

The Bell Educational Trust Limited

Annual Report and Financial Statements

Year Ended

31 December 2021

Company Number 1048465

Charity Number 311585

The Bell Educational Trust Limited

Contents

Page

| | |
|-----------|--|
| 1 | The Bell Educational Trust Limited – At a Glance |
| 4 | Message from the Chair |
| 5 | Trustees’ Annual Report |
| | Strategic Report |
| | <ul style="list-style-type: none">• EAL Programme• Criminal Justice Programme• ESOL Programme• Communications• Equity, Diversity, and Inclusion• Grants and partnership policy• Asset management• Financial review and results for the year• Risk management |
| | Legal structure and governance |
| | Board of Trustees and Committees |
| | Statement of Trustees’ responsibilities and corporate governance |
| 36 | Independent Auditors’ Report |
| 40 | Consolidated Statement of Financial Activities (including the income and expenditure account) |
| 41 | Consolidated and Charity Balance Sheets |
| 42 | Consolidated Cash Flow Statement |
| 43 | Notes Forming Part of the Financial Statements |
| 67 | Administrative Information |

**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 a second or additional language in the UK. This is the annual report and consolidated financial statements for the year ended 31 December 2021 for the Foundation and its wholly-owned trading subsidiary, Bell Educational Services Ltd.

Highlights of 2021

In 2021, the Foundation’s priorities continued to adapt to respond to the needs of beneficiaries who were significantly affected by the Covid-19 pandemic and the impact that it had on children, young people, adults, victims, and people with convictions who speak English as a second or additional language. The Foundation also provided resources to support refugee families from Afghanistan and Hong Kong.

Trustees increased investment in the Foundation’s charitable objects by £450,000 to £1,754,000 in 2021. The expenditure includes new grant commitments which increased by £234,000 to £497,000 in 2021.

The Foundation’s key activities in 2021, together with the major outcomes achieved, are set out below.

The English as an Additional Language (EAL) Programme

As the Covid-19 pandemic continued into a second year, EAL learners continued to experience both learning and language learning loss due to school closures. As a result, EAL learners had additional support needs and schools required solutions to support both their existing learners and newly arrived refugees. The EAL Programme continued to respond in an agile way, to increase the digital offer to ensure more teachers were able to access the practical resources, training, and guidance, and to influence policy and practice.

Highlights include:

- The Foundation helped ensure greater grade equity for GCSE, A level, AS level and vocational qualification EAL learners by working with Ofqual on guidance around the allocation of exam grades through teacher assessments and how to appeal them. The Foundation maximised the reach and impact of this by creating guides for schools, learners, and parents to enable them to understand and use the guidance. Some 17% of secondary pupils are EAL learners.
- To support EAL learners to recover the language lost during school closures, the Foundation used evidence to make recommendations to the Department for Education, teacher educators and schools on how to achieve this.
- To maximise the use of EAL pedagogy in classrooms, the Foundation increased the provision of training solutions for teachers which resulted in 23,695 educational professionals being reached through a range of activities including webinars, online training, face-to-face training, events, and Initial Teacher Training (ITT).
- Schools and local authorities were supported to respond to the arrival of refugees from Afghanistan and Hong Kong through the resources, guidance and training provided by the Foundation. Two parental flyers were translated into additional home languages to help parents engage with the education system and support their child(ren) to learn.

The Bell Educational Trust Limited At a Glance

- To ensure the EAL Programme was able to reach more EAL learners through sustainable and on-going provision at local, regional, and national level, the Foundation built on its strategy for scaling Language for Results.
- To enable schools to use EAL pedagogy within their multilingual classrooms, best practice articles were published seven times in Head Teacher Update and eight times in SecEd which reached every primary and secondary school.

The Criminal Justice Programme

In 2021, the Criminal Justice Programme delivered its fourth year of supporting victims of crime and people with convictions who speak English as a second or additional language (ESL) to overcome language barriers in order to access justice. The evidence on the impact of language barriers across the criminal justice system demonstrates that ESL speakers have an additional vulnerability, that they are often invisible in the system, they are disadvantaged in accessing services and disempowered from engaging in justice, prison education and rehabilitation.

Highlights include:

- The Programme Framework was updated to reflect the progress made since 2018 in identifying barriers to accessing justice for both victims of crime and people with convictions who speak ESL. This was achieved through research and grant funding projects which have provided a strong evidence base on the impact of language barriers across the criminal justice system.
- To ensure the needs of victims of crime and people with convictions who speak ESL were raised and considered as part of the policy development process the Foundation used research evidence and project outcomes to respond to four Government consultations.
- Delivery of vital services (including legal advice and casework, cultural mediation and access to restorative justice) for victims who speak ESL continued through four grant partnerships and the introduction of one new partnership with the Greater Manchester Law Centre.
- To strengthen the sector's collective impact in influencing system change, The Bell Foundation launched a Criminal Justice Partners Network which brought partners together to share learning and best practice.
- Grants of £235,000 were made to partners in the criminal justice sector in 2021.

The English for Speakers of Other Languages (ESOL) Programme

In 2021, the ESOL Programme continued its pilot phase working with young people and refugees to overcome language barriers in order to strengthen successful transition into adulthood through access to training and meaningful employment.

Highlights include:

- The Foundation commenced four new grant partnerships to identify effective ways to support migrants, refugees, and asylum seekers to overcome the language barriers they face and achieve their education and employment goals. Grants of £262,000 were made to partners in 2021.
- Evidence on the education and employment outcomes of young people who use ESOL was published in two academic research reports from UCL Institute of Education (IoE).
- Recommendations on how to support young ESOL learners, which used the evidence from the IoE reports, were published in a policy briefing.
- To ensure that any new ESOL qualifications meet the needs of learners in the 21st century and to support refugee integration the Foundation engaged with policymakers. This included submitting evidence to two consultations, convening an ESOL Policy Group, and building connections with Government.

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

Building a sustainable future

In 2021, the Foundation continued to manage its assets to ensure the long-term financial sustainability of the organisation and enable it to carry out its charitable work with beneficiary groups.

Despite a further year where the global pandemic continued to have a significant impact on many organisations, the Foundation, its trading subsidiary Bell Educational Services Ltd, and its subsidiary Bell Switzerland SA (“the Group”) reserves, as of 31 December 2021, stood slightly higher than the previous year at £43,851,000. This is an increase on the prior year by £1,086,000. The 2.5% increase is primarily attributable to the Foundation’s investment portfolios reporting realised and unrealised gains of £3,528,000 which more than offset a second year of losses impacting the reserves of the trading subsidiary, Bell Educational Services Ltd. Financial support in the form of a loan, on commercial terms, set up in 2020 for the trading subsidiary, continued through 2021.

The Bell Educational Trust Limited
Message from the Chair

Message from the Chair

I was delighted to be appointed Chair of The Bell Foundation in 2021. I would like to record the Board's thanks to Russell Prior, outgoing Chair, and to Anthony Tomei, Vice Chair, both of whom retired from the Board this year after nine years' service. It is a privilege and pleasure to build on their work and I look forward to stewarding the Foundation to deepen its impact and its work with communities who speak English as a second or additional language.

I am pleased to present the Trustees' Annual Report for 2021. For the Foundation's beneficiaries, 2021 has continued to be a challenging year due to the impact of the global pandemic on the communities that the Foundation's programmes work with. We determined to increase charitable expenditure by £450,000 to £1,754,000 in 2021. The expenditure includes grant commitments which increased by £234,000 to £497,000 in 2021. Working in partnership with other organisations is central to the Foundation's approach and new partnerships have been developed in 2021. The Foundation is grateful for the time and contributions to our programmes made by partners with whom we work.

