

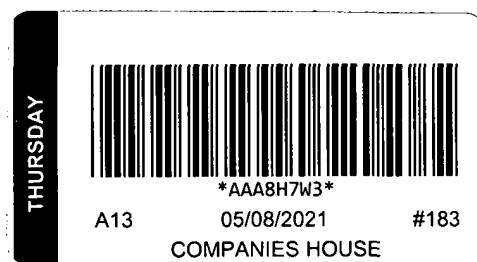
The Bell Educational Trust Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number	1048465
Charity Number	311585



The Bell Educational Trust Limited

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**The Bell Educational Trust Limited
At a Glance**

The Bell Educational Trust Limited – At a Glance

The Bell Foundation

The Bell Foundation (“the Foundation”) is the operational name for The Bell Educational Trust Limited. The Foundation is a charity which aims to overcome disadvantage through language education by working with partners on innovation, research, training, and practical interventions. Through generating and applying evidence, the Foundation aims to improve practice, policy and systems for children, young people, adults, and communities with English as an Additional Language in the UK. This is the annual report and consolidated financial statements for the year ended 31 December 2020 for the Foundation and its wholly-owned trading subsidiary, Bell Educational Services Ltd.

Highlights of 2020

In 2020, the Foundation’s priorities adapted immediately to respond to the needs of beneficiaries who were significantly affected by the Covid-19 pandemic and the impact that it had on EAL learners in schools, and on victims and offenders.

Charitable expenditure, excluding grant commitments, increased by £163,000 to £1,041,000 in 2020. Grant commitments also increased in 2020 by £203,000 to £263,000 from £60,000 in 2019.

The Foundation’s key activities in 2020, together with the major outcomes achieved, are set out below.

The English as an Additional Language (EAL) Programme

In 2020, the Foundation’s EAL Programme responded rapidly to the closure of schools due to the global pandemic, changing the delivery of the Foundation’s whole school programme “Language for Results” to an online model and ensuring that teachers and parents had access to the knowledge and resources necessary to support EAL pupils during home learning. Alongside providing practical resources, training, and guidance for school staff and parents, the Foundation ensured that policymakers were aware of the particular vulnerability of EAL pupils to language loss due to the lack of academic English language input during school closures. The programme continues to develop the work of the Foundation’s Centres of Expertise which train and bring together expert EAL trainers based in areas of high need. Centres are accredited by the Foundation to deliver high-quality EAL training to other schools across their region, and also work together to share and develop best practice in EAL.

Highlights include:

- In total, throughout the year, the Foundation reached 25,727 educational professionals through a range of training activity including webinars, online training, face-to-face training, events, and Initial Teacher Training.
- Between April and August when schools were closed, training was provided to 10,555 education professionals to help them navigate the educational crisis.
- The Foundation held eight free webinars specifically to support teachers and parents through the challenges of home learning for EAL pupils, and with pupils’ return to school.
- Following recommendations provided by The Bell Foundation, Ofqual included a section on ‘how to ensure fair grades for pupils who use EAL’ in its guidance to schools for providing teacher-assessed grades in the absence of GCSE examinations.
- The Foundation expanded its reach to 7,139 trainee teachers by releasing a training module for Initial Teacher Training (ITT) providers to give trainee teachers a sound foundation in EAL pedagogy from the beginning of their careers.

The Bell Educational Trust Limited At a Glance

- Practical resources supporting home learning and returning to school were translated and published in 17 of the most commonly spoken languages in England. The translated documents were downloaded 8,436 times enabling parents and children to access vital information in their home language.
- The Foundation developed a new “blended” model of training for Language for Results to enable delivery of the programme online through Centres of Expertise.

The Criminal Justice Programme

In 2020, the Criminal Justice Programme delivered its third year:

- Following the onset of the global pandemic, the Foundation was responsive and proactive in contacting existing partners to give additional support, continued existing partnerships, and agreed a new partnership on restorative justice.
- Grants of £201,000 were made available to partners in 2020 in the criminal justice sector.
- In 2020, interim research findings into language barriers in the criminal justice system for offenders and victims who speak a language other than English were released.
- The Foundation continued its funding of the Shannon Trust reading mentors scheme which reaches the majority of prisons in the country.
- To support prisoners who were confined to their cells in lockdown, 20 activity worksheets for ESOL learners in prison were produced and released.
- The Victims' Code was strengthened in relation to language following representations from the Foundation and from partner organisations.

The English for Speakers of Other Languages (ESOL) Programme

In 2020, the ESOL Programme was developed for rollout:

- The first grant made under the programme was to UCL Institute of Education (IoE) who completed its literature review into young people, education, employment and ESOL.
- A call for grant applications opened to identify potential partners and areas or organisations demonstrating good practice in delivering ESOL provision to minority groups.

Building a sustainable future

In 2020, the Foundation continued to manage its assets to secure the long-term financial stability of the organisation.

In a year where the global pandemic had a significant impact on all organisations, the Foundation and its subsidiaries (“the Group”) reserves, as of 31 December 2020, stood at £42,765,000. This is a slight decrease on the prior year by £1,162,000. The 2.7% reduction in reserves is primarily attributable to the Foundation's trading subsidiary, Bell Educational Services Ltd, whose operations were severely impacted by the global pandemic in 2020 leading to a loss of £1,947,000 for the year. The Foundation's investments, despite volatile trading conditions through the global pandemic, reported realised and unrealised gains of £939,000 at the end of 2020 which offset some of the loss impacting the reserves.

The Bell Educational Trust Limited
Message from the Chair

Message from the Chair

I am pleased to present the Trustees' Annual Report for 2020.

For the Foundation's beneficiaries, 2020 has been a particularly challenging year due to the global pandemic. Communities that the Foundation's programmes work with were and continue to be disproportionately impacted by the Covid-19 pandemic. The Foundation responded by supporting teachers, parents, and pupils with home learning with a series of guidance documents, articles, videos, and resources and ensuring flexibility with grantee partners. During the pandemic, free use of the car park on the Cambridge site was offered to staff working at Addenbrookes Hospital. Looking ahead to the long-term, the Foundation has adapted Language for Results to be delivered online through its regional Centres of Expertise.

In 2020, the Foundation delivered the third year of its Criminal Justice Programme through a series of new and continuing partnerships. These included practical partnerships with national organisations supporting victims with English as an Additional Language and supporting beneficiaries through grant-funded partnerships reaching the majority of prisons in England.

In 2020, the Foundation issued a call for grant proposals to invest in supporting young people and adults who are speakers of other languages and plans to invest significantly in this area in 2021. The Foundation also continued to influence policy and practice through responses to Government consultations, and through engagement in expert groups and with sector stakeholders.

Charitable expenditure, excluding grant commitments, increased by £163,000 to £1,041,000 in 2020. Grant commitments also increased in 2020 to £263,000 from £60,000 in 2019.

Working in partnership with other organisations is central to the Foundation's approach and strong partnerships continue to be developed. The Foundation is grateful for the time and contributions to our programmes made by partners whom we work with.

The Foundation continued to manage its assets in line with its Asset, Investment and Reserve Strategy. Overage income from sales of property totalled £1,477,000 at the end of 2020. The Foundation's subsidiaries have had a challenging year in 2020 due to the global pandemic and restrictions on international travel and periods of closure. This has resulted in a loss of £1,947,000 in the UK subsidiary. The Switzerland group subsidiary was less impacted and finished the year with a profit of £263,000. The impact of the global pandemic on the subsidiaries will continue through 2021. During 2020 the directors of the UK subsidiary requested financial support from the Foundation to maintain the business through the global pandemic crisis. The Trustees, after seeking external independent business and legal advice, considered financial support in the form of a loan to be in the best interests of the charity to safeguard the charity's existing investment. The loan finance was agreed in the form of a Revolving Credit Facility with the UK subsidiary.

Progress continues with the long-term development of the Cambridge campus with improvements to the site's facilities being made in 2020, including the completion of a new multi-use games area enhancing the value of the campus. Work continues to secure a planning application for a larger student accommodation block on the Cambridge campus.

The Foundation upholds standards of good governance, undertaking an annual skills audit, reviewing compliance with the Charity Code of Governance, and completing a Board appraisal. The Foundation continues to champion diversity, equity and inclusion and is working towards ensuring diversity at all levels in the organisation and its programmes, through a dedicated workstream in 2021.

This year, 2021, will be my final year as Chair of the Board and as Trustee. It has been a pleasure and a privilege to lead the charity as Chair to achieve the scale and impact that it now has.

Russell Prior, Chair of Trustees

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020

Trustees' Annual Report

The Trustees of The Bell Educational Trust Limited ("the Foundation"), who are directors of the company for the purposes of the Companies Act, submit their annual report and the audited consolidated financial statements for the year ended 31 December 2020 for the Foundation and its subsidiaries ("the Group").

The Trustees have adopted the provisions of the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (second edition, effective 1 January 2019) in preparing the annual report and financial statements of the Group.

Our vision

Creating opportunity, changing lives, and overcoming disadvantage through language education.

Our mission

To achieve our vision, we work with partners on innovation, research, training, and practical interventions. By generating and applying evidence, we aim to change practice, policy and systems for children, adults and communities in the UK disadvantaged through language.

Values

We:

- Are independent and impartial with no political affiliations
- Are authoritative and rigorous in our approach, and present clear and balanced evidence
- Work in partnership with others
- Champion practical solutions to problems, and
- Believe in diversity, valuing difference and tolerance

Our aims – achieving our mission

The Bell Educational Trust Limited was originally founded in 1972 by Frank Bell with the belief that intercultural understanding could be promoted through language education.

The objects are to promote and provide for the advancement of education for the public benefit by any means that the Trustees consider appropriate and in particular (but without limitation) by the:

- Carrying out and the dissemination of research into the teaching and learning of languages and the use of language in education more generally
- Training and professional development of language teachers
- Provision of grants to organisations and individuals to further language education

Within these objects, the Foundation's purpose is to change lives and overcome exclusion through language education, and thereby continue the vision of the founder.

The Foundation's objectives in 2020 were to work in the UK in partnership with other organisations working with children who use English as an Additional Language, break down the language barrier to accessing justice and rehabilitation for victims and offenders with English as an Additional Language in contact with the criminal justice system, and the development of work to support young people and adults with English as an Additional Language to achieve synergy with its current programmes.

The Foundation is also focused on managing its assets to create an income for its charitable work.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

Strategic report

The Trustees present their Strategic Report for 2020 for the Foundation and language school trading subsidiaries.

EAL Programme

Our objectives in 2020

- Increase the reach, impact and accessibility of Language for Results through an additional Centre of Expertise and development of additional online courses
- Continue to innovate and expand the EAL Assessment Framework and other resources
- Influence policy and practice across the system through the publication and dissemination of research and good practice and through sector wide partnerships

Our work in 2020



2020 was an unprecedented year of disruption to teaching and learning due to the Covid-19 global pandemic impacting significantly on the Foundation's beneficiaries, children who use English as an Additional Language.

"Some leaders said that literacy-related learning losses had affected some pupils who speak English as an additional language (EAL) the most because they had not been speaking English during the first national lockdown."

Ofsted Covid-19 series: Briefing on Schools November 2020

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

The Foundation responded in an agile way to the evolving and continuing education crisis. School closures meant a rapid and flexible reprioritisation to supporting teachers, parents and pupils with home learning as not all pupils and parents could access online learning provided by schools, due to lack of language or a lack of digital access.

Increase the reach, impact and accessibility of Language for Results through an additional Centre of Expertise and development of additional online courses

74% of respondents said that they planned to introduce new ideas or change their practice as a result of their webinar learning.

The Foundation's training and webinar programme, launched in 2019, scaled significantly in response to school closures. Targeted support and guidance were provided to schools by:

- Supporting the teaching, learning and assessment of pupils using EAL during and after school closures with the aim of reducing potential loss of learning
- Equipping school practitioners with free strategies, resources and materials to mitigate the impact of school closures on learning and language loss
- Supporting schools to work with parents of learners using EAL with home learning
- Raising awareness of the impact of school closures on the attainment of disadvantaged EAL pupils including what measures to put in place to help learners catch up

"It's incredibly helpful to have a go-to place for EAL resources and advice, knowing that you will be supported by experts."

