with the purposes of the Group or necessary to further its objects.

### **Policy**

During the year ended 31 December 2000 the Group provided the following education services:-

- 1 The teaching of English as a foreign language to adults of both sexes and to children of both sexes from the ages of 8 to 17 years at six year-round schools in the UK and at four year-round schools in Europe operated by wholly-owned subsidiary companies in Zurich, Geneva, Budapest and Prague.
- 2 The teaching of English as a foreign language to children of both sexes from the ages of 8 to 17 years at eight summer centres held at various locations in the UK.
- 3 The operation of an Associate scheme involving overseas language schools and centres which are linked to the Group by a co-operation agreement involving professional support in exchange for promotional and agency services. The Group has no financial investment in these organisations.
- 4 The operation of contracts to provide English Language teaching/training to overseas clients on their premises.

The core educational aims of The Bell Educational Trust Ltd are supported by a corporate philosophy which:

- values people and their aspirations;
- espouses quality in all aspects of operations;
- promotes international understanding through its works;
- supports charity and charitable causes.

### **Review**

During the year ended 31 December 2000 the total volume of student enrolments in schools and summer centres in the U.K. (measured in student hours) was 5% lower than that for the previous year. In the opinion of the Governors, this decline was in line with the general trend for the industry. Overseas, the wholly owned subsidiary the Bell School Zurich A.G. ceased trading in June 2000 and the company went into voluntary liquidation. In the autumn of 2000 a new wholly owned subsidiary, Bell Malta Ltd, was acquired. This new subsidiary commenced trading in April 2001.

### **Results**

The result for the year and the state of the Group's affairs are set out in the attached financial statements.

The total turnover in the UK schools and summer centres of £12,783.9K was 6% lower than the previous year due to the fall in enrolments. Despite the fall in student enrolments, strict control of costs throughout the Group was maintained during the year and this has helped to minimise the Net Outgoing Resources (loss) of £(295.8)K for the UK Company, and £(401.7)K for the group, an improvement over the previous year.

# **The Bell Educational Trust Limited**

## **Report of the Governors (Continued)**

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### **Results (Continued)**

The consolidated Balance Sheet as at 31 December 2000 shows Net Current Assets at £1,018.2K compared to £3,158.2K at 31 December 1999. This reduction is due mainly to the acquisition in 2000 of an Investment portfolio valued at £2,418.4K at 31 December 2000. The governors have produced an investment policy and appointed a qualified investment manager to manage the portfolio in accordance with that policy. The Governors consider that the Net Current Assets together with the Investment portfolio will be sufficient to provide a reasonable degree of security against the possibility of future financial problems.

### **European Monetary Union**

The advent of economic and monetary union and the potential impact upon the Company of the single currency, the Euro, continues to be reviewed and monitored.

### **Prospects**

Given the continuing strength of the pound and weakness of the euro, and generally uncertain market conditions, future trading prospects must, in the view of the Governors, be treated with some caution. Maintaining enrolments will not be easy and the Trust may see a further reduction (as happened in the year under review).

### **Governors**

The Governors of the Company during the year were:-

T J Rix (Chairman)\*  
J Arnold-Baker  
Ms C Connolly\*  
Ms V Cowley  
J P Evans (appointed 9 October 2000)  
R Gower  
R Grant\*  
Ms J Little\*  
A B du Plessis\*  
Ms M Standley  
Ms H C Walter  
R V White

In accordance with the Articles of Association all Governors will serve a maximum of ten years on the Board and only be eligible for re-election at the end of the first five year's service.

\* Those governors whose names are asterisked above were also members of the General Purposes Sub-Committee which also acts as an Audit Committee and a Remuneration Committee.

### **Statement of Governors' Responsibilities**

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements the Governors are 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 Bell Educational Trust Limited**

### **Report of the Governors (Continued)**

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The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Fixed Assets**

Changes in fixed assets during the year are set out in note 7 to the financial statements.

#### **Employee Involvement**

Staff are kept well informed of the performance and objectives of the Group through established methods of personal briefings and regular meetings.