With the arrival of new refugee communities in the UK in 2021 the Foundation has developed four new partnerships with organisations working with refugees, to support them into employment and in education. Our important work with prisons and with victims' partnerships has continued, including the further roll out of projects to new regions in the UK to support those with English as a second or additional language to achieve access to justice.

This year continued to be very challenging for children with English as an Additional Language as teaching was further disrupted. The Foundation responded by supporting teachers, parents, and pupils with home learning via a series of guidance documents, articles, videos, resources, and webinars. The Foundation also continued to influence policy and practice through responses to Government consultations, and through engagement in expert groups and with sector stakeholders.

In 2021 the Foundation reviewed its Environmental, Social and Governance (ESG) policy and plans to be actively engaged in ESG issues to ensure responsible and sustainable investment portfolios, exclude certain sectors within investments and monitor Investment Managers' engagement with companies on ESG matters.

The Foundation's subsidiaries continued to experience challenging trading conditions in 2021 due to the global pandemic and restrictions on international travel. This has resulted in a loss of £1,699,000 in the UK subsidiary. The Swiss subsidiary was less impacted and finished the year with a profit after tax of £362,000. During 2021 the directors of the UK subsidiary requested an extension to the financial support from the Foundation. The Trustees, after seeking external independent advice, concluded that extending the financial support, in the form of a stepped loan, would be in the best interests of the charity as it safeguards the charity's existing investment. The Trustees therefore agreed to extending the loan finance on fully commercial terms and on a secured basis.

In 2021, the Foundation ensured greater focus on Equity, Diversity and Inclusion (EDI) through a dedicated workstream addressing EDI more explicitly in its work and championing the work already being undertaken.

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. I am delighted that Peter Roscrow, Daria Kuznetsova, and David Hughes joined in August as new Trustees to the Board following an open recruitment process.

Radha Chakraborty, Chair of Trustees

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021

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 2021 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.
- 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 2021 were to work in the UK in partnership with other organisations working with children who use English as an Additional Language (EAL), to break down the language barrier to accessing justice and rehabilitation for victims and people with convictions who use English as a second or additional language (ESL) in contact with the criminal justice system, and the development of a new programme of work to support adults who use English for Speakers of Other Languages (ESOL).

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

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

Strategic Report

The Trustees present their Strategic Report for 2021 for the Foundation and language school trading subsidiaries.

EAL Programme

"The Bell Foundation tends to be our go-to...they're the people that we see as the main voice in that [EAL] space."

Initial Teacher Education (ITE) stakeholder (Source: Cloud Chamber Independent

There are currently 1.6 million learners using English as an Additional Language (EAL) in state-funded primary and secondary schools in England, representing 20% of the school population. These children are a diverse group, their English language skills, age of arrival in the English school system, previous educational experience, and their first language and their literacy in that language, all contribute to that diversity.

Research has demonstrated that being plurilingual can have positive associations with achievement as pupils at the highest levels of English language proficiency typically have higher educational achievement than their monolingual peers. However, pupils who are developing their English language skills need support to acquire the proficiency needed to access the curriculum and succeed. This is why the Foundation's EAL Programme aims to improve the educational outcomes, opportunities and integration of children and young people who use EAL in the UK.

Our objectives in 2021

- Continue to respond to the impact of the pandemic on pupils with EAL.
- 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 2021 (continued)

Our work in 2021



For a second year children who speak EAL were affected by the disruption to teaching and learning due to the Covid-19 pandemic, which saw schools closed to most learners for a further three months followed by a period of disrupted education when they re-opened. Whilst most learners experienced learning loss during school closures, EAL learners also experienced language learning loss. The Foundation continued to respond in an agile way to provide the education sector with the guidance, resources and training required to react and adapt to the additional and changing support needs of EAL learners.

"We have observed a significant and tangible loss in learning in the majority of our pupils where English is an additional language."
Senior leader, primary school, South East

Continue to respond to the impact of the pandemic on pupils with EAL

"Learning new English was pretty hard and I didn't know what to do at first, the words were getting even harder but then when I had some help at school it got much easier."
Interview with an EAL learner, BBC Newsround ('EAL: Pupils who speak English as an additional language need more support after Covid')

The Foundation commissioned questions in the National Foundation for Educational Research (NFER) Teacher Omnibus Spring 2021 Survey to understand the impact of school closures on EAL learners and to capture teacher perceptions of language and learning loss. The key findings demonstrated that 74% of primary school teachers and 59% of secondary school teachers observed a language loss in one or more language skill area (listening and observing, reading, writing and/or speaking) for EAL pupils. Additional themes included the challenge of remote learning for EAL learners, and the impact on their confidence and social wellbeing.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

"A lot of my pupils haven't spoken or heard much English during lockdown. Some of them are now finding it difficult to access the curriculum and have needed pre-teaching intervention of vocabulary that will be used in lessons."

Classroom teacher, primary school, West Midlands

Build capacity of the sector to meet the needs of EAL learners

In order to improve the outcomes of learners who use EAL, and in response to the on-going Covid-19 pandemic, the Foundation continued to scale the training offer, and increased the publication of guidance documents, articles, videos and 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.

Increase reach and impact of the Foundation's high-quality EAL training offer, Language for Results, delivered through digital training and Centres of Expertise for schools, teachers, pupils, and parents

The Foundation's digital training and webinar programme, and the Centres of Expertise continued to scale and remain responsive to need throughout 2021. This was accelerated by the Foundation's growing reputation for excellence which resulted in an increased number of requests for organisational or regional training provision.

Digital training

In order to ensure that continuing professional development opportunities were available to schools across the UK, the Foundation continued to offer training online. During 2021 the programme supported teachers and teaching assistants to develop and embed their knowledge, skills and confidence to better support EAL pupils, through online courses, free webinars and additional direct training sessions with new partners.

Feedback from participants demonstrated how school systems and teaching practice have been improved as a result of the Foundation's online training, leaving potential lasting system change for EAL learners.

"Thank you for providing this very helpful webinar. It gave a wealth of ideas for teachers to use to support our plurilingual learners with the catch up that many of them are facing as a result of online learning. These strategies will enhance our practice not just while online but many will also be useful beyond lockdown!"

EAL Teacher, webinar participant

"The evidence of individual-level impact in 2021 is strong, as it has been in recent years. Short term learning outcomes – as judged by changes in self-reported outcome performance immediately after training courses – are very positive. Courses would appear consistently to give educational professionals a boost to their knowledge, skills and understanding of EAL. Their intentions to change their – and their peers' – practice to the benefit of EAL pupils are also evident."

Cloud Chamber Independent Evaluation 2021

Centres of Expertise

The Foundation continued its strategy to scale its operations through Centres of Expertise to improve the educational outcomes of, and to build sustainable provision for, EAL learners. The Foundation continued to work in partnership with three regional Centres of Expertise (Birmingham, London and Luton) during 2021. The Centres are based in areas of high need i.e., areas where the number of EAL learners in schools are above the national average (20.9% of primary pupils and 17.2% of secondary school pupils use EAL, Department for Education, 'Schools, pupils and their characteristics: June 2021') and where there are higher than average rates of disadvantage and lower areas of educational

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

attainment. During 2021, the Foundation also started work to move operations from the Luton Centre of Expertise over to a much larger Designated Teaching Hub covering over 700 schools in the Chiltern area.