"Excellent, relevant and thought-provoking CPD from experts in their field. I am delighted that these seminars can be made available for free, as this is a great help to practitioners who lack a training budget."

Teachers on The Bell Foundation webinars

School closures increased the need for teachers' Continuing Professional Development (CPD) to be offered remotely, whilst also generating a need for additional CPD including how to support EAL pupils and parents through home learning, how to prepare for schools reopening and how to help address the learning loss of disadvantaged EAL pupils. In response, the Foundation accelerated existing plans to convert face-to-face delivery of Language for Results Continuing Professional Development courses into a format which could be delivered wholly online over a sustained period to enable teachers and teaching assistants to access training from their homes. In 2020, 271 teachers and teaching assistants undertook this new formal online training, developing their skills and confidence to better support EAL pupils.

"Covid has changed the way in which education is delivered; posed additional challenges to EAL students, particularly those with lower levels of English language proficiency; and caused some rapid changes within the programme as a result. The programme has responded well. The most significant change has been in the switch to online delivery of training which, while planned before the pandemic, had to accelerate very quickly. More courses and more webinars have drawn high numbers of education professionals while retaining the quality of delivery we have come to expect having evaluated the programme for several years."

(Source: Cloud Chamber Independent Evaluation 2020)

Evidence from independent evaluation and feedback demonstrates how school systems and teaching practice have been impacted as a result of the Foundation's online training, leaving potential lasting system change for EAL learners.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

"For the first time ever we have a full picture of our EAL pupils...[Previously] we had nothing; we're slowly getting towards something"

"[The EAL teacher] is now working in the classroom and signposting staff to the bank of strategies rather than pulling EAL pupils out of class for separate learning."

"There is already a change in our school culture...it really empowers me [as an EAL coordinator]."

"[We] took that training to the letter...we're implementing it as much as we can."
(Source: Cloud Chamber Independent Evaluation 2020)

"Although I knew I was leaving, I did set up the assessment framework and the targets for the students. I thought it would help the next EAL teacher to plan her EAL provision. I also shared it with the English department and they were very appreciative...I really enjoyed the course and it was one of the best moments in lockdown!"

[The three most useful elements of the course were] "The feedback to emails and tasks .. [were] so comprehensive and useful. The strategies suggested for supporting New Arrivals in the classroom because they were so well explained and illustrated. All the Moodle resources were very informative and varied"

Teachers on Language for Results Online

The Foundation continued its strategy to work with Centres of Expertise to deliver Language for Results in areas of high need with the aim of building greater capacity and knowledge across the sector. Since 2017, the Foundation has developed five Centres of Expertise and trained 23 Bell Foundation Licensed Practitioners (BFLPs) to run Language for Results training. The five centres are: Luton First Teaching School Alliance, Co-op Academy Trust, Connect Teaching School Alliance, Prince Albert Community Trust (PACT), and University of Roehampton with Quality First Education.

The programme's transition to digital delivery was accelerated during the school closures in 2020 to respond to the needs of teachers and learners, and work was undertaken this year with Centres of Expertise to upskill the BFLPs to deliver the new partly online model for Language for Results. The shift to integrate digital approaches is in response to the increased popularity of, and wider access to, digital staff development within education. The programme objectives remain constant, to increase the reach of evidence-informed training and resources for schools to enhance the teaching and learning for pupils using EAL to achieve the best they can.

In 2020, work was also undertaken to expand the Language for Results offer to include a new module for trainee teachers, reaching teachers at the beginning of their career. It equips trainee teachers to use an inclusive pedagogy for multilingual classrooms, supporting wide access to the curriculum for learners, to ensure that learners using EAL are given every opportunity to fulfil their potential. The module, which is freely available to all Initial Teacher Training (ITT) providers in England, Wales, Scotland and Northern Ireland, released in November was accessed by 52 teacher training institutes in the first six weeks, providing access to good EAL pedagogy for 7,139 trainee teachers.

"This is such a fantastic resource. I am (a) in awe and (b) very excited about finding an opportunity to share this module with our trainees. Thank you so much for putting this together and sharing it."

"Thank you very much! An excellent, comprehensive resource — beautifully presented as are all Bell Foundation's resources. Always inspiring and informative."

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

"Thank you so much for designing this and making it available — and for free. Very appreciative of this!"

Teacher Trainers on the new ITT module

Following interest from international schools in regard to Language for Results in the UK and The Bell Foundation EAL Assessment Framework for Schools, the Foundation has developed Language for Results International for international schools which will be trialled in 2021.

Continue to innovate and expand the EAL Assessment Framework and other resources

During 2020, in response to the Covid-19 pandemic, the Foundation increased its publication of resources which focused on supporting teachers, schools and parents to respond to the learning needs of EAL pupils during school closures and on return to schools. The majority of the materials developed aimed to mitigate the learning loss and assist with catch up learning.

The Foundation published a series of guidance documents, articles, videos and resources to support teachers to embed effective home learning and to work effectively with parents of learners who use EAL.

"They've also started very useful professional discussions amongst some of our local schools about this important issue. We are booked into the webinar and will be sure to use the other fantastic resources on your site."

Email regarding 'Covid Catch Up' articles and resources

During school closures many parents were required to take on additional educator-like responsibilities from home. For those parents who were new to English or had limited language proficiency in English, this presented additional challenges due to the language barrier.

In response, the Foundation ran a webinar to support teachers in understanding how parents can use their home language to support the learning of their children and published a guide for parents of children with EAL with advice on how to help them in home learning which was translated into the 17 most commonly spoken languages in English schools. As schools began to reopen in September, the Foundation produced a graded version of the Children's Commissioner of England Back to School Guide which was translated into 17 languages to help prepare EAL children for the new systems and rules they may encounter returning to school and to help address the fears and concerns the children may have.

After schools closed the Foundation ran in-depth online courses and free webinars (with a reach of 1,871 participants) to train teachers and other school staff to assess EAL pupils' language learning loss and to support teachers to plan catch up for pupils.

Independent evaluation noted that the "Introduction to EAL assessment" course was 'particularly impactful', with 'a range of ways in which learning was being implemented, in particular through the adoption and rollout of the Assessment Framework, improving the welcome for new arrivals, and improving classroom strategies'.

In 2020, the Foundation continued to invest in the development of the wider suite of Assessment related tools, with additional resources due to be published in 2021.

"I've used it [The Bell Foundation Assessment Framework] and the tracker for every student...it's very detailed and looks at the student overall as well as the 4 strands [listening, speaking, reading and viewing, and writing]...it's not like a standardised test."

Course participant

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

Influence policy and practice across the system through the publication and dissemination of research and good practice and through sector wide partnerships

The Foundation continued its influence on system-wide change to improve understanding of the educational achievement of EAL learners. In 2020 work particularly focused on the impact that school closures have had on the language and learning loss of EAL pupils.

The Foundation submitted evidence to Ofqual to inform guidance provided to teachers when assigning grades to EAL pupils through teacher assessment, following the cancellation of the Summer 2020 examinations. This focused on how to fairly assign grades to pupils with EAL in consideration of their language learning loss and their ability to demonstrate subject content knowledge. The Foundation is also a member of Ofqual's Access Consultation Forum which considers issues affecting, and good practice to promote, the accessibility of qualifications and assessments.

The Foundation worked with partners to ensure that the needs of EAL pupils were considered across the wider education setting, including in resources developed for the Early Career Framework (ECF) by the Education Development Trust, in statutory assessment tests in Early Years Foundation Stage (EYFS), Key Stage 1 and Key Stage 2 through the Standards and Testing Agency, and in the statutory Accessibility Guidance for exam boards through working with Ofqual.

In 2020, the Foundation continued to inform policy providing robust evidence and recommendations to written consultations and calls for evidence including the Education Select Committee Enquiry on the 'Impact of Covid 19 on education and children services' and 'Initial teacher education inspection framework and handbook 2020' for Ofsted.

In 2020, the Foundation published the second report from the three-year study with the University of Oxford funded in partnership with Unbound Philanthropy. The research investigates the length of time it takes for pupils who are new to English when they arrive in Reception to achieve academic proficiency in English. It demonstrates that it takes up to seven years to achieve proficiency in English and that the current three-year allocation of funding in the school system for supporting learners using EAL is insufficient for many pupils. The final report will be published in early 2021.

In February 2020, the Department for Education published an Ad-hoc notice on 'English proficiency of pupils with English as an additional language' which analysed the proficiency in English (PIE) data collected in the school census in England from Autumn 2016 to Spring 2018. The inclusion of the additional question on proficiency in English in the school census was the result of the research published by The Bell Foundation and Unbound Philanthropy with the University of Oxford which demonstrated that it is proficiency in English, rather than EAL status, that impacts on educational attainment.

The Bell Foundation's work with universities including King's College London, Anglia Ruskin University and the University of Cambridge was put forward for the 2021 Research Excellence Framework for its impact as 'an effect on, change or benefit to the economy, society, culture, public policy or services, health, the environment or quality of life, beyond academia'.

In partnership with Unbound Philanthropy and the Education Endowment Foundation, the Foundation continued funding randomised control trials into best practice. The final report was delayed due to the Covid-19 pandemic and is now expected in 2021.

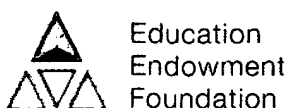
The Bell Foundation continued to speak at high-profile events with education sector leaders and policymakers, to highlight the risk of under-attainment and inequity for EAL pupils and to recommend concrete strategies for supporting pupils.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

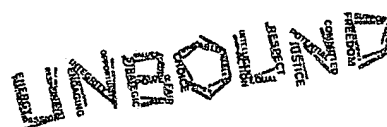
In 2020 the Foundation worked in partnership or affiliation with:



Academies Trust



The National Association of
School-Based Teacher Trainers



**UNIVERSITY OF
CAMBRIDGE**



University of
Roehampton
London



Our plans for 2021

In 2021 the Foundation will:

- Continue to respond to the impact of the pandemic on pupils with EAL as a priority
- Build capacity of the sector to meet the needs of EAL learners
- Ensure that teachers, including trainee teachers, have increased skills and confidence in understanding and supporting EAL learners
- Reach and support EAL learners through the Foundation's high-quality EAL training offer, Language for Results, delivered through regional Centres of Expertise
- Ensure that policy is more reflective of EAL needs and that research is applied to practice and system change
- Increase reach and impact of the Foundation's digital training and learning resources for schools, teachers, pupils, and parents
- Provide solutions to schools to ensure valid and reliable assessment of learners using EAL

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

Criminal Justice Programme

The Foundation's Criminal Justice Programme seeks to break down the language barrier to accessing justice and rehabilitation for individuals in contact with the criminal justice system for whom English is an Additional Language.

Our objectives in 2020

- Publish and disseminate initial research findings to influence policy, practice and the development of programme strategy
- Continue to increase impact and reach through partnerships with organisations working with victims and offenders
- Increase awareness of ESOL (English for Speakers of Other Languages) needs through the development and dissemination of materials and resources such as the ESOL Screening Tool
- Share learning from partners to support system change and best practice on meeting the needs of victims who use English as an Additional Language

Our work in 2020

In 2020, the Criminal Justice Programme continued into its third year. The challenges of the Covid-19 pandemic and lockdown on both victims of crime and prisoners, and partner organisations who support them have been significant.

Following the onset of the Covid-19 pandemic, the Foundation has adopted a flexible approach with partner organisations and allocated continued and additional funding to enable them to support beneficiaries. In 2020 grant funding of £201k was made available in grant funding to partner organisations in the criminal justice sector.

For victims who use English as an Additional Language, reports of refugees having to turn away female victims of abuse because they did not have capacity to provide interpreters for them were particularly shocking.

For prisoners and charities that work with them, delivery of many in-prison, face-to-face services and activities ceased during lockdown with prisoners being locked in their cells in some cases for 23 out of 24 hours a day, without a resumption of education or work activities.