#### **Disabled Persons**

Disabled persons are employed by the Group when they appear to be suited to a particular vacancy. The particular aptitudes and abilities of disabled persons are more easily met in certain aspects of the Group's activities and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

Provision has been made so that employees who may be injured or become disabled in the course of their employment, can, where possible, continue employment with the Group.

#### **Equal Opportunities**

The Bell Educational Trust Limited is committed to the elimination of discrimination from, and the provision of equal opportunity within, its employment and development of staff as well as in its services to students and other clients. The Trust's equal opportunities policy aims to ensure that no job applicant, employee, student or other client receives less favourable treatment than any other on the grounds of sex, race, colour, nationality, ethnic origins, religion, marital status, age, sexuality, political belief, disability or irrelevant offending background. Furthermore, no job applicant, employee, student or other client should be disadvantaged by any conditions or requirements which cannot be shown to be justified.

#### **Auditors**

Peters, Elworthy & Moore have expressed their willingness to continue in office and a resolution for their re-appointment will be proposed at the forthcoming annual general meeting.

#### **BY ORDER OF THE BOARD**



**C Harris**

**Secretary**

**Date:** 7 - 9 - 2001

# **The Bell Educational Trust Limited**

## **Auditors' Report to the Members**

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We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 10.

### **Respective Responsibilities of Governors and Auditors**

As described on page 4 the Company's Governors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

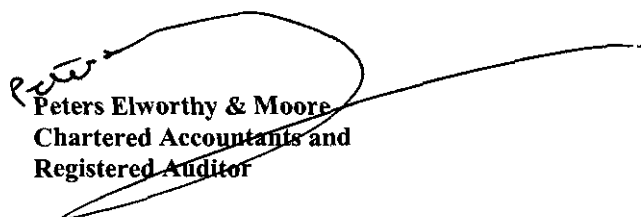
### **Basis of Opinion**

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

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

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 December 2000 and of the incoming resources and application of resources of the Group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Peters Elworthy & Moore**  
**Chartered Accountants and**  
**Registered Auditor**

**CAMBRIDGE**

**Date: 17 September 2001**

# The Bell Educational Trust Limited

## Consolidated Statement of Financial Activities for the year ended 31 December 2000

		Unrestricted Funds			Year to 31 December 1999
	Notes	General Fund £'000	Scholarship Fund £'000	Total Funds £'000	Total Funds £'000
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
Fees receivable	3	14,382.6	-	14,382.6	15,070.1
Interest received on bank deposit		185.9	-	185.9	313.0
Profit on sale of freehold property		<u>155.5</u>	<u>-</u>	<u>155.5</u>	<u>-</u>
<b>Total Incoming Resources</b>		<u>14,724.0</u>	<u>-</u>	<u>14,724.0</u>	<u>15,383.1</u>
<b>Resources Expended</b>					
Direct Charitable expenditure:					
Teaching costs		4,367.1	-	4,367.1	4,597.4
Welfare		3,535.5	-	3,535.5	3,917.8
Premises		1,548.9	-	1,548.9	1,614.2
Administration		5,678.6	-	5,678.6	5,676.5
Scholarship Fund disbursements		<u>-</u>	<u>5.4</u>	<u>5.4</u>	<u>3.2</u>
		<u>15,130.1</u>	<u>5.4</u>	<u>15,135.5</u>	<u>15,809.1</u>
Other expenditure:					
Management and administration of the charity		41.0	-	41.0	41.0
Overseas taxation		16.6	-	16.6	19.0
Exchange differences on retranslation		5.4	-	5.4	51.6
Reorganisation costs		<u>17.5</u>	<u>-</u>	<u>17.5</u>	<u>-</u>
<b>Total Resources Expended</b>	6	<u>15,210.6</u>	<u>5.4</u>	<u>15,216.0</u>	<u>15,920.7</u>
<b>Net (Outgoing) Resources</b>		(486.6)	(5.4)	(492.0)	(537.6)
Gains and losses on investment assets					
Realised		<u>0.4</u>	<u>-</u>	<u>0.4</u>	<u>-</u>
<b>Statement of Total Recognised Gains and Losses</b>					
<b>Net expenditure</b>		(486.2)	(5.4)	(491.6)	(537.6)
Unrealised		52.2	-	52.2	-
Surplus on revaluation of fixed assets		<u>32.3</u>	<u>-</u>	<u>32.3</u>	<u>27.4</u>
<b>Net Movement in Funds</b>		(401.7)	(5.4)	(407.1)	(510.2)
Fund balances brought forward		<u>9,780.1</u>	<u>22.1</u>	<u>9,802.2</u>	<u>10,312.4</u>
<b>Fund balances Carried Forward</b>		<u>9,378.4</u>	<u>16.7</u>	<u>9,395.1</u>	<u>9,802.2</u>

The attached notes form part of these financial statements.