The move to a blended model of online and face-to-face training, in part as a response to the pandemic, enabled Centres to increase their reach without any diminution in quality. In 2021 Bell Foundation Licensed Practitioners (BFLPs) provided high-quality training for 763 teachers within their regions, an increase from 103 in 2020, which meant that more EAL learners were supported through enhanced teaching. The training received a 100% recommendation rate.

Participants were asked what they might do differently following the training session:

“Increase the whole school awareness about meeting EAL learners' needs.”

“A heightened awareness of EAL learners and their barriers to learning.”

“Understanding not only the children with EAL needs but their family circumstances (i.e.: not speaking English at home) and planning around these additions needs.”

“I will be more considerate of my EAL learners as I now know it takes five to seven years to become competent speaking English. Therefore, I will now try to think about the language I use in class and attempt to use fewer fillers.”

“Become an advocate for the superdiversity of children with EAL.”

Participants in Bell Foundation Licensed Practitioner training

To ensure Language for Results is able to reach more EAL learners through sustainable and on-going provision at local, regional, and national level, the Foundation reviewed its scaling strategy. In 2021 the Board approved the introduction of five interconnected approaches designed to further enhance the reach and overall impact of the programme. This will be achieved through the Foundation's training, Centres of Expertise, licenced schools, individual licenced partners, and specialist organisations all of which will ensure provision is tailored to the context to enable EAL learners to fulfil their academic potential.

Language for Results International

Following international interest in Language for Results in the UK and the Foundation's EAL Assessment Framework for Schools, Language for Results International was developed and trialled with four evaluation partners in 2021 with evaluation continuing into 2022. This work aims to achieve excellence in EAL support in international schools and provide new income to the Foundation to further support its charitable work.

Ensure that teachers, including trainee teachers, have increased skills and confidence in understanding and supporting EAL learners

“The earlier you can get people thinking about an area of their practice as being important, the better.”

ITE stakeholder (source: Cloud Chamber Independent Evaluation 2021)

Many trainee teachers will be working in multilingual classes at some point in their career and in 2020, the Foundation launched its work to upskill teachers at the start of their careers. In 2021 the second free teaching module was launched to advance the skills developed in module one. As a result:

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

- In 2021, 67 providers accessed the modules with the potential to reach 11,333 trainee teachers.
- Since launch in late 2020, 111 providers have accessed the resources with the potential to reach 16,976 trainee teachers.
- The Foundation reached a further 199 trainees through face-to-face delivery of ITT, for example with Harris Federation staff and Teach First trainees in 2021.
- The Foundation extended the partnership with the Education Development Trust to update training materials for the national rollout of the Early Career Framework in September 2021.

Through this work the Foundation is equipping trainee teachers with the skills, tools, and confidence to use an inclusive pedagogy, to support wide access to the curriculum, and to ensure that learners using EAL are given every opportunity to fulfil their potential.

"As a frequent user of the EAL Programme from The Bell Foundation I am writing to thank you for the work that you do as it is a massive help to not only myself and my colleagues, but to educators across the globe..... Currently, the need for high-quality information and resources for EAL seems to be greater than ever and (unfortunately) I continue to witness first-hand the difficulties schools and settings are experiencing in relation to accessing EAL expertise."

ITT module user

"I want to thank you for producing such excellent ITT materials. ... The materials you produced made a challenging job so much easier. They are so comprehensive and easy to use."

ITT module user

Provide solutions to schools to ensure valid and reliable assessment of, and support for, learners using EAL

Research demonstrates that proficiency in English is the major factor influencing the educational achievement and the degree of support a pupil using EAL will require. The EAL Assessment Framework resources are provided free to schools to ensure that teachers are able to assess the English language proficiency of each EAL learner, set individual targets and tailored support to guide progress to ensure learners can develop their English language skills, fully access the curriculum and fulfil their academic potential. These resources (including descriptors, digital trackers and support strategies) were downloaded 26,781 times in 2021 an increase of 20% on the previous year.

Since its launch in 2017, the Foundation's EAL Assessment Framework has been formally adopted by the Welsh Government, Government of Jersey and five local authorities, and the Framework, tools and associated resources have been downloaded approximately 71,000 times.

"Check out the @BellFoundation website and their English language acquisition assessment tool. It's brilliant for assessing the level of English that a child speaks, reads etc and gives targets to help them progress. Also lots of resources!"

Teacher

"The best thing about teaching EAL is witnessing the rapid progress students make throughout the academic year. I love completing my EAL progress trackers! Thank you @BellFoundation for your proficiency trackers!"

Teacher

The Foundation has continued to provide innovative solutions to support teachers. In 2021:

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

- Twelve new learning resources were published to provide support materials for additional subjects, curriculum topics, and key stages.
- In total, 24,359 classroom resources were downloaded (excluding EAL Assessment Framework resources).

The Foundation also developed new partnerships including with Stem.Org Learning to host the Foundation's Science, Technology, Engineering and Maths (STEM) EAL resources on their website. As Stem.Org has significant reach into primary and secondary schools, and FE colleges, this partnership will provide teachers with resources to support EAL learners to access and understand the subjects.

In 2021, the UK received many newly arrived EAL learners, for example, refugees arriving from Afghanistan and Hong Kong. The Foundation responded to ensure that school staff had the targeted support and guidance to prepare for, welcome and support parents and new arrivals. The Foundation published:

- A dedicated teaching pack which provided a single point of access to relevant tools, resources and training opportunities for schools. The web page was accessed 1,416 times in November and December 2021.
- Best practice articles and a blog. The blog was read 1,502 times in the three months after publication and the articles reached all primary and secondary schools in England.

"I was running a volunteer drop-in session and was asked a question on how to support an EAL learner who struggles with instructions! The insight the course provided me with meant I was able share some of your techniques. We have begun sharing our knowledge internally and with our volunteers too we always send them to your website too and recommend signing up to your newsletter and/or checking out the blog!"

Refugee Charity Manager, training participant

Ensure that policy is more reflective of EAL needs and that research is applied to practice and system change

"The programme has remained an active and vocal advocate for EAL."

Cloud Chamber Independent Evaluation 2021

To improve understanding of the educational achievement of EAL learners, the Foundation continued its influence on system-wide change based on robust research evidence and direct experience working with schools and learners.

During 2021, the Foundation published the final report from Professor Strand, University of Oxford. The five-year research programme investigated the relationships between 'English as an Additional Language, proficiency in English and the educational achievement of EAL learners at school'. The Foundation continues to use the findings from the research programme as evidence, and support for recommendations, in submissions to Government consultations, as well as to develop training, tools, resources and guidance to enable teachers to improve the educational outcomes of their EAL learners.

To ensure equity for EAL learners in regard to the allocation of exam grades through teacher assessments, and how to appeal them, the Foundation submitted evidence to the Department for Education and Ofqual. To supplement the published guidance and to ensure it was understood and accessible for EAL learners and their parents/carers the Foundation published an easy-to-understand guide which was translated into 17 languages. The Foundation also published two guidance papers for schools.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

In 2021 Ofqual opened a consultation on its 'Guidance on designing and developing accessible assessments'. The Foundation had contributed to the draft and as a result, the guidance contains recommendations and good practice to ensure exam questions use accessible language.