Publish and disseminate initial research findings to influence policy, practice and the development of programme strategy

Despite the introduction of restrictions during the pandemic and field research in prisons unable to take place, research has continued, with adaptations to the methodologies. Interim research findings into language barriers in the criminal justice system, for offenders and victims who speak a language other than English, were presented at a well-attended webinar in 2020.

Initial findings included patchy provision of translation and interpretation services, a lack of training and guidelines, archaic language used in the legal profession which is also confusing for native speakers, issues identifying and organising language support, and the availability and quality of interpreting services.

"We lost her within this window of opportunity that we had, because we weren't able to get a translator to speak to her. But yes, we are often waiting for days, weeks before we can get a female interpreter."

Not-for-profit organisation

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

"I can't recall any specific training that I have had, working with victims or suspects of crimes that don't have English as their first language... When I go to an incident, if somebody seems to be struggling with the communication, between myself and that individual, it is then my own judgement call as to whether I then use an interpreter. Which again, I have not had any training in saying that I should be using an interpreter."

Police officer

The final research will be published in 2022, with the potential long-term impact of the findings on both the future investment in the programme from the Foundation and on policy and practice.

Share learning from partners to support system change and best practice on meeting the needs of victims who use English as an Additional Language

The Foundation worked with partners to respond to the Government's second consultation on the Victims' Code of Practice and was successful in achieving a strengthening of the Code in relation to language.

Several influential stakeholders have taken an interest in the research and the research is supported by an Expert Advisory Group of senior stakeholders. This has resulted in significant engagement from sector stakeholders including other academics, with the Foundation being invited to sit on a steering group of three universities looking at this area, and engagement from Government departments including the Crown Prosecution Service.

"It was great to attend the event two days ago: there were some very useful insights."

Language Barriers in the Criminal Justice System event participant

Increase awareness of ESOL needs through the development and dissemination of materials and resources such as the ESOL Screening Tool

To support prisoners during lockdown in 2020, the Foundation produced and released 20 activity worksheets for ESOL learners, which are designed for the prison contexts where printing is in black and white and where prisoners do not have access to other media or books to support their learning. These worksheets were specifically to provide ESOL learners with purposeful activities whilst in their cell. The Foundation also worked with partner, Shannon Trust, to provide additional guidance to Shannon Trust mentors so that they can better communicate with learners who use English as an Additional Language.

The ESOL Screening Tool for prisons, which includes videos, guidance and testimonials, supports staff using the tool in their prison to identify prisoners with language needs. An updated version of the ESOL Screening Tool is being trialled with a small number of prisons before being relaunched in 2021.

Continue to increase impact and reach through partnerships with organisations working with victims and offenders

The Foundation has continued to fund partnerships working directly with victims with English as an Additional Language. This included a further year of funding for Victim Support and for Harrow Law Centre. The partnerships have learnt a lot in their first year of operation and key insights include that some victims would rather see themselves less as victims who have been harmed, and more as individuals with rights and entitlements. Another key insight has been the need to develop fully digital approaches for victims of crime from specific ethnic and cultural backgrounds. A digital approach is seen as easier to engage with and more private.

"A positive and surprising learning point has been hearing about the widespread use of social media and apps as a means of communication. Even within the older generations of

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

the South Asian community this is a favoured way of gaining information and communicating with others. Because of the taboo surrounding certain topics within the South Asian Community, it is felt that physical resources such as posters and leaflets will be less valued and used, with the community favouring more interactive, digital resources, that cannot be visibly seen and accessed by everyone openly."

"I think the Facebook page is a great idea, you can access materials anonymously and maybe speak to other people who have had a similar experience."

"I think the Facebook page will create an online community of its own without the pressure of communicating face to face, I would use it!"

Victim Support

In 2020, the Foundation began a new partnership with the national restorative justice charity "Why Me?" to develop a project specifically improving access to restorative justice services for victims of crime who have English as an Additional Language. The Foundation intends to fund "Why Me?" to develop understanding and improve access by working with three regional restorative justice services successively, in each area one or two languages and cultures will be chosen. The learning and insight generated will add to a developing body of knowledge which will be disseminated through both the Foundation's main research project, as well as through other specific outputs.

The Foundation has continued to fund the Shannon Trust to support reading by prisoners for prisoners. As prisons went into lockdown in March 2020, volunteers could not enter prisons and learning sessions could not take place. The Shannon Trust was able to create a range of new resources for learners and mentors to use either together or by themselves. This has included developing new activity packs for learners and anyone who could benefit from learning to read and new digital self-study resources for learners, that can be either used independently or with the support of a mentor. The new resources will create new pathways into learning, giving learners increased choice in the way they can learn and reaching a wider group of potential learners.

"In focus groups last year, learners and mentors told us about the personal barriers that many people face in learning to read. They also shared that the prison regime can make it harder for people to engage and that options for learning could be extended. We also heard that self-study resources, used alongside peer-support or independently, could be part of the solution."

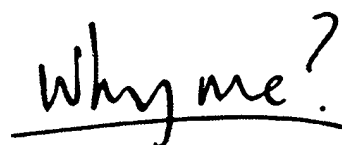
Shannon Trust

"We wanted to acknowledge the good work of our mentor, J. J, herself, learnt to read via the Shannon Trust reading programme — arriving at prison knowing how to read her name and the word 'jam'. J is a passionate advocate of 'the power of reading'. In July, she clocked up a total of 40 hours' worth of sessions. We're immensely proud of her achievement — to date. We have a feeling there'll be more to come..."

Shannon Trust volunteer & Reading Programme facilitator

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

In 2020 the Foundation worked in partnership or affiliation with:



Our plans for 2021

In 2021 the Foundation will:

- **Build the evidence base** – Research and publish the evidence base on the needs of individuals with English as an Additional Language in the justice system through the research partnership between the Institute for Crime and Justice Policy Research, Centre for Justice Innovation and Victim Support
- **Engage in System change and thought leadership** – Continue to highlight the language barriers throughout the criminal justice system to policymakers to influence change in the system's response to the needs of individuals with English as an Additional Language in the criminal justice system
- **Create capacity within the criminal justice sector** – Develop and embed training and resources to improve the sector's ability to respond to the needs of ESOL individuals by working with statutory bodies and third sector organisations so that the workforce is better able to communicate with individuals who use English as an Additional Language
- **Support organisations working with victims** – Work with partners to ensure that victims of crime with English as an Additional Language are better supported to access justice and recovery services

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

ESOL Programme

Our objectives in 2020

In 2020, the Foundation's objectives were to begin to roll out a pilot programme through the development of new partnerships at national and regional level to achieve the following objectives:

- To develop an in-depth understanding of the needs of and how to improve outcomes for two defined groups who speak English as a second language:
 - young people aged 16–25
 - migrant workers
- To conduct research with and for isolated or marginalised adults in order to advise on effective engagement and pedagogical strategies to improve their personal, professional and educational outcomes
- To disseminate findings from the Foundation's first research project on achievement and educational/employment outcomes for this group of young people aged 16–25
- To influence the national and local Government development and roll out of an English language strategy and ESOL provision
- To determine the Foundation's longer-term programme strategy to support adults with ESOL needs

Our work in 2020

Disseminating Findings on Outcomes for young people

The Foundation with UCL Institute of Education (IoE) published its first draft of a literature review into young people, education, employment and ESOL. In September, the IoE hosted roundtable events to discuss the literature review, which brought together practitioners, researchers and policy professionals in the field of ESOL and young people. This work will continue into 2021 with data analysis and a second expert roundtable to build and disseminate findings on young people with ESOL needs.

System change and thought leadership

The Foundation has continued to use its convening power and has established an ESOL Policy Group of sector experts with the aim of informing national and regional ESOL policy. The Foundation continued to use its expertise to inform and respond to Government consultations in this area.

Programme strategy and delivery partnerships

The Foundation began to implement the programme framework, adapting to the changed external context due to the pandemic. The challenges of young people facing unemployment will be a focus of the programme with the aim of gaining a better understanding of the links between ESOL, English proficiency and employment outcomes.

In 2020, a call for grant applications opened to identify potential partners and areas or organisations demonstrating good practice in delivering ESOL provision and roll out of partnerships will begin in 2021.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

In 2020 the Foundation worked in partnership or affiliation with:



Our plans for 2021

In 2021 the Foundation will:

- Build an evidence base by publishing the literature review and quantitative research from UCL Institute of Education on young people with ESOL needs
- Engage in system change and thought leadership through engaging in regional and national policy and practice forums and convening experts
- Agree new practical partnerships at local and regional level with groups representing vulnerable beneficiaries which demonstrate innovative methods of delivering ESOL

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Trustees' Annual Report for the year ended 31 December 2020 (Continued)

Communications

During 2020, the Foundation invested in a new website and a refreshed brand to ensure that it is a "go to" source for relevant information, tools, resources and training for schools, teachers, tutors and prison staff to enable them to support learners who speak English as a second or additional language. The new website has streamlined the user experience for school staff and is now a key hub for EAL. Visitors to the website increased by 80% on the previous year, and sessions by 70%.

The Foundation continued to have wide reach through its media coverage which included 24 appearances in education media, including SecEd and Head Teacher Update which reach all primary and secondary schools. In addition, there was coverage of the Criminal Justice Programme in a highly targeted and respected e-newsletter. As well as publishing, disseminating and promoting evidence through news and best practice articles, blogs and in highly-targeted sector e-newsletters, the Foundation's research, resources, tools and guidance documents were cited in external articles, reaching at least 50,000 of our key audiences. This coverage continued to raise awareness of the language barriers EAL learners face and the resources that the Foundation provides to enable schools to support them.

Grants and partnership policy

The Foundation's approach is to work in partnership with others. The Foundation is grateful to the time and contributions to our programmes made by partners whom we work with. The Foundation maintains a flexible and open approach to grant giving, to ensure each grant made has the best possible impact. Grants are made to fund specific activities carried out by partners or to focus on capacity building and development.

The Foundation works with both small organisations and large strategic partners who have expertise in supporting children and adults who have English as a second or additional language, and those who have expertise in supporting victims, and rehabilitating offenders and ex-offenders.

The Foundation is open to approaches from organisations, via its website, to develop partnerships and invites organisations who share its strategic objectives to discuss partnership opportunities.

Asset management

Our objectives in 2020

The Foundation manages its assets to secure long-term financial stability in order to continue to fund charitable work. Specifically, in 2020, the Foundation planned to:

- Continue to monitor and respond to the financial performance of both the trading subsidiaries and of investment managers
- Manage the next stages of the student accommodation planning application, and
- Finalise the land disposal with the completion of the overage.

A summary of 2020

The following is a summary of activity in 2020. Further detail is contained within the financial review.

Property assets

The Foundation's property assets in Cambridge are leased to Bell Educational Services Ltd, the charity's trading subsidiary. The Foundation submitted a detailed planning application at

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

the end of 2018 for the potential development of student accommodation on the campus, for which a formal decision in respect of this application has not yet been received. In 2020, the Foundation invested in the quality of the site with the completion of improved sports facilities on the campus.

The completed sale of development land in 2017 provided, under contract with the developer, for overage. Overage has been recognised in the accounts, as prescribed by accounting rules, since 2017. In the final quarter of 2020, the developer completed the last property sale, and the overage calculation was finalised at £1,477,000 in December 2020. The overage contract was thus completed, and funds were remitted to the Foundation in 2021.

Investments

Despite the impact of the global pandemic on financial markets, the valuation of the Foundation's investments at 31 December 2020 was £23,539,000, a 3.6% increase on the value at the end of 2019.

Fluctuations in values, as seen during 2020, are expected, and the investments are being held for the long-term.

During the year, Trustees approved a change in investment strategy for the Foundation's holdings with Barclays Wealth, moving from a charity discretionary portfolio strategy to a "Sustainable Total Return Strategy". The new strategy focuses on investing in responsible and sustainable investments using Environmental, Social and Governance (ESG) screening and referencing the UN's Sustainable Development Goals. To date the portfolio has performed well under the new strategy in difficult trading conditions. The investments held within this strategy, though still meeting the total return objectives of the Foundation, are likely to provide reduced investment income through dividend receipts since the businesses selected for the portfolio typically reinvest for the future. In order to address potential future cash flow requirements, the Trustees have approved the application for a Securities Backed Lending facility with Barclays Wealth. This facility will be put in place in 2021.