# The Bell Educational Trust Limited

## Company Statement of Financial Activities for the year ended 31 December 2000

		Unrestricted Funds			1999
		General	Scholarship	Total	Total
	Notes	Fund	Fund	Funds	Funds
		£'000	£'000	£'000	£'000
<b>Income and Expenditure</b>					
<b>Incoming Resources</b>					
Fees receivable	3	12,783.9	-	12,783.9	13,564.4
Interest received on bank deposits		185.9	-	185.9	313.0
Profit on sale of freehold property		<u>155.5</u>	<u>-</u>	<u>155.5</u>	<u>-</u>
<b>Total Incoming Resources</b>		<u>13,125.3</u>	<u>-</u>	<u>13,125.3</u>	<u>13,877.4</u>
<b>Resources Expended</b>					
Direct Charitable expenditure:					
Teaching costs		3,518.0	-	3,518.0	3,847.5
Welfare		3,532.0	-	3,532.0	3,915.5
Premises		1,370.1	-	1,370.1	1,449.8
Administration		4,972.6	-	4,972.6	5,037.7
Scholarship Fund disbursements		<u>-</u>	<u>5.4</u>	<u>5.4</u>	<u>3.2</u>
		<u>13,392.7</u>	<u>5.4</u>	<u>13,398.1</u>	<u>14,253.7</u>
Other expenditure:					
Management and administration of the charity		41.0	-	41.0	41.0
Donation to subsidiary		40.0	-	40.0	90.0
Impairment loss re subsidiary		<u>-</u>	<u>-</u>	<u>-</u>	<u>81.1</u>
<b>Total Resources Expended</b>	6	<u>13,473.7</u>	<u>5.4</u>	<u>13,479.1</u>	<u>14,465.8</u>
<b>Net (Outgoing) Resources</b>		(348.4)	(5.4)	(353.8)	(588.4)
Gains and losses on investment assets					
Realised		<u>0.4</u>	<u>-</u>	<u>0.4</u>	<u>-</u>
<b>Statement of Total Recognised Gains and Losses</b>					
<b>Net expenditure</b>		(348.0)	(5.4)	(353.4)	(588.4)
Unrealised		<u>52.2</u>	<u>-</u>	<u>52.2</u>	<u>-</u>
<b>Net Movement in Funds</b>		(295.8)	(5.4)	(301.2)	(588.4)
Fund balances brought forward		<u>9,644.3</u>	<u>22.1</u>	<u>9,666.4</u>	<u>10,254.8</u>
<b>Fund balances carried forward</b>		<u>9,348.5</u>	<u>16.7</u>	<u>9,365.2</u>	<u>9,666.4</u>

The attached notes form part of these financial statements.