In 2021 the Foundation worked in partnership or affiliation with:



Our plans for 2022

In 2022 the Foundation will:

- Increase the reach and impact of Language for Results through digital training and Centres of Expertise.
- Provide solutions to schools to ensure valid and reliable assessment of, and support for, learners using EAL.
- Ensure that policy is more reflective of EAL needs and that research is applied to practice and system change.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

Criminal Justice Programme

The Foundation's Criminal Justice Programme seeks to break down the language barriers to accessing and achieving justice and rehabilitation for individuals in contact with the English and Welsh criminal justice system for whom English is a second or additional language (ESL).

Our objectives in 2021

- **Build the evidence base** – Research and publish the evidence base on the needs of individuals with English as a second or 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 a second or 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 ESL 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 a second or additional language.
- **Support organisations working with victims** – Work with partners to ensure that victims of crime with English as a second or additional language are better supported to access justice and recovery services.

Our work in 2021



In 2021, the Criminal Justice Programme continued into its fourth year. The challenges of the on-going Covid-19 pandemic and recovery continued to affect both victims of crime and people with convictions, and the Foundation's grantee partner organisations who support them. Whilst some prisons kept restricted regimes (with prisoners locked in cells for up to 23

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

hours per day), others were able to return to as normal a regime as possible. However, as prisons continued to focus on crisis management it was more difficult to engage them in the work of the Foundation and its partners. Community services for victims and people with convictions returned to normal levels of delivery, with many more services being delivered remotely.

Build the evidence base

In 2021 the Foundation continued the partnership with the Institute for Crime and Justice Policy Research (ICPR), Victim Support, and the Centre for Justice Innovation. The aim of the research project was to establish how language barriers impact individuals' experiences of the criminal justice system, whether as victims, witnesses, suspects, defendants or people with convictions.

Throughout the project, partners have continued developing strong stakeholder relationships which have contributed valuable knowledge and expertise to the research, as well as having the potential to strengthen its impact. These relationships include with HM Inspectorate of Probation (HMIP) and the Government's Silver Command working group on victims and witnesses.

The research found strong evidence of the impact of language barriers on those in contact with the criminal justice system who speak English as a second or additional language. These include being isolated from support and interventions due to monolingual provision, being unable to fully engage in legal proceedings, relying on informal support from family or peers, and even a victim being incorrectly identified as a perpetrator and held in custody. The research also identified a number of systemic challenges including patchy provision of translation and interpretation services, a lack of training and guidelines, archaic language used in the legal profession, issues identifying and organising language support, and the availability and quality of interpreting services.

The outputs including the research report, policy briefing, and guidance documents to support practitioners, will be published in 2022. The long-term impact of the findings of this project will influence both the future investment in the programme from the Foundation and policy and practice.

Engage in system change and thought leadership

"The programme is able to articulate the barriers facing people with ESL in the criminal justice system drawing from an increasingly thorough evidence base. The programme has also created a network of partners who are committed to the issue of language barriers – a subject area that lacks any other evident lead organisation."

Cloud Chamber Independent Evaluation 2021

To raise awareness of the language barriers faced by victims of crime and people with convictions and to make recommendations on how to address these obstacles, the Foundation submitted evidence from its research to four Government consultations in 2021:

- Education Select Committee inquiry 'Education: Are prisoners being left behind?'
- Home Office consultation 'Violence Against Women and Girls Strategy'.
- House of Lords' inquiry 'Youth Unemployment'.
- Home Office consultation 'New Plan for Immigration'.

Create capacity within the criminal justice sector

To enable prison staff and ESOL Tutors to support prisoners who use ESL, particularly during lockdown, in 2021 the Foundation undertook:

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

- Development of a new training module 'Communicating with service users who speak English as a second or additional language' to enable prison, probation, and victim services staff to better communicate with service users when formal language support is not available.
- Dissemination of, and engagement with, the ESOL Screening Tool was significantly impacted by the Covid-19 pandemic as prisons focused on crisis management, managing lockdowns and restricted regimes. As a result, there was limited engagement with the tool during the year. To improve take-up and use in 2022 the tool will be updated, and work will be undertaken to introduce it to prisons via Regional Group Directors.
- Building awareness of, and engagement with, the Foundation's ESOL resources. During 2021, nearly one thousand resources were downloaded from the Foundation's website, an increase of 19% on the previous year which demonstrates that the tools are reaching more people working in the criminal justice sector. The resources are designed to help:
 - Prison staff to screen for ESL on arrival in prison to ensure the correct support is put in place.
 - ESOL tutors to enable people with convictions to improve their English language proficiency whilst embedding wider capabilities e.g. numeracy, digital and health, and in order to support rehabilitation.
 - People with convictions to learn independently and to provide purposeful activity during lockdown in order to improve their language skills.

Support organisations working with victims

In 2021, £235,000 was made available in grant funding to partner organisations in the criminal justice sector as the Foundation continued to fund partnerships working directly with victims who use English as a second or additional language. These partnerships continued to deliver important victim support services and access to justice, including compensation, during the year.

Harrow Law Centre

"One of our substantive cases concerned a rape allegation made by an individual ("AB" for anonymity reasons). As a result of the police's attitude towards them, they decided they did not want to continue working with them in order to pursue a prosecution. AB was referred to the Victims of Crime (VOC) Project. VOC explained their rights under the Victim's Code, what the police ought to be providing them with and advised them on the criminal law procedure. As a result of this conversation, AB felt able to pursue a charge and hold police to account to investigate their case effectively. This case is currently on-going. VOC also applied for Criminal Injuries Compensation (CICA Scheme) and received a maximum award of £11,000 for AB."

Harrow Law Centre

Harrow Law Centre was involved with numerous other cases during the year, for example, the Centre secured £16,500 compensation for a victim of sex trafficking and succeeded in police complaints where the Victims' Code was not complied with by the police.

Greater Manchester Law Centre

Building on the work of the Harrow Law Centre project, a new partnership with Greater Manchester Law Centre was developed and launched in July 2021. This offers legal advice and support to victims of domestic abuse who speak ESL, many of whom have related, complex immigration issues.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

“S is a domestic abuse survivor who also experienced physical and economic abuse, and controlling and coercive behaviour. S speaks very little English. When she was referred to us she was extremely distressed due to her recent experiences and the situation she now found herself in i.e. in unsuitable accommodation and without sufficient support. We explained, and supported, S to complete the Destitution Domestic Violence Concession (DDVC) application to provide access to benefits and mainstream accommodation, and challenged the local authority to provide appropriate housing. As a result the DDVC was granted, S is now living in suitable accommodation and has applied for indefinite leave to remain. S told us that she now feels as though life has opened up for her.”

Greater Manchester Law Centre

Hibiscus Initiatives

Hibiscus Initiatives enables marginalised migrant women trapped in the immigration and criminal justice systems to rebuild their lives. In 2021, following a two-year research and pilot phase, Hibiscus Initiatives published a report funded by the Foundation, focused on cultural mediation which is a tool used commonly in Europe to go beyond interpretation to address the cultural context and concerns of the individual. The benefits of cultural mediation are in reducing the cultural and language barriers experienced by survivors of gender-based violence ensuring their voices are heard.

Following the exploratory research, the Foundation made a grant to Hibiscus to continue to develop a model of cultural mediation. In 2021 the Hibiscus Project Worker continued to use cultural mediation to work with those who had experienced gender-based violence, particularly survivors of trafficking. Hibiscus also began developing and piloting training to raise awareness of cultural mediation and how to use cultural mediation techniques for practitioners, including aspiring practitioners with lived experience. For the final two years of the project Hibiscus will develop an accompanying toolkit and further roll out and evaluate their training, developing robust evidence to demonstrate the value of cultural mediation to other stakeholders.