Trading subsidiaries

As noted in the "At a Glance" section of the report, the global pandemic has had a severe impact on the English language teaching market and consequentially the operations of the Foundation's trading subsidiary Bell Educational Services Ltd. The school was required to close for a significant part of 2020 and thus the usual levels of trading did not occur. Despite considerable cost savings, the subsidiary reported a loss in 2020 of £1,947,000.

The impact of the global pandemic on Bell Switzerland SA, the wholly-owned subsidiary of Bell Educational Services Ltd, was less marked and though the school in Switzerland was also closed for a period, this was only for a short time and the activities have recovered well. The Swiss subsidiary reported a profit of £263,000 for 2020 and additionally, during the year, Bell Switzerland SA remitted a dividend payment to Bell Educational Services Ltd from its 2019 reserves of £321,000.

Despite the dividend receipt, cash reserves held by Bell Educational Services Ltd have been significantly impacted. Though some activity is forecast to return in 2021, the business is not expected to recover to pre-pandemic income levels until 2023. The directors of Bell Educational Services Ltd thus approached the Foundation in 2020 to request financial support through the global pandemic crisis.

After seeking external independent business and legal advice, Trustees agreed that financial support in the form of a loan for Bell Educational Services Ltd was in the best interests of the charity to safeguard the charity's existing investment. To that end the Foundation put in place a Revolving Credit Facility with Bell Educational Services Ltd. The facility, dated 27 October 2020, provides phased draw down of funds up to a maximum limit of £1,600,000. The facility

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Trustees' Annual Report for the year ended 31 December 2020 (Continued)

is conditional upon adherence to financial covenants which are monitored quarterly. The facility is available until 31 December 2022. The facility is secured by way of a fixed and floating charge over the assets of Bell Educational Services Ltd, which include the shares of Bell Switzerland SA. As of 31 December 2020, Bell Educational Services Ltd had not drawn on the facility, an initial drawdown was not requested until April 2021.

Continuing international travel restrictions resulting from the pandemic have been reflected in updated forecasts for 2021 provided by the trading subsidiary. These indicate an increased funding need from that agreed in October 2020. In July 2021, following a formal request from the directors of Bell Educational Services Ltd, and after seeking external independent business and legal advice, the Trustees approved an increase of £300,000 to the Revolving Credit Facility. The maximum funding limit on the facility is thus £1,900,000. This maximum limit is restricted in time and reduces to a lower limit of £1,700,000 following receipt by Bell Educational Service Ltd of a forecast tax refund.

Our plans for 2021

The key objectives for 2021 are:

- Continue to monitor and respond to the financial performance of the trading subsidiaries, specifically, in conjunction with the Foundation's business advisors, monitor the performance of Bell Educational Service Ltd against the financial covenants in the Revolving Credit Facility and monitor forecasts as the uncertainty created by the global pandemic continues
- Continue to monitor and respond to the financial performance of the investment managers
- Review and update the Foundation's ESG investment policy
- Manage the next stages of the student accommodation planning application, and
- Finalise the land disposal with the completion of the overage.

Financial review and results for the year

Reserves policy

The Foundation's reserves are primarily unrestricted funds. These are further divided by the Trustees into income and capital funds, the latter being represented by the cost of assets held for investment purposes by the charity and the statutory revaluation reserve, reflecting the Trustees' approach to managing the funds. The Trustees can make transfers between the income and capital funds, as the funds are unrestricted designated funds.

The Asset, Investment and Reserve Strategy agreed by Trustees states that transfers can be made from the capital fund to the income fund to ensure that planned programmatic work can continue if income is below expectations.

The reserves policy and level of unrestricted income reserves are reviewed annually.

Having considered the ongoing needs of the Foundation and its trading subsidiaries, the reserves policy is to have sufficient cash resources, whether internally generated or through long-term borrowings, to finance the Group's rolling five-year plans with an allowance for reasonable contingencies. The Trustees continually review the financial position of the Group. Notwithstanding the impact of the global pandemic on the trading subsidiary for which external advice supports a long-term view of the business, the Trustees believe that the reserves policy is an appropriate policy to continue to adopt to fund the long-term sustainability of the Group.

The reserves policy is informed by:

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2020 (Continued)

- Forecast levels of income in future years, taking into account the reliability of each source of income
- Forecasts of planned expenditure in future years
- Analysis of future needs, opportunities, contingencies, or risks, the financial effects of which are not likely to be able to be met out of income if and when they arise, and
- Assessment, on best evidence reasonably available, of the likelihood of each of those needs arising.

The designated capital fund and the revaluation reserve reflect the intention of the Trustees and the organisation's founder to ensure the long-term stability of the Foundation. These funds represent the land gifted to the charity in the 1970s and investments made from the proceeds of the sale of surplus land over the last six years and include the overage income.

In line with the Asset, Investment and Reserve Strategy, the investment portfolio's 2020 unrealised gains of £893,000 have been added to the revaluation reserve. The revaluation reserve also includes additions of gains made on revaluations of the Foundation's property assets. During 2019, the Foundation's trading subsidiary invested in the conversion of existing facilities (which formed part of the property assets of the charity) into a student accommodation block. Accordingly, in consolidating the Group accounts, the revaluation reserve is adjusted for this investment.

As at 31 December 2020, the charity's total capital funds (designated capital fund and revaluation reserve) were £43,507,000 (2019 – £42,419,000). The balance on the charity's unrestricted income fund was £130,000 (2018 – £513,000). It is anticipated that future income will be below normal expectations in the short to medium-term, predominantly due to the impact of the global pandemic on the trading subsidiary resulting in significantly reduced income through royalties in the short-term and the ability to remit Gift Aid impacted into the medium-term. Investment income will also be reduced going forward due to the change in strategy on the Barclays Wealth investment portfolio generating a lower level of dividend income, though total returns will generate increased asset values. The anticipated fall in income will require a transfer in 2021 from the capital fund to the income fund to continue to support the planned programmatic work of the Foundation in line with the overall Asset, Investment and Reserve Strategy. Despite the income forecasts being lower than normal expectations, and the expected requirement to transfer funds, the Foundation's total assets are forecast to grow by around four per cent over the next five years.

The combined unrestricted income reserves of both the trading subsidiary Bell Educational Services Ltd and its subsidiary, Bell Switzerland SA, turned negative to (£1,000), this fall in reserves being a direct result of the impact from the global pandemic. The combined unrestricted income reserves were at £2,000,000 in 2019.

Investment policy

The Trustees have adopted an Asset, Investment and Reserve Strategy that has the following objectives:

- To provide funds to support the Foundation's programme of activities
- To preserve and enhance the value of the Foundation's assets, and
- To achieve the above with agreed levels of risk.

The Foundation's asset portfolio consists of three key elements:

- A portfolio of investments
- The investment in Bell Educational Services Ltd, a wholly-owned trading subsidiary, and
- The Cambridge campus leased to the trading subsidiary.

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Trustees' Annual Report for the year ended 31 December 2020 (Continued)

The Foundation holds any short-term surplus funds on bank deposit.

Investment portfolio

The Trustees have targeted the investment managers to produce a total return of the Consumer Prices Index plus four per cent with an annual cash income drawdown of three per cent.

The Foundation has agreed to follow the social, environmental and ethical policies developed by the investment managers for discretionary charity portfolios, which will minimise the risk of any significant investment where the business activities are to the detriment of the Foundation's ultimate beneficiary groups. As noted in the Strategic Report, in 2020, funds held with Barclays Wealth were transferred to their "Sustainable Total Return Strategy" which increases the level of ESG screening and requires additional sustainable requirements.

Investment in Bell Educational Services Ltd

The investment in Bell Educational Services Ltd was created in 2012 when the Foundation transferred its language school assets into a wholly-owned trading subsidiary with the aim of generating an income stream for the charity. The Trustees acknowledge that this company operates in a cyclical market, which is influenced by geopolitical factors outside the company's control.

In normal operating times, in addition to the remittance of royalty income, the Trustees' key target is for a cash return through Gift Aid, calculated as the higher of 10% of the opening capital value or 40% of annual net profit, to fund the Foundation's charitable works. The trading subsidiary reported a profit for 2019 however the impact of the global pandemic meant that the trading subsidiary has reported a loss in 2020 and it has not been possible for the trading subsidiary to make a return to the Foundation through Gift Aid in 2020.

Though forecasts indicate that the trading subsidiary should return to pre-pandemic income levels in 2023, it will take longer to improve the subsidiary reserves to a point where Gift Aid distributions are possible.

Cambridge campus

The Foundation owns the Cambridge campus from which Bell Educational Services Ltd operates its Cambridge school. The Trustees have a long-term lease with the trading subsidiary with five-yearly rent reviews and a target rental return of seven per cent per annum. The rent was reviewed with effect from 1 January 2017 and this gives a return on the carrying value of the campus of the target seven per cent. The next rental review date is 1 January 2022.

Trading subsidiaries' results

As already noted, the global pandemic has severely impacted the English language teaching market. Bell Educational Services Ltd, the UK subsidiary, achieved turnover of £2,451,000 compared to the previous year turnover of £11,228,000. After a dividend receipt from Bell Switzerland SA, Bell Educational Services Ltd reported a final loss for 2020 of £1,947,000 resulting in unrestricted income reserves of negative £347,000.

Bell Switzerland SA was less impacted by the global pandemic reporting a turnover of £3,153,000 for 2020 which was only a fall of £351,000 on the prior year. The unrestricted income reserves of Bell Switzerland SA ended the year at £346,000.

The combined turnover of the subsidiaries for 2020 is thus £5,604,000 with, as previously noted, a combined unrestricted income reserve of negative £1,000.

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Trustees' Annual Report for the year ended 31 December 2020 (Continued)

Charitable expenditure

The 2020 charitable expenditure totalled £1,304,000, an increase on the expenditure of £938,000 reported in 2019. The increase of £366,000 in part reflecting the increased scaling of the programmes, the activity of a new, third, programme and increased grant commitments in 2020. New grant commitments in 2020 were £263,000, an increase on the commitments made in 2019 which totalled £60,000.

Balance sheet

The balance sheet was broadly static at the end of the year, despite the challenges presented by the global pandemic with Group assets at £42,765,000 (2019 £43,927,000). The slight fall of 2.7% is, as described previously, principally due to the impact of the global pandemic on the trading subsidiaries' results.

The total recognised overage income of £1,477,000 (before tax of £281,000 is deducted) is included in debtors and these funds are now payable following completion of the last property sale. The overage income is taxable as trading income, however corporation tax is not due until the overage arrangement is completed which will now occur in 2021. This gives rise to a timing difference between the accounting and tax treatment of the income, and this is recognised through the provision of deferred taxation of £281,000.

Cashflow

The Group's cashflow was diminished in the year with total balances of £9,116,000 at 31 December 2020, a decrease of £3,904,000 on the prior year principally due to the impact of the global pandemic on the trading subsidiary. The Foundation's cash balances at 31 December 2020 were £6,444,000, a reduction of £672,000 from the prior year reflecting not only reduced royalty income from the trading subsidiary, but also reduced dividend income from the investment portfolios due to the impact on financial markets during the global pandemic and also the change of investment strategy on the Barclays Wealth portfolio.

Year-end position and going concern

The Group's net current assets at 31 December 2020 were £7,868,000. In addition, the investment assets at 31 December 2020 were £23,539,000. Though the Foundation is not significantly affected operationally by the ongoing situation of the global pandemic in 2021, the Trustees recognise the impact it is having on the Foundation's assets, particularly as it continues to be a material uncertainty for the operations of the trading subsidiary. However, given the ease with which the Group's current assets and the investment assets could be converted into cash and having considered the three-year strategic plans of Bell Educational Services Ltd and Bell Switzerland SA, and the Foundation's forecast, the Trustees consider the Group a going concern.