# The Bell Educational Trust Limited

## Balance Sheet as at 31 December 2000

		<u>The Group</u>	<u>31 December</u>	<u>The Company</u>	<u>31 December</u>
			<u>1999</u>		<u>1999</u>
	<u>Notes</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>Fixed Assets</b>					
Intangible assets	7	66.4	75.2	66.4	75.2
Tangible assets	8	5,892.1	6,568.8	5,656.2	6,411.0
Investments	9	<u>2,418.4</u>	<u>-</u>	<u>2,826.5</u>	<u>380.5</u>
		<u>8,376.9</u>	<u>6,644.0</u>	<u>8,549.1</u>	<u>6,866.7</u>
<b>Current Assets</b>					
Stock		137.8	129.4	8.1	7.9
Debtors	10	2,802.1	1,753.1	2,685.5	1,601.4
Cash at bank and in hand		<u>2,592.2</u>	<u>5,250.8</u>	<u>2,369.0</u>	<u>5,029.5</u>
		<u>5,532.1</u>	<u>7,133.3</u>	<u>5,062.6</u>	<u>6,638.8</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>4,513.9</u>	<u>3,975.1</u>	<u>4,152.3</u>	<u>3,744.9</u>
<b>Net Current Assets</b>		<u>1,018.2</u>	<u>3,158.2</u>	<u>910.3</u>	<u>2,893.9</u>
<b>Total Assets less Current Liabilities</b>		9,394.6	9,802.2	9,459.4	9,760.6
<b>Creditors: amounts falling due after more than one year</b>	12	<u>-</u>	<u>-</u>	<u>(94.2)</u>	<u>(94.2)</u>
<b>Net Assets</b>		<u>9,395.1</u>	<u>9,802.2</u>	<u>9,365.2</u>	<u>9,666.4</u>
<b>Unrestricted Funds</b>					
General Fund	13	9,378.4	9,780.1	9,348.5	9,644.3
Scholarship Fund	14	<u>16.7</u>	<u>22.1</u>	<u>16.7</u>	<u>22.1</u>
		<u>9,395.1</u>	<u>9,802.2</u>	<u>9,365.2</u>	<u>9,666.4</u>

Approved by the Board of Governors  
and signed on behalf by

Governor

Ms J Little

Date:

7.9.2001

The attached notes form part of these financial statements

**The Bell Educational Trust Limited**

**Group Cash Flow Statement  
for the year ended 31 December 2000**

	Notes	£'000	Year to 31 December 1999 £'000
Net Cash Flow from operating activities	16	(588.7)	143.0
Returns on investments and servicing of finance	17	185.9	313.0
Taxation		(16.6)	(19.0)
Capital expenditure and financial investment	17	(2,231.0)	(737.0)
Cash (outflow) before use of liquid resources and financing		(2,650.4)	(300.0)
Financing		-	-
(Decrease) in cash in the period		(2,650.4)	(300.0)
Reconciliation of net cash flow to movement in net debt			
(Decrease) in cash in the period		(2,650.4)	(300.0)
Foreign exchange movement		(3.2)	(32.2)
Change in net funds resulting from cashflows	18	(2,653.6)	(332.2)
Net funds at 1 January 2000		5,217.7	5,549.9
Net funds at 31 December 2000		2,564.1	5,217.7

# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

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### 1 Accounting Policies

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice on Accounting by Charities.

b) Accounting Standards

The financial statements have been prepared in accordance with applicable accounting standards.

The accounting policies of some overseas subsidiaries do not conform to U.K. accounting standards and where appropriate, adjustments are made on consolidation in order to present the consolidated accounts on a consistent basis.

c) Basis of Consolidation

The consolidated financial statements include the audited financial statements of the holding company and its subsidiary companies which have been made up to 31 December.

Results from newly acquired subsidiaries are included from the date of acquisition. Where the cost of acquiring new and additional interests in subsidiaries exceeds the underlying value of the net tangible assets acquired, the resulting premium on acquisition (goodwill) is deducted from reserves in the year of acquisition.

d) Fees receivable

Fees receivable represent net invoiced amounts for tuition fees and accommodation costs, excluding value added tax where applicable.

e) Depreciation

Depreciation is provided to write off the cost of tangible fixed assets over their estimated useful lives by equal annual instalments at the following rates:

Leasehold property and improvements	over period of lease
Furniture and equipment	20% on cost
Computer equipment	33 1/3% on cost
Motor vehicles	20% on cost

In accordance with FRS 15 the company has adopted a policy of regular revaluation of freehold land and buildings and therefore no depreciation has been provided.

f) Investments

Investments are included at market value at the year end. Gains and losses on disposal and revaluation of investments are charged or credited to the statement of Financial Activities.

g) Stocks

Stocks are valued at the lower of cost and estimated net realisable value.

h) Expenditure

Expenditure is allocated to expense headings either on a direct costs basis or apportioned according to the time spent or space occupied.

i) Foreign Currencies

Profit and loss accounts in foreign currencies are translated into sterling at year end rates. Assets and liabilities in foreign currencies are translated into sterling at year end rates. Transactions in foreign currencies are recorded at the rate of exchange at the transaction date.