“Previously I was missing this kind of support and finally I got it from you, and I will never forget that.”

Hibiscus Initiatives - refugee and survivor of abuse and trafficking

Why Me?

Why Me? works with Bedfordshire Signpost, Luton Youth Offending Service (YOS) and Bedfordshire YOS to identify knowledge and skills gaps in Restorative Justice, and delivered their Restorative Justice awareness and facilitation training to frontline staff. The training is tailored towards working with people who have English as a second or additional language. Why me? is also engaged in a range of advocacy activities to influence national and regional policy and commissioning.

“We worked with Police and Crime Commissioners (PCCs) to encourage sign up to our Restorative Justice Pledge. 44 candidates signed the pledge, of whom six were elected, following which five have approached us to advise on the inclusion of restorative justice (RJ) in their new Police and Crime Plans and their tenders for RJ. The Why me? team are giving advice on this, including emphasising the needs of marginalised people when accessing (restorative) justice.”

Why Me?

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

Shannon Trust

The Foundation also continued to fund the Shannon Trust's peer-mentor reading programme in prisons which reaches the majority of prisons. Despite the significant impact of Covid-19 on prison regimes, the programme reached more than 1,200 learners and mentors thanks to the continued use of resources created in 2020, and the addition of self-study videos.

"I have told my mum and grandparents who are back home in Africa and who cannot read or write in English either and they are extremely proud of what I have achieved and feel that this is vital for my future. They have been giving me a lot of praise and encouragement."

Shannon Trust ESOL learner

In 2021 the Foundation worked in partnership or affiliation with:



Our plans for 2022

In 2021 the Board signed off an updated programme strategy for 2022–26. Led by the evidence, the programme will continue to break down language barriers to justice and rehabilitation, and focus on improving outcomes and wellbeing for victims of crime and people with convictions who use ESL.

In 2022 the Foundation will:

- **Influence system change and thought leadership** - Use evidence, partnerships and influencing to change the system's response to individuals in the criminal justice system who speak English as a second or additional language (ESL).
- **Build the capacity of the criminal justice sector** - Continue to develop the Foundation's role as a convenor and expert on language barriers in the criminal

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

justice system. Use that position and expertise to embed evidence-based training and resources to improve the sector's response to the needs of individuals who speak ESL.

- **Support organisations working in the criminal justice sector** - Fund and evaluate projects and services that aim to improve outcomes and wellbeing for individuals in contact with the criminal justice system who speak ESL. Work with others to scale successful projects sustainably.

ESOL Programme

The Foundation's English for Speakers of Other Languages (ESOL) Programme is in the second year of the programme's pilot phase. In 2021, £262,000 was made available in grant funding to ESOL Programme partner organisations.

Our objectives in 2021

- 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.

Our work in 2021



During 2021 beneficiaries were affected by the continued impact of the Covid-19 pandemic, and the arrival of refugees emphasised the need for both the evidence and the support solutions that the ESOL Programme has invested in developing.

Build an evidence base by publishing the literature review and quantitative research from UCL Institute of Education on young people with ESOL needs

The Foundation with UCL Institute of Education (IoE) published two reports on the education and employment outcomes of young people who use ESOL.

The reports provided important insights, for example:

- Young people who speak languages other than English are more likely to stay in education and go to university post-16, but they are also more likely to be not in education, employment, or training at the age of 25 compared to the other groups.
- ESOL services in the UK have faced high demand and fragmentation of provision and funding, making it difficult for some young people to access the most appropriate provision.
- Currently there is no accurate data on the number of young people post-16 who need to learn English in the UK nor their proficiency in the language. Without this data, it is

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

difficult to know, and therefore make provision for, the scale of need and type of ESOL support that people require.

The evidence from these reports will be used to inform the ESOL Programme Strategy following the pilot phase. The report dissemination included the presentation of the key findings by the research team and Professor Li Wei, Director and Dean of UCL Institute of Education during a webinar, and distribution of the report and recommendations to policymakers and key stakeholders. Using the evidence from the IoE's quantitative research and literature review the Foundation published a 'Policy Briefing: Education and employment outcomes of young people who use English as a second or additional language'.

Engage in system change and thought leadership through engaging in regional and national policy and practice forums and convening experts

The Foundation has used its evidence to submit responses to Government proposals on the language barriers facing young people and adults. The Foundation continued to use its evidence and expertise to inform and respond to both the Department for Education's Review of Post-16 Qualifications, and the House of Lords' inquiry on Youth Unemployment.

"Self-perceptions of proficiency are unreliable. The Bell Foundation told us that the LFS [Labour Force Survey] is not a good measure for the need for provision for people whose first language is not English (ESOL) because it is based on self-perception of proficiency."

House of Lords, Youth Unemployment Committee, Report of Session 2021–22, 'Skills for every young person'

To ensure that any new ESOL qualifications meet the needs of learners in the 21st century, the Foundation brought together experts in ESOL policy, practice, Government and academia with the creation of a new expert group which met three times during 2021.

Agree new practical partnerships at local and regional level with groups representing vulnerable beneficiaries which demonstrate innovative methods of delivering ESOL

To develop and evaluate good practice in delivering ESOL provision, specifically to enable refugees to achieve their ambitions in work or education, the Foundation agreed four new grant partnerships in 2021.

Kent Refugee Action Network (KRAN)

KRAN works with separated young refugees and asylum seekers known as Unaccompanied Asylum-Seeking Children (UASC). The project aims to support young people to gain a place at college or in employment through teaching tailored to their needs, and to enable them to make progress and develop confidence. The aim is to reach between 50 to 100 young people in Kent each year.

East of England Strategic Migration Partnership (EELGA SMP)

The project works with resettled refugees and asylum seekers, as well as arrivals from Afghanistan and Hong Kong, and aims to support beneficiaries with further training and access to sustainable employment relevant to the local job market. The Foundation is funding an evaluation of the Wellbeing and Work for Refugee Integration project which aims to reach 600-650 beneficiaries (2020-2022) across six counties in the East of England.

Refugee Education UK (REUK)

REUK works with separated young refugees and asylum seekers. The project aims to support young people to improve their English language skills as a result of engaging in the Educational Mentoring Programme. The aim is to recruit 150-200 volunteer mentors.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

"REUK's ESOL framework and volunteer training project with The Bell Foundation will equip refugee and asylum-seeking young people with the English language skills they need to understand and communicate on topics that are vital to their everyday lives and that they wouldn't encounter elsewhere in their education. It will enable volunteers to develop high-quality, relevant and coherent ESOL-focused mentoring, supporting young people to make tangible progress in their English language acquisition."

Refugee Education UK

Refugee Action

This three-year project is working with settled refugees and asylum seekers as well as new arrivals from Afghanistan. The project aims to enable beneficiaries to increase their readiness to engage in the labour market and improve their employability by taking positive steps to secure a volunteer or job placement, to access vocational training or to progress to formal ESOL provision. The aim is to engage 240 participants in the project.