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Trustees' Annual Report for the year ended 31 December 2020 (Continued)

Risk management

The Board of Trustees is responsible for the overall identification and mitigation of risks. Day-to-day examination of the risks for the Foundation is conducted by the executive team and for the subsidiaries by the Boards of Directors supported by their executive management teams. These processes are overseen by the Audit and Risk Committee and reviewed by the Board of Trustees.

A formal review of risk management processes is undertaken annually, and key controls include:

- Vetting procedures, as required by law, and policies for the protection of the vulnerable
- Maintenance and regular review of the risk registers
- An annual review of insurance
- A review of major business risks.

The Audit and Risk Committee agreed to go "beyond compliance" for safeguarding practices. In 2018 an external safeguarding review was undertaken; this was followed up in 2019 and the review confirmed that suggested improvements had been addressed. Due to the global pandemic the school site and charity offices have been closed for significant periods of time with staff working remotely, and so the external safeguarding visit which was originally planned for 2020 has been postponed to 2021.

Major risks and mitigation identified by the Group are as follows:

Risk

Mitigation

Charitable Programmes

Changing external environment for the delivery of programmes, including the continued uncertainty and impact to beneficiaries, partners and grantees caused by the Covid-19 pandemic

- Long-term view and flexible approach taken with partners and grantees
- During the pandemic:
 - Programme delivery methods, where not already digital, have been converted to digital
 - Additional support made available to partners and grantees

Income from trading subsidiaries and investments insufficient to fund planned charitable programmes

- Trustees' policy of utilising capital to ensure completion of agreed charitable programmes

Trading Subsidiaries

Continued uncertainty and impact to the trading subsidiaries caused by the global pandemic

- Flexible sales approach and ability to redeploy resource according to circumstances
- Close monitoring of market developments as travel restrictions change
- Online courses developed
- Alternative scenarios considered and sensitivities calculated on financial forecasts, respective action plans mapped out
- Financial support in the form of a loan in place

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Cyclical trends in the English language market in which the trading subsidiaries operate

- Continued regular reporting of results and forecasts by trading subsidiaries to the Board of Trustees
- Proactive response to business conditions
- Proactive development of less cyclical business streams

Intellectual Property (IP), Brand and Reputation

Damage to brand and reputation due to activities of others

- Formal agreements with partners for use of IP, clear statements of copyright ownership and use

Governance

Ensuring the governance structure of Committees and subsidiary Boards continue to be appropriate

- Regular review of the Terms of Reference
- Annual planning, review and approval processes
- Annual skills audit for Trustees
- Annual review of compliance with the Charity Governance Code

Adherence to relevant legislation

- Regular monitoring of legislative developments
- Regular consideration of key risk areas by the Board of Trustees and the Audit and Risk Committee

Safeguarding

The need for the trading subsidiaries to manage the wellbeing and safety of students to the highest standards

- External safeguarding review undertaken in 2018, updated in 2019 and further review now planned for 2021
- Safeguarding systems to ensure concerns are escalated
- External inspections

Cyber Security

- Best practice risk mitigation policies and processes in place
- Regular monitoring

Investments

Fluctuations in total returns from the investment portfolio compared with the target of CPI plus four per cent

- Diversification of portfolio management and underlying tactical asset allocations
- Regular monitoring

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Legal structure and governance

The Bell Educational Trust Limited is a charitable company limited by guarantee, number 1048465 established on 5 April 1972, and is also a charity registered with the Charity Commission, number 311585. The Bell Educational Trust Limited operates under the name The Bell Foundation.

The Bell Educational Trust Limited is governed by Articles of Association, most recently amended and adopted on 9 September 2011.

The Board of Trustees ("the Board") is legally responsible for the governance, policy and decision making at the highest level. The number of Trustees must not be less than four or more than sixteen. Under the Articles of Association, Trustees are appointed by the Board. The Board meets a minimum of four times a year.

Trustees are appointed for a period of three years and, provided they remain qualified, will be eligible for reappointment but for no more than three consecutive terms. Each Trustee serves on at least one Committee. During 2020, the Board reviewed the Committees' Terms of Reference, chair roles, membership and terms of office on all its Committees.

The Board of Trustees, through the Asset Management Committee, has responsibility for ensuring the strategic oversight and review of the Foundation's assets on a quarterly basis, including its property and trading subsidiaries.

Trustees held an annual away day in 2020 at which the Trustees considered and discussed diversity, equity and inclusion and what this means for the Foundation, reviewed the governance structure of the trading subsidiary and discussed the Chair and Trustee recruitment requirements for 2021.

Recruitment, induction, and training of Trustees

The Board, through its Governance Committee, has actively considered the skills base of the existing Board, conducted an annual skills audit, and reviewed Trustee training needs. There is a full induction process in place and a set of annually reviewed policies and procedures. Trustees are also advised of, and encouraged to attend, seminars run by various professional bodies, on topics that may be of interest.

Public benefit

The Trustees are confident that the Foundation meets the public benefit requirements and confirm that they have taken into account the guidance contained in the Charity Commission's general guidance on public benefit where applicable. The narrative given earlier in this report details the activities undertaken in the year and the public benefit provided.

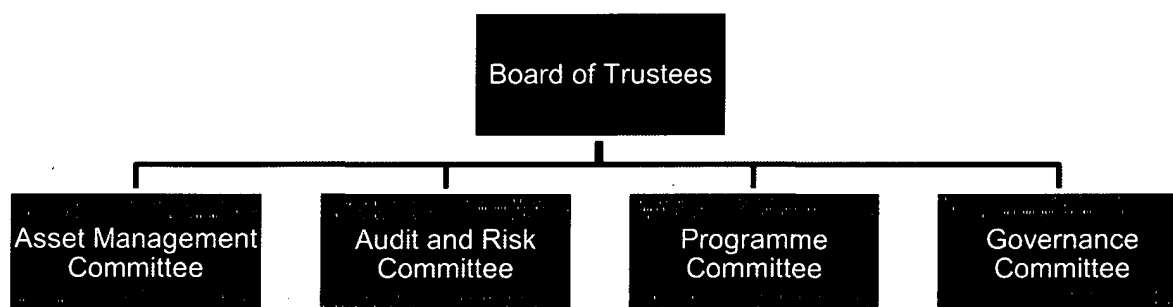
Related party transactions

There were no related party transactions in 2020.

Mr M Milanovic and Mr G Spink served as directors of Bell Educational Services Ltd for the whole of 2020 for which they received no remuneration.

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Trustees' Annual Report for the year ended 31 December 2020 (Continued)

Board of Trustees and Committees



The Trustees who held office during the year and up to the date of approval of this report were:

	Board Meetings attended (Seven meetings held in 2020)
Mr R C Prior (Chair)	7
Mr A L Tomei (Vice Chair up to 31 December 2020)	7
Mr J Gandy	7
Mr M Milanovic (Resigned 10 February 2021)	5
Mr G Spink	7
Mr R S M Auladin	6
Ms E J King	7
Mr A J Scott-Barrett	7
Ms T E Fazaeli (Vice Chair from 1 January 2021)	7
Ms L McLaughlin	7

The Board delegates the exercise of certain powers in connection with the management and administration of the charity as set out below:

Audit and Risk Committee

	Meetings attended (Three meetings held in 2020)
Mr G Spink (Chair)	3
Mr R S M Auladin	3
Mr A J Scott-Barrett	3

The Audit and Risk Committee, in addition to its work on the annual report and accounts, reviewed risk management processes and reporting to ensure clear oversight for the Board over risk mitigation and assurance on the related controls.

Asset Management Committee

	Meetings attended (Six meetings held in 2020)
Mr J Gandy (Chair)	6
Mr A L Tomei	6
Mr A J Scott-Barrett	6
Ms L McLaughlin	6
Mr N Tellwright (co-optee)	4

The Asset Management Committee completed detailed reviews of professional advice relating to the impact of the global pandemic on the trading subsidiaries. It continued to monitor the performance of the investment managers and made recommendations to the Board with regards investment strategy changes.

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Governance Committee

	Meetings attended (Six meetings held in 2020)
Mr R S M Auladin (Chair from 1 January 2020)	6
Mr R C Prior	5
Mr A J Scott-Barrett (from 10 February 2020)	5
Mrs E J King (from 10 February 2020)	6

The Governance Committee oversaw the conflict of interest and hospitality policy review, annual skills audit, senior staff pay and remuneration, and commenced the review of, and plans for, the recruitment of a new Chair and Trustees in 2021.

Programme Committee

	Meetings attended (Five meetings held in 2020)
Mr A L Tomei (Chair up to 31 December 2020)	5
Mr M Milanovic (Up to 10 February 2021)	3
Ms E J King (Chair from 1 January 2021)	4
Ms T E Fazaeli	5
Ms D Sutton (Director, The Bell Foundation)	5

The Programme Committee provided challenge and support to the staff on the implementation of the Foundation's programmatic activity.

Trustees' indemnities

The charity Trustees' liability policy includes protection for the Trustees and officers past and present in their personal capacity in circumstances where they cannot claim indemnity from the charity, following legal action against them in their role for wrongful acts made within the period of insurance. This policy is reviewed annually.

Employee involvement

There is a continued commitment to employee involvement throughout the organisation. Employees are kept informed of performance and strategy through regular meetings from the Senior Management Teams throughout the year. The trading subsidiaries have an Employee Forum that represents their colleagues in a two-way communication and consultation with the company. During the global pandemic, where face-to-face meetings have not been possible, the Foundation and the trading subsidiaries have kept staff updated through online meetings.

Equal opportunities

The Group is committed to an active equal opportunities policy. It is Group policy to promote an environment free from discrimination, harassment and victimisation, where everyone will receive equal treatment regardless of gender, race, ethnic or national origin, disability, age, marital and civil partnership status, sexual orientation, gender reassignment, pregnancy and maternity, or religion.

Disabled Employees

The Group is committed to the provision of equal opportunity with regard to employment and development of staff. It pursues a policy of equal opportunity for disabled people and is committed to employment practices that ensure disabled applicants receive full and fair consideration for all types of vacancy, and that disabled employees have equal opportunities for training, career development and promotion. Any employee who becomes disabled whilst

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Trustees' Annual Report for the year ended 31 December 2020 (Continued)

in employment will be given full support including retraining and redeployment, whenever reasonable and practicable.

Statement of Trustees' responsibilities and corporate governance

The Trustees (who are also directors of The Bell Educational Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS102 'The Financial Reporting Accounting Standard' applicable in the UK and Ireland. Under company law Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP (FRS102)
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK 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 charitable Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the charitable Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that so far as each Trustee is aware:

- There is no relevant audit information of which the charitable Group's auditor is unaware, and
- The Trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Trustees of The Bell Educational Trust Limited on 29 July 2021 and signed on its behalf by

R C Prior
Chair of Trustees

Russell Prior

Independent auditor's report to the members of The Bell Educational Trust Limited

Opinion

We have audited the financial statements of Bell Educational Trust Limited (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the consolidated statement of financial activities including the income and expenditure Account, the consolidated and charity balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and parent charitable company's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group or parent charitable company to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the Group's and parent charitable company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the Group's and parent charitable company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report to the members of The Bell Educational Trust Limited

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Trustees with respect to going concern are described in the 'Responsibilities of Trustees for the financial statements' section of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Strategic Report and the Directors' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Annual Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent charitable company, or
- returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and 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.