Gains or losses arising on the translation of the net assets of overseas subsidiaries are taken to reserves.

j) Pension Costs

Contributions are paid into the company's pension fund based on actuarial recommendation and are charged to the Statement of Financial Activities as contributions are made.

# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

### 2 Company Status

The Company is limited by guarantee, having no share capital, and is a registered charity. The company is not subject to UK corporation tax.

### 3 Fees Receivable

An analysis by geographical market is set out below:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
United Kingdom	12,470.1	13,329.7	12,470.1	13,329.7
Europe	1,605.7	1,576.4	7.0	70.7
Far East	136.3	109.3	136.3	109.3
Africa	<u>170.5</u>	<u>54.7</u>	<u>170.5</u>	<u>54.7</u>
	<u>14,382.6</u>	<u>15,070.1</u>	<u>12,783.9</u>	<u>13,564.4</u>

### 4 Expenditure

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Resources expended include:				
Liability insurance for pension fund trustees	2.9	2.8	2.9	2.8
Auditors remuneration - audit fee	16.6	15.5	13.0	12.5
- other services	7.5	6.5	7.5	6.5
Rents payable in respect of operating leases - land and buildings	<u>491.2</u>	<u>474.7</u>	<u>348.5</u>	<u>348.5</u>

### 5 Staff Costs

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Staff costs comprise:				
Wages and salaries	5,963.4	6,221.7	5,134.8	5,441.0
Social security costs	497.3	502.1	379.5	395.1
Other pension costs	<u>315.3</u>	<u>232.3</u>	<u>292.1</u>	<u>213.2</u>
	<u>6,776.0</u>	<u>6,956.1</u>	<u>5,806.4</u>	<u>6,049.3</u>

The average number of employees during the year was:

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>Number</u>	<u>Number</u>	<u>Number</u>	<u>Number</u>
Office, management and ancillary	273	251	243	219
Tutorial	<u>323</u>	<u>355</u>	<u>171</u>	<u>194</u>
	<u>596</u>	<u>606</u>	<u>414</u>	<u>413</u>

The above numbers do not include the Governors who are not permitted to receive any remuneration in accordance with the Memorandum of Association.

# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

The number of employees earning over £40,000 per annum excluding pension contributions were:

### Group and Company

	Number	1999 Number
£40,001 - £50,000 (including cost of living allowances for expatriates)	3	3
£60,001 - £70,000	1	-
£80,001 - £90,000	-	1

### 6 Analysis of Total Resources Expended Group

	Staff Costs £'000	Other £'000	Depreciation £'000	Total £'000	1999 Total £'000
Direct Charitable Expenditure:					
Teaching costs	3,397.3	923.8	46.0	4,367.1	4,597.4
Welfare	95.1	3,369.7	70.7	3,535.5	3,917.8
Premises	298.5	1,179.6	70.8	1,548.9	1,614.2
Administration in running activities	2,944.1	2,350.0	384.5	5,678.6	5,676.5
Scholarship Fund Disbursements	-	5.4	-	5.4	3.2
	6,735.0	7,828.5	572.0	15,135.5	15,809.1
Other Expenditure:					
Management and administration of the Charity	41.0	-	-	41.0	41.0
Overseas taxation	-	16.6	-	16.6	19.0
Exchange differences on retranslation	-	5.4	-	5.4	51.6
Reorganisation Costs	-	17.5	-	17.5	-
	<u>6,776.0</u>	<u>7,868.0</u>	<u>572.0</u>	<u>15,216.0</u>	<u>15,920.7</u>