In 2021 the Foundation worked in partnership or affiliation with:



Our plans for 2022

In 2022 the Foundation will:

- Agree the Foundation's ESOL Programme 2023-2028 strategy and objectives based on evidence from the pilot phase.
- Engage in system change and thought leadership through engaging in regional and national policy and practice forums and convening experts.
- Continue its practical partnerships at local and regional level with groups representing vulnerable beneficiaries which demonstrate innovative methods of delivering ESOL.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

Communications

"Reach figures have again been strong in 2021 ... The most notable increases have been in training and ITE reach; the growth of new website traffic and registrations ...; and the continued popularity of the EAL Assessment Framework."

Cloud Chamber Independent Evaluation 2021

In 2021, visitors to the Foundation's website increased to 202,886 (an increase of 171% on the previous year), and there were 10,649 new registrations to access resources (an increase of 50% on 2020). Reach data for the training, ITE, and framework mentioned in the quote above can be found in the EAL Programme section of this report.

"Once you go in and look at the [assessment] framework, you see they have lots of other things on the go...I regularly flag up everything that's on their website [to schools and colleagues] ...it's all there and it's really clearly spelled out"

Local government stakeholder (source: Cloud Chamber Independent Evaluation 2021)

During 2021, the pandemic continued to significantly impact on beneficiaries. The Foundation responded through agile communications reaching a greater number of beneficiaries, improving accessibility, and delivering materials to new audiences in new formats. To enable arriving families to understand the English school system and support their child's learning, two parental guidance documents were translated into Pashto, Dari and traditional Chinese. The new documents were downloaded 628 times in the last three months of 2021 and were included in the welcome packs distributed by Refugee Education UK (REUK) to families arriving from Afghanistan.

The Foundation increased its media coverage to reach, educate, inform, and embed best practice and evidence with stakeholders. There were 31 appearances in 2021 (a 24% increase on 2020) which included 15 best practice articles published in Head Teacher Update and SecEd publications which reach audiences in every primary and secondary school.

The website continues to be a key hub for resources, training, practical guidance and tools, and is enabling education providers, community groups, third sector organisations and prisons to support beneficiaries who speak ESL.

"This is one of my favourite EAL ideas repository sites in the whole internet!"

Teacher

Equity, Diversity, and Inclusion

"I just wanted to say I find the Bell Foundation a great inspiration. I have worked with deaf children who have EAL and used your resources and guidelines in my work. Thanks."

UK local authority

The Bell Foundation believes in diversity, valuing difference and tolerance. This is one of the Foundation's core values. To give greater visibility to the Foundation's work with diverse communities a new Equity, Diversity and Inclusion page on the website provides transparency and information on the diversity of the beneficiaries the Foundation's programmes and funding reaches, and its impact. In 2021 one example has been a new partnership with ICAN, the

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

children's communication charity which included a webinar 'Is it English as an Additional Language, a language disorder, or both?'

The Foundation is working with 360Giving to publish information on the Foundation's grant making. 360Giving helps UK funders to publish open, standardised grants data. By doing this it enables organisations to understand grant making across the UK with an aim of empowering people to make grant making more informed, effective, and strategic.

Learners, refugees, asylum seekers, migrants, job seekers, victims of crime, witnesses and/or people with convictions who speak English as a second or additional language who also have a protected characteristic will continue to be a focus of the Foundation's work in 2022.

The Foundation's work, which is aligned with the Association of Charitable Foundation's pillars of good practice on EDI, included an audit of all programmatic activity which resulted in a series of actions being identified and plans developed to achieve them. Programmes will focus on a particular area where language overlaps and is interdependent with other protected characteristics.

In 2022:

- EAL Programme: will continue to focus on English as an Additional Language (EAL) learners who also have Special Educational Needs (SEN), ensure training and resources are accessible, and work with relevant organisations to ensure EAL learners are not disadvantaged by language barriers.
- Criminal Justice Programme: will seek to understand further the intersectional impacts of race/ethnicity and English as a second or additional Language (ESL) for those in the criminal justice system.
- ESOL Programme: will continue to focus on refugees and asylum seekers who, in addition to facing barriers to accessing education and employment due to speaking ESL, have a number of protected characteristics.
- Communications: will continue to work to ensure that the Foundation's digital platforms and communications are equitable, diverse, inclusive and accessible for all audiences.

Grants and partnership policy

The Foundation's approach is to work in partnership with others. The Foundation is grateful for the time and contributions that partners made to the programmes. 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 larger 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 2021

The Foundation owns property in Cambridge, has funds invested with two Investment Managers and capital invested in a wholly-owned subsidiary, Bell Educational Services Ltd. The Foundation has also provided short term debt funding to the wholly-owned subsidiary.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

The assets are managed to ensure long-term financial sustainability in order to continue to fund the Foundation's charitable work.

In 2021 the Foundation planned to:

- Review and update the Foundation's Environmental, Social and Governance (ESG) investment policy.
- Continue to monitor and respond to the financial performance of the Investment Managers.
- Manage the next stages of the student accommodation planning application.
- Finalise the land disposal with the completion of the overage.
- Continue to monitor and respond to the financial performance of the trading subsidiaries, in conjunction with the Foundation's external professional 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 continued.

A summary of 2021

The following is a summary of activity in 2021. Further detail is contained within the financial review.

Investments

Despite the on-going global pandemic and its varying impact on international travel, individual countries and various business sectors, international financial markets have performed well. The Foundation's investments as of 31 December 2021 were £26,944,000, a 14% increase on the value as at the end of 2020.

During 2021 a review of the Foundation's ESG policy was completed. The review included consideration of the exclusion of sectors within investments and how the Foundation would monitor and discuss Investment Managers' engagement with companies on ESG matters.

Consequently, the re-written policy sets out the intention of the Foundation to be actively engaged in ESG issues to ensure responsible and sustainable investment portfolios. The policy is included in full below on page 26 and the Foundation is now working with its Investment Managers to ensure the current investment portfolios comply with this policy.

Property assets

The Foundation's property assets in Cambridge are leased to Bell Educational Services Ltd, the charity's trading subsidiary. At the end of 2018 the Foundation submitted a detailed planning application for the potential development of student accommodation on the Cambridge campus, for which a formal decision in respect of this application has not yet been received.

The completed sale in 2017 of development land formerly owned by the Foundation provided, under contract with the developer, for overage. The overage calculation was a cumulative total which updated as property on the development was sold. The overage crystallised on the final property sale at the end of 2020 and £1,477,000 was consequentially received by the Foundation in 2021. Overage is subject to Corporation Tax and thus the receipt of overage also required the Foundation to make a tax payment (the tax had previously been provided for as deferred taxation in the accounts) and tax of £276,000 was paid in October 2021.

Trading subsidiaries

As noted in the "At a Glance" section of the report, the global pandemic impact on international travel continued to affect the English language teaching market and the operations of the Foundation's trading subsidiary Bell Educational Services Ltd. Though the

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

school was open through 2021, trading remained severely impacted as students were unable to travel for a significant period of the year. As in 2020, the situation continued to be closely monitored throughout 2021, the second year of the global pandemic, with regular reviews of forecasts and sensitivity analyses. The subsidiary ultimately reported a loss of £1,699,000 in 2021, this compares to the loss of £1,947,000 reported in 2020.

Bell Switzerland SA, the wholly-owned subsidiary of Bell Educational Services Ltd, has been less affected by the global pandemic with no reliance on students travelling from abroad. The Swiss subsidiary reported a profit after tax of £362,000 for 2021 and additionally, during the year, Bell Switzerland SA remitted a dividend payment to Bell Educational Services Ltd from its 2020 reserves of £254,000.