Responsibilities of Trustees for the financial statements

As explained more fully in the Trustees' Responsibilities Statement set out on page 28, 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, and for such internal control as the Trustees

Independent auditor's report to the members of The Bell Educational Trust Limited

determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are most applicable to the Group and determined that the most significant are those that relate to the operational environment, student safeguarding requirements, the financial reporting framework (FRS102, Charities SORP and Companies Act 2006) and relevant tax compliance regulations.
- We obtained an understanding how the Group is complying with these legal and regulatory frameworks by making enquiries to management. We corroborated our enquiries through our review of board minutes.
- We assessed the susceptibility of the Group's financial statements to material misstatement including how fraud might occur. Audit procedures included:
 - Identifying and assessing the design effectiveness of management's controls designed to prevent and detect irregularities;
 - Challenging assumptions and judgements made by management in its evaluation of accounting estimates;
 - Identifying and testing journal entries.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Independent auditor's report to the members of The Bell Educational Trust Limited

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery, or intentional misrepresentations.
- It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- Management have not communicated to the audit team any matters of non-compliance with laws, regulations, or fraud and no such matters were identified by the audit team.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge
Date:

The Bell Educational Trust Limited
Consolidated Statement of Financial Activities
(including income and expenditure account)
31 December 2020

	Note	Restricted funds 2020 £'000	Unrestricted funds 2020 £'000	Total funds 2020 £'000	Restricted funds 2019 £'000	Unrestricted funds 2019 £'000	Total funds 2019 £'000
Income from:							
Donations	4	-	-	-	-	-	-
Charitable activities	4	60	18	78	145	15	160
Language school trading activities	3	-	5,603	5,603	-	14,732	14,732
Other income	3	687	-	687	-	-	-
Investments	10	-	497	497	-	745	745
Total income		747	6,118	6,865	145	15,492	15,637
Expenditure on raising funds							
Language school trading activities	6a	687	7,135	7,822	-	13,670	13,670
Investment management fees		-	107	107	-	107	107
Total expenditure on raising funds		687	7,242	7,929	-	13,777	13,777
Net income / (expenditure) after expenditure on raising funds		60	(1,124)	(1,064)	145	1,715	1,860
Charitable expenditure							
EAL Programme	6b	77	609	686	86	577	663
Criminal Justice Programme		20	396	416	8	267	275
ESOL Programme		5	197	202	-	-	-
Total charitable expenditure		102	1,202	1,304	94	844	938
Net (expenditure) / income before gains / (losses) on investments		(42)	(2,326)	(2,368)	51	871	922
Represented by:							
Total income		747	6,118	6,865	145	15,492	15,637
Total expenditure		789	8,444	9,233	94	14,621	14,715
Net (expenditure) / income before gains / (losses) on investments		(42)	(2,326)	(2,368)	51	871	922

The Bell Educational Trust Limited
Consolidated Statement of Financial Activities
(including income and expenditure account)
31 December 2020

	Note	Restricted funds 2020 £'000	Unrestricted funds 2020 £'000	Total funds 2020 £'000	Restricted funds 2019 £'000	Unrestricted funds 2019 £'000	Total funds 2019 £'000
Net (expenditure) / income before gains / (losses) on investments		(42)	(2,326)	(2,368)	51	871	922
Fixed asset revaluation	8b	-	-	-	-	3,048	3,048
Revaluation reserve adjustment on consolidation	15	-	101	101	-	(971)	(971)
Net gains / (losses) on investments	9c	-	1,088	1,088	-	2,802	2,802
Net (expenditure) / income		(42)	(1,137)	(1,179)	51	5,750	5,801
Other recognised gains and losses							
Effect of movement in exchange rates		-	17	17	-	(18)	(18)
Net movement in funds		(42)	(1,120)	(1,162)	51	5,732	5,783
Reconciliation of funds							
Total funds brought forward		68	43,859	43,927	17	38,127	38,144
Total funds carried forward		26	42,739	42,765	68	43,859	43,927

There were no recognised gains or losses other than those included above. All income and expenditure derived from continuing activities. The notes on pages 37 to 60 form part of these financial statements.

The Bell Educational Trust Limited
Consolidated and Charity Balance Sheets
31 December 2020

		Group		Charity	
		31 December		31 December	
	Note	2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	8a	161	34	136	16
Tangible assets	8b	11,478	11,421	10,879	10,700
Investments	9a	23,539	22,707	25,539	24,707
Total fixed assets		35,178	34,162	36,554	35,423
Current assets					
Debtors	11	2,781	3,018	1,547	1,346
Cash at bank and in hand	18	9,116	13,020	6,444	7,116
Total current assets		11,897	16,038	7,991	8,462
Creditors: amounts falling due within one year	12	(4,029)	(5,998)	(601)	(610)
Net current assets		7,868	10,040	7,390	7,852
Total assets less current liabilities		43,046	44,202	43,944	43,275
Creditors: amounts falling due after more than one year	13	-	(60)	-	(60)
Provisions for liabilities	14	(281)	(215)	(281)	(215)
Net assets		42,765	43,927	43,663	43,000
The funds of the charity					
Unrestricted funds	15				
Income fund		(1,402)	699	130	513
Designated capital fund		33,050	33,076	31,580	31,385
Revaluation reserve		11,057	10,063	11,927	11,034
Foreign exchange reserve		34	21	-	-
Total unrestricted funds		42,739	43,859	43,637	42,932
Restricted income funds	15	26	68	26	68
Total funds		42,765	43,927	43,663	43,000

The financial statements on pages 33 to 60 were approved by the Board of Trustees and authorised for issue on 29 July 2021.

Russell Prior

R C Prior

The notes on pages 37 to 60 form part of these financial statements.

The Bell Educational Trust Limited
Consolidated Cash Flow Statement
for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	17	(3,910)	626
Cash flows from investing activities:			
Investment income		497	743
Proceeds from sale of fixed assets		-	-
Purchases of tangible fixed assets		(339)	(1,025)
Purchases of intangible fixed assets		(152)	(22)
Net cash provided by investing activities		6	(304)
Change in cash and cash equivalents in the year		(3,904)	322
Cash and cash equivalents at 1 January		13,020	12,698
Cash and cash equivalents at 31 December	18	9,116	13,020

The notes on pages 37 to 60 form part of these financial statements.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2020

1 Accounting policies

General information

The Bell Educational Trust Limited ("the charity") is a charity working in the UK in partnership with other organisations working with children, young people, adults, and communities with English as an Additional Language. The charity is incorporated and domiciled in the UK. Its registered office is Hillscross, Red Cross Lane, Cambridge CB2 0QU.

Statement of compliance

These financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), and the Companies Act 2006.

The Bell Educational Trust Limited meets the definition of a public benefit entity under FRS102.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The company has adopted FRS102 and Accounting and Reporting by Charities: Statement of Recommended Practice.

The preparation of financial statements in conformity with FRS102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant that require disclosure in these financial statements, except as set out below:

Overage

The overage provision included within the sale contract for the development land sold over the last six years is cumulative and due for payment on the sale of the last property. In 2017 a substantial proportion of the properties had been sold and the forecast values for future sales indicated further receipts, at which point the Trustees considered the conditions for recognising the income had been met and income was thus recognised in the accounts and adjustments to the total have been recognised annually since then. The final property was sold in December 2020, consequentially the final overage amount has been confirmed.

Preparation of the financial statements on a going concern basis

There are no material uncertainties affecting the Group's ability to operate and therefore these financial statements have been prepared on a going concern basis. In assessing the going concern status, the Trustees have considered the financial position of the subsidiaries including Bell Educational Services Ltd whose trading has continued to be severely impacted by the consequences of the Covid-19 pandemic. Financial support in the form of a Revolving Credit Facility as set out in notes 21 and 23 has been agreed to be provided. Based on the Trustees review of the latest available plan, budgets and cashflow projections for the Trust and the group together with the underlying net asset position of the Trust, the Trustees are satisfied that it is reasonable to prepare the Trust and group financial statements on a going concern basis.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2020

1 Accounting policies (continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the charity and all its subsidiary undertakings on a line-by-line basis. Accounting policies are applied consistently throughout the Group.

No separate Statement of Financial Activities (SOFA) or income and expenditure account is presented for the charity itself, as permitted by Section 408(3) of the Companies Act 2006.

Foreign currencies

The Group's functional currency and presentation currency is the pound sterling.

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to net income in the statement of financial activities.

The results of overseas operations are translated at the average rates of exchange during the year, and the balance sheet translated into sterling at the rate of exchange ruling on the balance sheet date. Exchange differences that arise from translation of the opening net assets and results of foreign subsidiary undertakings are recorded as other recognised gains and losses in the Statement of Financial Activities as the effect of movement in exchange rates.

Revenue recognition

All income is included in the Statement of Financial Activities when the Group has entitlement to the income, any performance conditions attached to the item of income have been met, it is probable that the income will be received, and the amount can be measured reliably.

Income from grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the grant, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Fees from the sale of services to third-party customers in the education sector are stated net of any applicable discounts and value added tax. Fees are recognised when the services are provided, with any fees invoiced in advance included within deferred income until the service is provided. Fees are recognised as income over the period of course delivery.

Income received in advance of the provision of the specified service is deferred until the criteria for income recognition are met.

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and the right to receive payments has been established.

Funds

Unrestricted funds which have not been designated for other purposes are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity.

Designated funds are amounts that have been set aside at the discretion of the Trustees for a specific, but not legally binding, purpose and include the capital fund.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2020

1 Accounting policies (*continued*)

Restricted funds are those funds that have a specific purpose within the charity's wider objectives set by the provider of the funds.

Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds comprise the costs of the commercial language school operations and their associated support costs
- Expenditure on charitable activities includes the costs of service delivery and grants made to further the purposes of the charity and their associated support costs, and
- Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, and governance costs that support the charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The basis on which support costs have been allocated is set out in note 6.

Operating leases

Rentals payable under operating leases are charged through the net income/expenditure part of the Statement of Financial Activities on a straight-line basis over the terms of the leases.

Taxation

Current tax, including UK Corporation Tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax has not been booked in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2020

1 Accounting policies (continued)

Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase price if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Intangible fixed assets and amortisation

Software is stated at cost less accumulated amortisation. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Amortisation is provided to write off the asset on a straight-line basis at an annual rate of 20% on cost.

Course development relates to the cost of developing courses for international schools and is stated at cost less accumulated amortisation. Costs are those which are directly attributable to developing the courses to a point at which the training they provide can be delivered. Amortisation is provided to write off the asset on a straight-line basis at an annual rate of 20% on cost.

Tangible fixed assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives on a straight-line basis. It is calculated at the following rates:

Fixtures, fittings, and equipment	Annual Rate
• Furniture and equipment	20.0%
• Computer equipment	33.3%

Operational property fixed assets are included at open market value. These revaluations result in the revaluation reserve, and movements are reflected in the other comprehensive income within the Statement of Financial Activities. Operational properties are depreciated over their estimated economic life on a straight-line basis as follows:

Freehold land	0%
Freehold buildings	2% on cost

Investment assets

Investment property is recognised at its fair value at the balance sheet date using a professional valuation.

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing mid-market bid value.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2020

1 Accounting policies (continued)

The Statement of Financial Activities includes the net unrealised gains and losses arising on revaluation and realised gains and losses arising from disposals in the year as part of the Group's net income. Realised gains and losses are calculated as the difference between the sales proceeds and the opening carrying value or the purchase value if acquired in the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and the opening carrying value or purchase value if acquired during the year.

The Group does not enter into or acquire complex financial instruments.

The main form of financial risk faced by the Group is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equity and fixed interest investments.

Shareholdings in the subsidiary companies are stated at cost less any provision for impairment.

Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of trade discounts due.

Cash at bank and in hand

Cash includes cash in hand and deposits held at call with banks.

Creditors

Creditors and provisions are recognised where the Group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Employee benefits

The Group provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Under the defined contribution pension plans, the Group pays fixed contributions to a separate entity. Once the contributions have been paid, the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plans are held separately from the Group in independently administered funds.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2020

2 Financial performance of the charity

The consolidated Statement of Financial Activities includes the results of the charity's wholly-owned subsidiaries that operate language schools.

The summary financial performance of the charity alone is:

	Note	2020 £'000	2019 £'000
Income		1,192	1,607
Expenditure		(1,617)	(1,199)
		(425)	408
Fixed asset revaluation	8b	-	3,048
Net investment gains / (losses)	9c	1,088	2,802
Net income		663	6,258
Total funds brought forward		43,000	36,742
Total funds carried forward		43,663	43,000
		2020 £'000	2019 £'000
Represented by:			
Unrestricted income funds		130	513
Restricted income funds		26	68
Unrestricted capital funds		43,507	42,419
Total		43,663	43,000

3 a) Activities for raising funds – Language School

A geographic analysis of fees receivable for educational services is set out below:

	2020 £'000	2019 £'000
United Kingdom	2,342	11,022
Europe	3,153	3,504
Middle East and North Africa	3	-
Far East	101	206
Rest of World	4	-
Total	5,603	14,732

Fees receivable in the UK relate to educational services delivered in the UK to students, primarily from overseas, who in 2020 represented 60 (2019 – 98) different nationalities from around the world.