### Analysis of Total Resources Expended Company

	Staff Costs £'000	Other £'000	Depreciation £'000	Total £'000	1999 Total £'000
Direct Charitable Expenditure:					
Teaching costs	2,776.3	704.4	37.3	3,518.0	3,847.5
Welfare	95.1	3,369.7	67.2	3,532.0	3,915.5
Premises	298.5	1,009.4	62.2	1,370.1	1,449.8
Administration in running activities	2,595.5	2,003.5	373.6	4,972.6	5,037.7
Scholarship Fund Disbursements	-	5.4	-	5.4	3.2
	5,765.4	7,092.4	540.3	13,398.1	14,253.7
Other Expenditure:					
Management and administration of the Charity	41.0	-	-	41.0	41.0
Donation to subsidiary	-	40.0	-	40.0	90.0
Impairment loss re subsidiary	-	-	-	-	81.1
	<u>5,806.4</u>	<u>7,132.4</u>	<u>540.3</u>	<u>13,479.1</u>	<u>14,465.8</u>

# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

### 7 Intangible Assets

	£000'
Cost at beginning and end of year	<u>84.0</u>
Amortisation at beginning of year	<u>8.8</u>
Charge in year	<u>8.8</u>
Amortisation at end of year	<u>17.6</u>
Net book value at end of year	<u>66.4</u>
Net book value at beginning of year	<u>75.2</u>

During 1999 the leases of two properties in Oxford were purchased from the existing tenant. Amortisation is calculated on the remaining length of the leases.

### 8 Tangible Fixed Assets

Group	Leasehold Property and Improvements £'000	Freehold land and buildings £'000	Furniture & Equipment £'000	Motor Vehicles £'000	Total £'000
Cost at beginning of year	179.3	5,379.5	5,316.2	455.5	11,330.5
Additions	82.6	-	451.7	27.9	562.2
Revaluation	-	32.3	-	-	32.3
Disposals at cost	(9.9)	(690.0)	(228.5)	(6.8)	(935.2)
Exchange adjustments	<u>1.7</u>	<u>(4.0)</u>	<u>6.3</u>	<u>0.1</u>	<u>4.1</u>
Cost at end of year	<u>253.7</u>	<u>4,717.8</u>	<u>5,545.7</u>	<u>476.7</u>	<u>10,993.9</u>
Accumulated depreciation at beginning of year	112.3	4.7	4,350.3	294.4	4,761.7
Charged in year	22.5	0.5	489.0	60.0	572.0
On disposals	(9.3)	-	(222.1)	(6.8)	(238.2)
Exchange adjustments	<u>1.5</u>	<u>(0.1)</u>	<u>4.8</u>	<u>0.1</u>	<u>6.3</u>
Accumulated depreciation at end of year	<u>127.0</u>	<u>5.1</u>	<u>4,622.0</u>	<u>347.7</u>	<u>5,101.8</u>
Net book value at end of year	<u>126.7</u>	<u>4,712.7</u>	<u>923.7</u>	<u>129.0</u>	<u>5,892.1</u>
Net book value at beginning of year	<u>67.0</u>	<u>5,374.8</u>	<u>965.9</u>	<u>161.1</u>	<u>6,568.8</u>

**The Bell Educational Trust Limited**  
**Notes to the Financial Statements**  
**for the year ended 31 December 2000**

Company	Leasehold Property and <u>Improvements</u> £'000	Freehold land and <u>Buildings</u> £'000	Furniture & <u>Equipment</u> £'000	Motor <u>Vehicles</u> £'000	<u>Total</u> £'000
Cost at beginning of year	155.4	5,255.0	5,170.6	446.9	11,027.9
Additions	77.4	-	385.2	15.0	477.6
Disposals at cost	-	(690.0)	(210.6)	-	(900.6)
Cost at end of year	<u>232.8</u>	<u>4,565</u>	<u>5,345.2</u>	<u>461.9</u>	<u>10,604.9</u>
Accumulated depreciation at beginning of year	89.3	-	4,241.6	286.0	4,616.9
Charged in year	21.5	-	461.0	57.8	540.3
On disposals	-	-	(208.5)	-	(208.5)
Accumulated depreciation at end of year	<u>110.8</u>	<u>-</u>	<u>4,494.1</u>	<u>343.8</u>	<u>4,948.7</u>
Net book value at end of year	<u>122.0</u>	<u>4,565.0</u>	<u>851.1</u>	<u>118.1</u>	<u>5,656.2</u>
Net book value at beginning of year	<u>66.1</u>	<u>5,255.0</u>	<u>929.0</u>	<u>160.9</u>	<u>6,411.0</u>

Freehold buildings were revalued on 31 March 1998 on the basis of open market value in existing use by Mr R Driver A.R.I.C.S in the sum of £5,255,000. The historical cost of the property is £4,411,400 and no depreciation is provided for on freehold buildings as the company has adopted a policy of regular revaluation in accordance with FRS 15.

# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

### 9 Fixed Assets Investments

Group	<u>2000</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Additions	2,404.5	-
Less: Disposals at cost (proceeds 38.7, gain 0.4)	(38.3)	-
Net investment gains	<u>52.2</u>	<u>-</u>
Market value at 31 December 2000	<u>2,418.4</u>	<u>-</u>
Historical cost at 31 December 2000	<u>2,366.2</u>	<u>-</u>
UK listed investments are represented by:		
Fixed interest securities	236.9	-
Equity shares	<u>1,617.9</u>	<u>-</u>
	1,854.8	-
Overseas listed investments are represented by:		
Equity shares	<u>563.6</u>	<u>-</u>
Total	<u>2,418.4</u>	<u>-</u>

Investments held by the charity also include amounts invested in subsidiary companies at cost (see below).

	Subsidiary Companies Unlisted <u>£'000</u>
Cost less amounts written off at beginning of year	380.5
Acquisitions	<u>27.6</u>
Cost less amounts written off at end of year	<u>408.1</u>

The Company holds more than 10% of the equity of the following companies:-

<u>Subsidiary Companies</u>	<u>Country of incorporation and operation</u>	<u>Proportion held</u>	<u>Cost £'000</u>
The Bell Oxford Ltd (not trading)	United Kingdom	100%	1.0
The Bell School of Languages Limited (not trading)	United Kingdom	100%	74.9
Bell Iskolak Kft.	Hungary	100%	206.2
The Bell Switzerland	Switzerland	100%	114.8
The Bell School Zurich A.G.	Switzerland	100%	-
The Bell School a.s.	Czech Republic	100%	3.7
The Bell Malta	Malta	100%	<u>7.5</u>

408.1

The cost of investment in the Bell School Zurich A.G. of £81.0K was written off in 1999 when the decision was taken to go into voluntary liquidation.

The consolidated financial statements incorporate the results of all subsidiary companies for the year to 31 December 2000. Audited financial statements have been utilised where available.



# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

### 10 Debtors

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Due within one year:				
Fees receivable (less doubtful debts provision)	2,019.3	1,040.1	1,843.8	920.8
Other debtors	356.8	301.1	348.4	292.2
Prepayments	426.0	411.9	376.8	388.4
Amounts due from subsidiary undertaking	-	-	116.5	-
	<u>2,802.1</u>	<u>1,753.1</u>	<u>2,685.5</u>	<u>1,601.4</u>

### 11 Creditors: amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	<u>2000</u>	<u>1999</u>	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Bank overdraft	28.1	33.1	28.1	26.3
Fees received in advance and sums due to students	3,075.5	2,175.8	2,886.7	2,014.5
Trade creditors	1,304.7	1,522.1	1,165.3	1,416.2
Other taxes and social security costs	57.3	122.5	57.3	122.5
Other	2.4	3.3	-	-
Accruals	45.9	118.3	14.9	82.8
Amounts due to subsidiary undertakings	-	-	-	82.6
	<u>4,513.9</u>	<u>3,975.1</u>	<u>4,152.3</u>	<u>3,744.9</u>

### 12 Creditors: amounts falling due after more than one year

	<u>Company</u>	
	<u>2000</u>	<u>1999</u>
	<u>£'000</u>	<u>£'000</u>
Amount due to group companies	<u>94.2</u>	<u>94.2</u>

### 13 General Fund

	<u>Group</u>	<u>Company</u>
	<u>£'000</u>	<u>£'000</u>
Balance at beginning of year	9,780.1	9,644.3
Net Movement in Funds	(401.7)	(295.8)
Balance at end of year	<u>9,378.4</u>	<u>9,348.5</u>

The cumulative amount of goodwill written off at 31 December 2000 is £180,000 (31 December 1999 £180,000).