As reported in the 2020 Annual Report and Accounts, the Foundation, having sought external independent legal and professional advice, set up financial support in October 2020 in the form of a loan, on commercial terms, for Bell Educational Services Ltd, whose cash reserves were seriously affected by the impact to trading, a direct consequence of the pandemic. The resulting Revolving Credit Facility (which is detailed within the Investment Policy section below, specifically page 26) was first drawn on in April 2021. Continued close monitoring and updated forecasts required two amendments to the facility in 2021. Trustees sought additional external legal and professional advice to support their decision making with regards to these amendments. The first amendment increased the facility limit by £300,000 to £1,900,000 and the second amendment (approved in December 2021 with documentation completed in January 2022) extended the facility end date by 12 months to 31 December 2023 (the former terms of the loan included an option for the Trustees to extend the facility by 12 months) recognising that on current forecasts pre-pandemic trading levels are unlikely to be seen until late in 2023. The facility is conditional upon adherence by Bell Educational Services Ltd to five financial covenants which are monitored quarterly, and the facility is fully 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 2021, the balance drawn on the facility was £900,000.

Having reached the end of his contract, the Chair of Bell Educational Services Ltd, Mr P S Phippen, stepped down on 30 September 2021. Following an open recruitment process Mr N J Tellwright was subsequently appointed as Chair of Bell Educational Services Ltd on 1 October 2021.

Our plans for 2022

The key objectives for 2022 are:

- Ensure the investment portfolios are aligned to the Foundation's recently updated ESG policy, including a five-year review of the current Investment Managers.
- Continue to review the financial performance of the trading subsidiaries, specifically monitoring the performance of Bell Educational Service Ltd against the financial covenants in the Revolving Credit Facility and examine forecasts as the uncertainty created by the global pandemic continues.

Financial review and results for the year

Reserves policy

The Foundation's reserves are primarily unrestricted funds and only from time to time are restricted funds held. The unrestricted funds are further divided by the Trustees into a designated capital fund and income fund. The income fund is equivalent to the Foundation's free reserves.

The capital fund represents the carrying value of assets held for investment purposes

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

and reflects the intention of the Trustees to ensure the long-term financial sustainability of the Foundation to enable it to carry out its charitable work. The fund includes the uninvested proceeds of the sale of surplus land (sale proceeds and overage were received in phases over 2014 to 2017 and 2021 respectively) and accumulated realised gains (or losses) from the investment portfolios.

The reserves policy and level of unrestricted income reserves are reviewed annually. The Trustees have put in place an Asset, Investment and Reserve Strategy that ensures 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.

Having considered the on-going needs of the Foundation, the reserves policy is to have sufficient cash resources, whether internally generated or through long-term borrowings, to finance the Foundation's rolling five-year plans with an allowance for reasonable contingencies. The Foundation's five-year plans include total expenditure of £10.9m which, after income generated from the Foundation's assets, results in a net loss of £3.6m.

The reserves policy is informed by:

- 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.
- Assessment, on best evidence reasonably available, of the likelihood of each of those needs arising.

As at 31 December 2021, the Foundation's total funds were £46,186,000 of which the balance on the designated capital fund was £46,180,000 (2020 - £43,788,000). Of this amount £10,730,000 is represented by tangible fixed assets and £28,944,000 by the Foundation's investments. The remaining balance of £6,506,000 is held within net current assets included £6,141,000 of cash. The Foundation's unrestricted income fund was £6,000 (2020 - (£151,000)). The Foundation did not hold any restricted funds at the year end.

These balances are after a transfer of £1,150,000 from the capital fund in support of the planned programmatic work of the Foundation and in line with the Asset, Investment and Reserve Strategy. The transfer was in line with budgets recognising that income in 2021 would be below normal expectations predominantly due to the impact of the global pandemic on the trading subsidiary, Bell Educational Services Ltd, resulting in significantly reduced income from royalties and no ability to remit Gift Aid. Investment income has also reduced in 2021 with the investment strategy on the Barclays Wealth portfolio generating a lower level of dividend income, though total returns on this portfolio are ahead of targeted total returns. With the pandemic impact on the subsidiary affecting the ability to remit Gift Aid into the medium term, and the return from the investment portfolios more likely to be seen in valuations rather than dividends received, a further transfer from the capital fund is forecast in 2022.

The Trustees recognise that the balance of the charity's unrestricted income fund of £6,000 is below the Foundation's planned five-year planned net loss of £3.6m. However, the capital fund includes significant uninvested cash which can be transferred to support the planned activity of the Foundation. Notwithstanding the expected need for a further transfer to support the Foundation's planned programmatic work, the value of the Foundation's net assets is forecast to be broadly static over the next five years thus ensuring sustained funding of the Foundation's charitable work. Trustees continually review the financial position of the Foundation.

The combined unrestricted income reserves of both the trading subsidiary Bell Educational Services Ltd and its subsidiary, Bell Switzerland SA, fell to a negative (£1,603,000), this fall in

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

reserves being a direct result of a second year of losses, a consequence of the impact from the global pandemic. The combined unrestricted income reserves were at (£1,000) in 2020.

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 ensure the investments do not run counter to the values and aims of the Foundation.
- To preserve and enhance the value of the Foundation's assets.
- To achieve the above within 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.
- The Cambridge campus leased to the trading subsidiary.

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

Environmental, Social and Governance Policy

As noted in the Asset Management section of the Strategic Report, the Trustees updated the Foundation's ESG policy in 2021 and during 2022 the Foundation will take steps to bring the investment portfolios in line with this updated policy.

The policy is as follows:

The Trustees' primary purpose for investment is to achieve the target return however the investments should not run counter to the Foundation's values or aims. The Trustees' aim is to take a proactive interest in the nature of its financial investments and consider their wider societal and environmental impact. Trustees therefore require Investment Managers to abide by the following policy:

1. *Investing in a way that is sustainable and responsible by incorporating ESG issues into the investment analysis and decision-making processes. This will include, but is not limited to, the following exclusions:*
 - *The Foundation requires Investment Managers to exclude exposure to companies that generate a material proportion (5% or more) of their revenue from tobacco, adult entertainment, alcohol, gambling, high interest rate lending, and armaments.*
 - *The Foundation requires Investment Managers to make investments that support the transition to net zero carbon and a carbon positive future. The Foundation requires Investment Managers to review the carbon footprint of investments annually. The Foundation therefore expects its Investment Managers to engage with firms in the portfolio over sustainability issues and report such engagement back to the Foundation.*
 - *The Foundation requires Investment Managers to make investments which exclude companies that: fail to implement basic labour rights; engage in bribery, corruption, money laundering and tax evasion.*
2. *The Foundation requires Investment Managers to be active owners and incorporate ESG issues into their ownership policies and practices:*
 - *The Foundation expects Investment Managers to actively engage with companies: seeking improvements in ESG performance through voting for shareholder ESG related resolutions or direct engagement with companies.*

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

- *The Foundation requires Investment Managers to be signatories to the United Nations Principles for Responsible Investment (UNPRI).*
3. *Seek appropriate disclosure on ESG issues by the entities in which they invest.*
 4. *Report on their activities in connection with ESG. This will include but not be limited to:*
 - *ESG integration processes, changes and effect on investment decisions.*
 - *Engagement with firms over ESG issues and impact made.*
 - *Voting engagement and record.*
 5. *Impact and Social Investing:*
 - *The Foundation will continue to engage in conversations with peers with regards social investment and consider opportunities that link with the Foundation's mission where pooled funds may offer meaningful impact whilst ensuring that these balance with financial returns.*
 - *The Foundation will consider whether, when and what proportion of investments it would be appropriate to allocate specifically to such impact and social investing.*

Investment portfolio

The Trustees have targeted the Investment Managers to produce a total return of the Consumer Prices Index plus four per cent. Whilst there is a stated annual cash income drawdown requirement of three per cent, it is recognised that the Investment Managers' strategy may result in a portfolio with reduced dividend income which would ordinarily support the income requirement (though that same strategy would meet the total return requirements). Where this is the case then a credit facility should be set up to provide a structure to drawdown funds in support of the Foundation's work at times when it is not optimal to sell investment holdings directly.