The Bell Educational Trust Limited
Notes forming part of the financial statements
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b) Other income – Language School

Other income recognised in the year related to:

	2020 Restricted £'000	2019 Restricted £'000
Government coronavirus job retention scheme grant income	687	-
Total	687	-

4 Income from charitable activities

	2020 Restricted £'000	2020 Unrestricted £'000	2020 Total £'000	2019 Total £'000
Donation	-	-	-	-
Fees for charitable activities	60	18	78	160
Grants	-	-	-	-
Total	60	18	78	160

All income from charitable activities arose within the United Kingdom.

5 Staff and Trustee costs

	2020 £'000	2019 £'000
Staff costs consist of:		
Wages and salaries	4,245	5,630
Social security costs	546	615
Other pension costs	127	145
Total	4,918	6,390

The Group operates a defined contribution stakeholder pension scheme on behalf of its employees. The other pension costs disclosed above represent contributions payable by the Group to the scheme for the year. Contributions amounting to £285 (2019 – £2,115) were outstanding at the year end and are included in creditors.

The Bell Educational Trust Limited
Notes forming part of the financial statements
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5 Staff and Trustee costs (continued)

The monthly average number of employees, excluding Trustees, during the year was:

	2020	2019
	No.	No.
Commercial language school operations		
Tutorial and academic support	79	108
Office, management and ancillary	58	65
Charitable activities	15	14
Total	152	187

The number of employees within the Group with benefits (excluding pension contributions) of more than £60,000 in the year are analysed in the following bands:

	2020	2019
	No.	No.
£60,000 - £69,999	4	2
£70,000 - £79,999	1	-
£80,000 - £89,999	1	2
£90,000 - £99,999	1	1
£100,000 - £109,999	1	-
£140,000 - £149,000	1	-
£150,000 - £159,999	-	1
£200,000 - £209,999	-	1

Pension contributions of £7,413 (2019 – £5,090) were paid on behalf of the highest-paid employee in the Group. Pension contributions of £24,608 (2019 – £40,450) were paid, in total, on behalf of all employees in the Group earning more than £60,000 per annum.

The key management personnel of the parent charity comprised the Foundation Director, the Chief Financial Officer and the Head of the EAL Programme. The Head of the EAL Programme left the charity in October 2020. The total employment benefits of the key management personnel of the charity for the year were £219,776 (2019 – £216,491).

The key management personnel of the Group comprised those of the charity and the key management personnel of its wholly-owned subsidiary Bell Educational Services Ltd. The key management of Bell Educational Services Ltd are its directors, whose employee benefits total £301,785 (2019 – £439,218). The employee benefits of key management personnel of the Group were therefore £521,561 (2019 – £655,709).

The highest-paid employee within the Group received emoluments of £147,981 (2019 – £201,380). The highest-paid employee for 2020 and the highest-paid employee in 2019 were employed in the trading subsidiary, Bell Educational Services Ltd.

No Trustee received remuneration or accrued any form of retirement benefit during the current or previous year. Trustees' out-of-pocket expenses for travel and subsistence of £1,179 (2019 – £5,484) were reimbursed during the year to five (2019 – nine) Trustees. Indemnity insurance premiums of £6,801 (2019 – £6,801) were paid on behalf of Trustees and officers of the charity during the year. These premiums were paid by the charity on behalf of the Trustees and officers in order to indemnify them against personal liability from acts conducted in the performance of their duties. No Trustee received payment for professional or other services supplied to the charity (2019 – £nil).

The Bell Educational Trust Limited
Notes forming part of the financial statements
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6 Analysis of resources expended

a) Activities for generating funds – language schools

	Note	2020 £'000	2019 £'000
Direct cost of language education		3,555	7,955
Administrative expenditure		4,118	5,449
Depreciation of freehold language school buildings and related assets		164	114
Taxation (UK)	7	(15)	151
Total		7,822	13,670

Activities in 2020 include £687,000 of restricted expenditure (2019 – £nil).

b) Charitable activities

	Grants	Programme delivery	Support costs	Governance costs	Total	Of which restricted expenditure is
	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000	2020 £'000
EAL Programme	-	442	115	129	686	77
Criminal Justice Programme	201	93	58	64	416	20
ESOL Programme	62	18	58	64	202	5
Total	263	553	231	257	1,304	102

	Grants	Programme delivery	Support costs	Governance costs	Total	Of which restricted expenditure is
	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000	2019 £'000
EAL Programme	-	455	111	97	663	86
Criminal Justice Programme	60	111	56	48	275	8
ESOL Programme	-	-	-	-	-	-
Total	60	566	167	145	938	94

The Bell Educational Trust Limited
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6 Analysis of resources expended (continued)

c) Grants

The grant commitments made during the year in furtherance of the charity's objects and for public benefit were as follows:

	2020 £'000	2019 £'000
EAL Programme	-	-
Criminal Justice Programme		
Victim Support	54	-
Harrow Law	47	-
Hibiscus Initiatives	6	-
Why Me?	54	-
Shannon Trust	40	60
	201	60
ESOL Programme		
UCL Institute of Education (IOE)	62	-
	62	-
	263	60

d) Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs that relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the three charitable activities undertaken in the year. The table below sets out the basis for apportionment and the analysis of the support and governance costs.

	General support £'000	Governance function £'000	Total £'000	Basis of apportionment
Salaries and related costs	115	51	166	Based on estimated actual time
General office costs	116	46	162	Based on staff time
Audit fees	-	27	27	Actual costs
Legal and other professional fees	-	133	133	Actual costs
Total	231	257	488	

In 2020, the professional fees included the costs of external independent business and legal advice with regards the funding support for the trading subsidiary, Bell Educational Services Ltd.

The Bell Educational Trust Limited
Notes forming part of the financial statements
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6 Analysis of resources expended (*continued*)

e) Net incoming resources before other recognised gains and losses are stated after charging:

	2020	2019
	£'000	£'000
Depreciation of tangible assets – owned	283	295
Amortisation of intangible fixed assets	14	13
Operating lease rentals:		
Other assets	948	743
External auditor's remuneration:		
Audit of the charity's financial statements	27	19
Audit of the subsidiary financial statements	40	46
Tax compliance services	12	13
Advisory services	-	-

7 Taxation

The company is a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The charity incurred a tax liability of £nil (2019 – £nil). The Group was liable to taxation as detailed below:

	Note	2020	2019
		£'000	£'000
Analysis of tax charge in the year			
Current tax	6a		
Corporate taxes on profit for the year		47	138
Adjustment in respect of previous periods		(49)	-
Total current tax		(2)	138
Deferred tax – language schools	14	(13)	13
		(15)	151
Deferred tax – charity	14	66	(31)
Total taxation on profit on ordinary activities		51	120

The Bell Educational Trust Limited
Notes forming part of the financial statements
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7 Taxation (continued)

The charge for the year can be reconciled to the income from commercial activities as follows:

	2020 £'000	2019 £'000
Profit from commercial activities before tax but after Gift Aid – continuing activities	(1,484)	834
(Loss) / Profit on ordinary activities at the standard rate of Corporation Tax in the UK of 19% (2019 – 19%)	(282)	158
Effect of:		
Expenses not deductible for tax purposes	27	26
Group income	(61)	(78)
Losses carried back to prior year	-	-
Adjustment from previous periods	(49)	(6)
Differences in overseas taxation rates	(12)	23
Adjustment to average rate of 19% for deferred tax	32	2
Deferred tax asset not recognised	396	(5)
Total taxation on profit on ordinary activities	51	120

8a Intangible assets

	Software	Group Course develop- ment	Total	Software	Charity Course develop- ment	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation						
At 1 January 2020	46	-	46	28	-	28
Additions	68	84	152	56	84	140
Disposals	-	-	-	-	-	-
Written off	(28)	-	(28)	(28)	-	(28)
At 31 December 2020	86	84	170	56	84	140
Amortisation						
At 1 January 2020	12	-	12	12	-	12
Provided for the year	14	-	14	9	-	9
Disposals	-	-	-	-	-	-
Written off	(17)	-	(17)	(17)	-	(17)
At 31 December 2020	9	-	9	4	-	4
Net book value						
At 31 December 2019	34	-	34	16	-	16
At 31 December 2020	77	84	161	52	84	136

The Bell Educational Trust Limited
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8b Tangible assets

Group	Freehold land and buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost or valuation			
At 1 January 2020	10,700	3,382	14,082
Additions	323	16	339
Foreign exchange changes	-	6	6
Disposals	-	-	-
Written off	-	(1,120)	(1,120)
At 31 December 2020	11,023	2,284	13,307
Accumulated depreciation			
At 1 January 2020	-	2,661	2,661
Provided for the year	144	139	283
Revaluation	-	-	-
Foreign exchange changes	-	5	5
Disposals	-	-	-
Written off	-	(1,120)	(1,120)
At 31 December 2020	144	1,685	1,829
Net book value			
At 31 December 2019	10,700	721	11,421
At 31 December 2020	10,879	599	11,478

Charity	Freehold land and buildings £'000	Total £'000
Cost or valuation		
At 1 January 2020	10,700	10,700
Additions	323	323
Revaluation	-	-
Disposals	-	-
At 31 December 2020	11,023	11,023
Accumulated depreciation		
At 1 January 2020	-	-
Provided for the year	144	144
Revaluation	-	-
Disposals	-	-
At 31 December 2020	144	144
Net book value		
At 31 December 2019	10,700	10,700
At 31 December 2020	10,879	10,879

The Bell Educational Trust Limited
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8b Tangible assets (continued)

Freehold buildings were revalued at 31 December 2019, on the basis of fair value by Bidwells, Cambridge, in accordance with the RICS Valuation – Global Standards 2017. Freehold land and buildings were revalued to £10,700,000 (2019 – £10,700,000) in total.

Following discussion with the Foundation's property advisors, Trustees consider that it is reasonable to assume that the travel and other restrictions associated with the global pandemic in place at the balance sheet date were temporarily affecting the ordinary operation of the market for specialist assets such as the land and educational buildings owned by the charity. Even so, there is no reason to believe that knowledgeable, willing parties acting reasonably in an arm's length transaction would pay materially less for this property now, or over the coming 12 months, than they would have paid on 31 December 2019. Accordingly, no impairment to the asset value has been made.

The historical cost net book value (cost less depreciation) of the freehold land and buildings and investment property (see note 9a) is £5,842,258 (2018 – £5,661,061). Depreciation is provided for on freehold buildings at valuation in accordance with FRS102.

9a Investments

Group	Note	Investments	Investments
		2020	2019
		£'000	£'000
Market value at 1 January		22,707	19,854
Additions to investment at cost		-	-
Net income retained		(108)	(101)
Net gain / (loss) on revaluation	9c	940	2,954
Market value at 31 December		23,539	22,707
Investments at fair value comprised:			
Group		Investments	Investments
		2020	2019
		£'000	£'000
Property and infrastructure		1,368	1,488
Equities		20,054	19,059
Fixed interest		1,826	1,768
Cash		291	392
Market value at 31 December		23,539	22,707

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9b Investments – Group Companies

Group company shares held by the charity comprise amounts invested in subsidiary companies.

	2020 £'000	2019 £'000
Cost at 1 January and 31 December	<u>2,000</u>	<u>2,000</u>

Group Companies

Name	Country of incorporation / registration	Class of shares held	Per cent held	Nature of business	Year end
Bell Educational Services Ltd (Company No. 07169627)	UK	Ordinary	100%	Language School	31 December
Bell Switzerland SA * (Company No. CHE 103.199.737)	Switzerland	Ordinary	100%	Language School	31 December
Bell Educational Services Switzerland SàRL* (Company No. CHE 238.053.572)	Switzerland	Ordinary	100%	Dormant	31 December

*Owned by Bell Educational Services Ltd

The operations of Bell Educational Services Switzerland SàRL were transferred to Bell Switzerland SA from 1 January 2016.