### 14 Scholarship Fund

The Scholarship Fund exists to enable deserving students and teachers who have limited means to attend Bell courses in the U.K.

The fund is represented by net current assets.

# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

### 15 Analysis of Group Net Assets Between Funds

	<u>General</u> <u>Fund</u> <u>£'000</u>	<u>Scholarship</u> <u>Fund</u> <u>£'000</u>	<u>Total</u> <u>Funds</u> <u>£'000</u>
Fund balances at 31 December 2000 are represented by:			
Intangible fixed assets	66.4	-	66.4
Tangible fixed assets	5,892.1	-	5,892.1
Investments	2,418.4	-	2,418.4
Current assets	5,515.4	16.7	5,532.1
Current liabilities	(4,513.9)	-	(4,513.9)
	<u>9,378.4</u>	<u>16.7</u>	<u>9,395.1</u>

### 16 (Outflow)/Inflow from Operations

	<u>1999</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>
Net (outgoing) resources before transfers	(492.0)	(537.6)
Depreciation	572.0	506.8
Amortisation	8.8	8.8
Interest received on bank deposits	(185.9)	(313.0)
Overseas taxation	16.6	19.0
Exchange differences	5.4	51.6
(Increase) in stocks	(8.4)	(9.5)
(Increase) in debtors	(1,049.0)	(903.2)
Increase in trade and other creditors	<u>543.8</u>	<u>1,320.1</u>
Net cash (Outflow)/Inflow from operating activities	<u>(588.7)</u>	<u>143.0</u>

### 17 Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	<u>£'000</u>	<u>1999</u> <u>£'000</u>
<b>Returns on investment and servicing of finance</b>		
Interest received	<u>185.9</u>	<u>313.0</u>
<b>Net cash inflow for returns on investment and servicing of finance</b>	<u>185.9</u>	<u>313.0</u>
<b>Capital expenditure and financial investment</b>		
Purchase of intangible fixed assets	-	(84.0)
Purchases of tangible fixed assets	(562.2)	(654.7)
Proceeds of sale of tangible fixed assets	697.0	1.7
Purchase of investments	(2,404.5)	-
Proceeds of sale of investments	<u>38.7</u>	<u>-</u>
<b>Net Cash (outflow) for capital expenditure and financial investment</b>	<u>(2,231.0)</u>	<u>(737.0)</u>

# The Bell Educational Trust Limited

## Notes to the Financial Statements for the year ended 31 December 2000

### 18 Analysis of Changes in Net Funds

	At 1 January 2000 <u>£'000</u>	Cash flows <u>£'000</u>	At 31 December 2000 <u>£'000</u>
Cash at bank and in hand	5,250.8	2,658.6	2,592.2
Bank overdraft	<u>(33.1)</u>	<u>(5.0)</u>	<u>(28.1)</u>
	<u>5,217.7</u>	<u>2,653.6</u>	<u>2,564.1</u>

### 19 Pension Commitments

The Company operates a pension scheme providing benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the Company being invested with an insurance company. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employee's working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the Projected Unit Method. The most recent valuation was at 1 October 1999. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 7.5% per annum, that salary increases would average 5.5% per annum and that present and future pensions would increase at the rate of 2% per annum.

The pension charge for the year was £292,119 (1999 £177,127). The most recent actuarial valuation showed that the market value of the scheme's assets was £13,867,000 and that the actuarial value of those assets represented 95% of the benefits that had accrued to members after allowing for expected increases in earnings. The contributions of the company from 1 October 2000 were 29.1% of total pensionable salaries and the contributions of employees were 5% of pensionable salaries. This increase is required to eliminate the deficit arising on meeting the minimum funding requirements (MFR) of 98%.

### 20 Capital Commitments

Capital commitments authorised by the Board but not yet contracted:

£'000

Capital commitments authorised and contracted:

Saffron Walden dilapidations expenditure 125.0

### 21 Financial Commitments

Commitments for rentals payable under operating leases for land and buildings in the financial year to 31 December 2001 are as follows:-

	<u>Group</u> <u>£'000</u>
On leases expiring in that year	-
On leases expiring in two to five years	120.0
On leases expiring after five years	<u>354.7</u>
	<u>474.7</u>