Details of the net assets/(liabilities) and profit/(loss) for the year of the subsidiary companies are as follows:

	Net Assets		Profit / (Loss) for the year	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bell Educational Services Ltd	1,653	3,600	(1,947)	544
Bell Switzerland SA	<u>511</u>	<u>552</u>	<u>263</u>	<u>(88)</u>

The Bell Educational Services Ltd 2020 result for the year includes a dividend of £321,000 from Bell Switzerland SA.

	Assets		Liabilities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bell Educational Services Ltd	4,003	7,892	2,350	4,292
Bell Switzerland SA	<u>1,671</u>	<u>1,652</u>	<u>(1,159)</u>	<u>1,100</u>

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9b Investments – Group Companies (*continued*)

Further information for material subsidiaries:

	Turnover		Expenditure	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bell Educational Services Ltd	2,451	11,228	5,325	11,120
Bell Switzerland SA	3,153	3,504	2,976	3,185

As a consequence of the impact of the global pandemic on the subsidiaries, the Trustees have considered whether the carrying value of those subsidiaries is appropriate. The carrying value in the charity of Bell Educational Services Ltd is £2m. Though the net assets of Bell Educational Services Ltd have fallen below this value, based on the subsidiaries forecast recovery to pre-pandemic levels of activity in 2023, considering a growth rate of 5% in line with the Foundation's Asset, Investment and Reserves Strategy in 2024 and 2025 and thereafter growth only in line with GDP norms of between 1% and 2%, and applying a discount rate of 15% in recognition of the uncertainty caused by the pandemic, the present value of cash flows on this basis was shown to be in excess of £2m. It is reasonable to assume that the current circumstances that have led to the impact to net assets is temporary; forecasts bear out that the business carries a value in excess of the carrying value. Therefore, Trustees consider that the carrying value in subsidiaries is supported by their underlying assets and future income expectations, and as such no impairment to the value has been made.

9c Investments – Net investment gains / (losses)

	2020	2019
	£'000	£'000
Realised gains / (losses) on investments	46	324
Unrealised gains / (losses) on investments	893	2,630
	939	2,954
Overage gain / (loss) net of tax	149	(152)
	1,088	2,802

10 Investment income

	2020	2019
	£'000	£'000
Interest receivable on interest bearing deposit accounts	40	72
Dividends	457	673
	497	745

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11 Debtors

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fees receivable	508	418	2	-
Overage	1,477	1,262	1,477	1,262
Sundry debtors	370	407	58	46
Prepayments and accrued income	418	931	10	6
Corporate Tax	8	-	-	-
Amounts due from Group undertakings	-	-	-	32
	2,781	3,018	1,547	1,346

Debtors for both Group and charity includes £0 (2019 – £0) due in more than one year.

12 Creditors: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fees received in advance and sums due to students	1,987	3,387	-	-
Trade creditors	357	711	7	4
Amounts owed to Group undertakings	-	-	21	-
Taxation and social security costs	133	150	19	15
Corporation Tax	8	136	-	-
Other creditors	244	199	-	-
Grants payable (see below)	311	375	311	375
Accruals and deferred income	989	1,040	243	216
	4,029	5,998	601	610

The table below shows the reconciliation between grants approved and grants paid during the year.

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12 Creditors: amounts falling due within one year (*continued*)

Group and charity grants	Note	2020 £'000	2019 £'000
Amounts outstanding at 1 January		435	661
Grants approved		263	60
Grants paid		(387)	(286)
		<hr/> 311	<hr/> 435
Amounts outstanding at 31 December		<hr/> 311	<hr/> 435
Split as follows:			
Amounts falling due within one year		311	375
Amounts falling due after more than one year	13	-	60
		<hr/> 311	<hr/> 435

13 Creditors: amounts falling due after more than one year

Group and charity	Note	2020 £'000	2019 £'000
Grants payable	12	-	60
		<hr/> -	<hr/> 60

14 Deferred taxation

Deferred taxation of £281,000 (2019 – £215,000) has been provided on the investment gain from overage income of £1,477,000 (2019 – £1,262,000) calculated at 19% (2019 – 17%), being the rate expected to be in force when the timing difference reverses.

Deferred tax amounts recognised (at the closing rate) are as follows:

	2020 £'000	2019 £'000
Fixed assets	-	24
Timing differences – trading	-	(11)
	<hr/> -	<hr/> (11)
	<hr/> -	<hr/> 13

As at 31 December 2020 the trading subsidiary, Bell Educational Services Ltd, had tax losses net of other taxable timing differences of circa £1.9m (2019: £nil) available to potentially offset against future taxable profits. A deferred tax asset of £353,000 has not been recognised in respect of these losses as at 31 December 2020 since it is not sufficiently certain that Bell Educational Services Ltd will generate taxable profits in the foreseeable future.

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15 Statement of funds

	Group					
		Unrestricted funds			Restricted funds	Total funds
	Income fund	Capital funds		Foreign exchange reserve		
		Capital fund	Re-valuation reserve			
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	699	33,076	10,063	21	68	43,927
Incoming resources	6,118	-	-	-	747	6,865
Resources expended	(8,444)	-	-	-	(789)	(9,233)
Transfers between funds	221	(221)	-	-	-	-
Revaluation reserve adjustment on consolidation	-	-	101	-	-	101
Investment gains (Note 9c)	-	195	893	-	-	1,088
Change in value of net investment in overseas subsidiary as a result of movement in exchange rates	4	-	-	13	-	17
Transfers between funds on realisation	-	-	-	-	-	-
At 31 December 2020	(1,402)	33,050	11,057	34	26	42,765

	Charity			Restricted funds	Total funds
	Unrestricted funds				
	Income fund	Capital funds			
		Capital fund	Re-valuation reserve		
	£'000	£'000	£'000	£'000	£'000
At 1 January 2020	513	31,385	11,034	68	43,000
Incoming resources	1,132	-	-	60	1,192
Resources expended	(1,515)	-	-	(102)	(1,617)
Transfers between funds	-	-	-	-	-
Investment gains (Note 9c)	-	195	893	-	1,088
Transfers between funds on realisation	-	-	-	-	-
At 31 December 2020	130	31,580	11,927	26	43,663

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15 Statement of funds (continued)

The Unrestricted Income Fund represents the free funds of the charity that are not designated for specific purposes.

The Restricted Funds are funds held for specific purposes in connection with the EAL and ESOL Programmes.

Capital funds include the unrestricted capital fund representing the cost of assets held for investment purposes by the charity and the statutory revaluation reserve.

16 Analysis of net assets between funds

	Group				Restricted funds	Total funds
	Income fund	Unrestricted funds		Foreign exchange reserve		
		Capital funds				
		Capital fund	Re-valuation reserve			
	£'000	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December 2020 are represented by:						
Intangible assets	161	-	-	-	-	161
Tangible fixed assets	-	3,953	7,525	-	-	11,478
Investments	-	20,007	3,532	-	-	23,539
Net current assets	(1,563)	9,371	-	34	26	7,868
Creditors due after more than one year	-	-	-	-	-	-
Provision for liabilities	-	(281)	-	-	-	(281)
Total net Assets	(1,402)	33,050	11,057	34	26	42,765

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16 Analysis of net assets between funds (continued)

	Charity			Restricted funds	Total funds
	Unrestricted funds				
	Income fund	Capital funds			
		Capital fund	Re-valuation reserve		
	£'000	£'000	£'000	£'000	£'000
Fund balances at 31 December 2020 are represented by:					
Intangible assets	136	-	-	-	136
Tangible fixed assets	-	2,484	8,395	-	10,879
Investments	-	22,007	3,532	-	25,539
Net current assets	(6)	7,370	-	26	7,390
Creditors due after more than one year	-	-	-	-	-
Provision for liabilities	-	(281)	-	-	(281)
Total Net Assets	130	31,580	11,927	26	43,663

17 Reconciliation of net income to net cash provided by operating activities

	Note	2020 £'000	2019 £'000
Net (expenditure) / income for the year		(1,162)	5,783
Adjustments for:			
Depreciation of tangible fixed assets		283	295
Amortisation of intangible fixed assets		14	13
(Gains) / Losses on investments	9c	(940)	(2,954)
(Gain) on fixed asset revaluation	8b	-	(2,077)
Interest received		(497)	(743)
Decrease / (Increase) in debtors		237	(14)
(Decrease) / Increase in creditors and deferred income		(2,029)	253
Other non-cash changes		184	70
Net cash inflow from operating activities		(3,910)	626

18 Analysis of cash and cash equivalents

	Group		Charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Cash in hand	9,116	13,020	6,444	7,116
Total net assets	9,116	13,020	6,444	7,116

The Bell Educational Trust Limited
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19 Commitments under operating leases

As at 31 December 2020, the Group's future minimum operating lease payments are set out below:

	Land and buildings		Other	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Within one year	792	467	33	41
In two to five years	1,295	998	34	27
In more than five years	432	658	-	-
	2,519	2,122	67	68

20 Capital commitments

	Group		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Capital expenditure contracted but not provided	1	23	-	-

21 Related party disclosures

There were no related party transactions in 2020 or 2019 with Trustees.

In 2020, the following transactions took place between the charity and the Group subsidiaries:

- Lease of premises by the charity to Bell Educational Services Ltd for educational and accommodation purposes £561,000 (2019 – £561,000)
- Bell Educational Services Ltd has the right to use the Bell name and logos under a royalty agreement £48,696 (2019 – £141,020)
- Provision under an agreement of premises and other support services by Bell Educational Services Ltd to the charity £64,815 (2019 – £52,793), and
- Recharge of costs incurred on behalf of Bell Educational Services Ltd by the charity £15,458 (2019 – £27,247).

The following balance was outstanding at 31 December 2020 in respect of the above transactions: £11,325 due to the charity (2019 – £22,909 due to the charity).

In 2020, the Foundation entered into a Revolving Credit Facility with Bell Educational Services Ltd. The facility, dated 27 October 2020, provides an increasing level of debt funding up to a maximum limit of £1,600,000. The facility is available until 31 December 2022. As of 31 December 2020, Bell Educational Services Ltd had not drawn on the facility. Note 23 sets out a change to the maximum limit on this facility in 2021.

The Bell Educational Trust Limited
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22 Legal status

The charity is a company limited by guarantee with no share capital. In the event of the charity being wound up, the liability of each member in respect of the guarantee is limited to £1.

23 Post balance sheet events

Following agreement of the final Overage figure at the end of 2021, funds of £1,477,000 were received by the Foundation on 6 April 2021.

The Foundation's trading subsidiary, Bell Educational Services Ltd has requested two drawdowns from the Revolving Credit Facility. The first drawdown of £200,000 was made on 16 April 2021. Further monthly drawdowns have been made since that date. As at 29 July 2021, the date of signing these accounts, the balance on the facility is £700,000.

Continuing international travel restrictions resulting from the pandemic have been reflected in updated forecasts provided by the trading subsidiary. These indicate an increased funding need from that agreed in October 2020. In July 2021, following a formal request from the directors of Bell Educational Services Ltd, and after seeking external independent business and legal advice, the Trustees approved an increase of £300,000 to the Revolving Credit Facility. The maximum funding limit on the facility is thus £1,900,000. This maximum limit is restricted in time and reduces to a lower limit of £1,700,000 following receipt by Bell Educational Service Ltd of a forecast tax refund.

The Bell Educational Trust Limited

Administrative information

Registered office

Hillscross, Red Cross Lane, Cambridge CB2 0QU

Charity number

311585

Company number

1048465

Independent Auditors

Grant Thornton, 101 Cambridge Science Park, Milton Road, Cambridge CB4 0FY

Bankers

Barclays Bank Plc, Mortlock House, Vision Park, Histon, Cambridge CB24 9DE

Nationwide Building Society, Kings Park Road, Moulton Park, Northampton NN3 6NW

Solicitors

Farrer & Co, 66 Lincoln's Inn Fields, London WC2A 3LH

Investment Managers

Barclays Wealth, 1 Churchill Place, Canary Wharf, London E14 5HP

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