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 trading 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. As already noted, the impact of the pandemic on the trading subsidiary has meant a second year of reported losses and thus it has not been possible for the trading subsidiary to make a return to the Foundation through Gift Aid in 2021. Though forecasts indicate that the trading subsidiary should report profits in and from 2023, it will take longer to improve the subsidiary's reserves to a point where Gift Aid distributions are possible.

In 2020 the Foundation put in place financial support for the trading subsidiary by way of a Revolving Credit Facility (loan) with Bell Educational Services Ltd. The Trustees' decision to provide the additional investment was after careful consideration of forecasts, taking external independent legal and professional advice, and recognising that this was a short term need to support the trading subsidiary through the impact to the business from the pandemic to a point of normal trading levels. This therefore safeguards the asset for the Foundation enabling the trading subsidiary in time to remit returns in line with the investment policy for the capital invested and as noted above. This is considered to be in the best interests of the Foundation. The loan is set on commercial terms with a commercial rate of interest set at a margin of 3.25% over the Bank of England base rate, five financial covenants, and formal monitoring arrangements. The maximum drawing on the loan varies over time. At its highest point, up to

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

£1.9m is available. The facility had an option to extend the loan by 12 months and following further review and independent advice an amendment effective (after documentation completion) January 2022 extended the loan by 12 months to 31 December 2023. The loan is fully secured with a fixed and floating charge over the assets of Bell Educational Services Ltd which includes the shares of the Swiss subsidiary, Bell Educational Services SA.

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 2022, 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 2027.

Trading subsidiaries' results

As already noted, the global pandemic has continued to severely impact the English language teaching market. Bell Educational Services Ltd, the UK subsidiary, achieved turnover of £1,661,000 compared to the previous year's turnover of £2,451,000. By comparison the turnover reported in 2019, prior to the pandemic, was £11,228,000. Turnover in 2020, though significantly below normal trading levels, benefited from the winter activity in Q1 2020 being broadly unaffected by the pandemic since this was prior to the first lockdown in the UK. Activity in 2021 was impacted from the start of the year with only the last two months (historically a seasonally quiet period) seeing activity increase as students from some countries started to travel again. After a dividend receipt from Bell Switzerland SA, Bell Educational Services Ltd reported a final loss for 2021 of £1,699,000 which was an improvement from the loss reported in 2020 of £1,947,000.

Bell Switzerland SA was less impacted by the global pandemic reporting a turnover of £3,240,000 for 2021 which was an increase of £87,000 on the prior year.

Charitable expenditure

In 2021, charitable expenditure totalled £1,754,000. This is an increase of £450,000 on the £1,304,000 charitable expenditure reported in 2020 in part reflecting continued scaling of the programmes, the pilot activity of a third programme and increased grant commitments in 2021.

New grant commitments in 2021 were £497,000, nearly double the commitments made in 2020 when grant commitments were £263,000.

Consolidated Balance Sheet

As noted in the 'At a Glance' section, the Foundation, and its trading subsidiaries' consolidated balance sheet was broadly static at the end of the year, despite the challenges presented by the global pandemic with Group assets at £43,851,000 (2020 £42,765,000). The slight increase of 2.5% (in 2020 the movement was a slight fall of 2.7%) is, as described previously, attributable to the unrealised and realised gains made on the investment portfolios which more than offset the continuing impact and consequential losses in the trading subsidiary.

Overage income of £1,477,000 previously included in debtors has now been received, deferred tax of £281,000, also previously reflected in provisions and relating to the overage, has also now cleared with the tax liability having been settled.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

Consolidated Cashflow

The Foundation, and its trading subsidiaries' consolidated cash balances have reduced slightly in the year by £289,000 to £8,827,000. The material movements in the cash balances are the net receipt of overage (after payment of tax) and charitable expenditure higher than incoming cashflow for the Foundation in 2021, and the net cash outflow from operating activities of the trading subsidiary (the cash loan from the Foundation to the trading subsidiary is balanced out when totalling the cash balances of the Group). The Foundation's cash balances at 31 December 2021 were £6,141,000 a reduction of £303,000 from the prior year.

Year-end position and going concern

The Foundation, and its trading subsidiaries' net current assets at 31 December 2021 were £5,635,000. In addition, the investment assets at 31 December 2021 were £26,944,000. Though the Foundation is not significantly affected operationally by the on-going situation of the global pandemic, the Trustees recognise the impact it is having on the Foundation's assets, particularly as it continues to be an 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 updated strategic plans of Bell Educational Services Ltd and Bell Switzerland SA, and the Foundation's forecast, the Trustees consider the Group a going concern.

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 trading subsidiaries by the respective 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 operational risks.

The Audit and Risk Committee agreed to go "beyond compliance" for safeguarding practices. An external safeguarding review, originally undertaken in 2018 and followed up in 2019 confirmed that suggested improvements had been addressed. In 2021, an ISI (Independent Schools Inspectorate) inspection was conducted at the trading subsidiary's Cambridge and London sites upon which safeguarding was given the highest possible rating of excellent.

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

| Risk | Mitigation |
|--|---|
| Charitable Programmes Changing external environment for the delivery of programmes. | <ul style="list-style-type: none"> • Long-term view and flexible approach taken with partners and grantees. |
| Income from trading subsidiaries and investments insufficient to fund planned charitable programmes. | <ul style="list-style-type: none"> • Trustees' policy of utilising capital to ensure delivery of agreed charitable programmes. |

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

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.
- Continued close monitoring of market developments as travel restrictions change.
- Online courses developed.
- Actions planned in 2020 and 2021 to reduce costs now complete. Continued close monitoring of bookings to forecasts.
- Financial support in the form of a loan in place.
- Review of strategic plans to develop and diversify the business ultimately to mitigate the impact of international travel issues.

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 fit for purpose.

- Regular review of the Terms of Reference.
- Annual planning, review, and approval processes.
- Annual skills audit for and recruitment of 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 completed in 2021.
- Safeguarding systems to ensure concerns are escalated.
- External inspections.

Cyber Security

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

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

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.

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 2021, the Board reviewed the Committees' Terms of Reference, chair roles, and membership of all its Committees.

The Board, 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.

Recruitment, induction, and training of Trustees

The Board, through its Governance Committee, has actively considered the skills base of the existing Board, conducted a skills audit, reviewed Trustee training needs, undertaken Trustee and Chair recruitment and conducted a review of compliance with the Charity Code of Governance. There is a full Trustee 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. In 2021 two Trustees, Mr R C Prior (former Chair) and Mr A L Tomei (former Vice Chair), retired after serving a maximum nine years. Four Trustees were recruited to the Board in August 2021: Ms R Chakraborty (appointed to Chair), Mr D Hughes, Ms D Kuznetsova, and Mr P Roscrow. Ms T E Fazaeli was appointed as Vice Chair.

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.

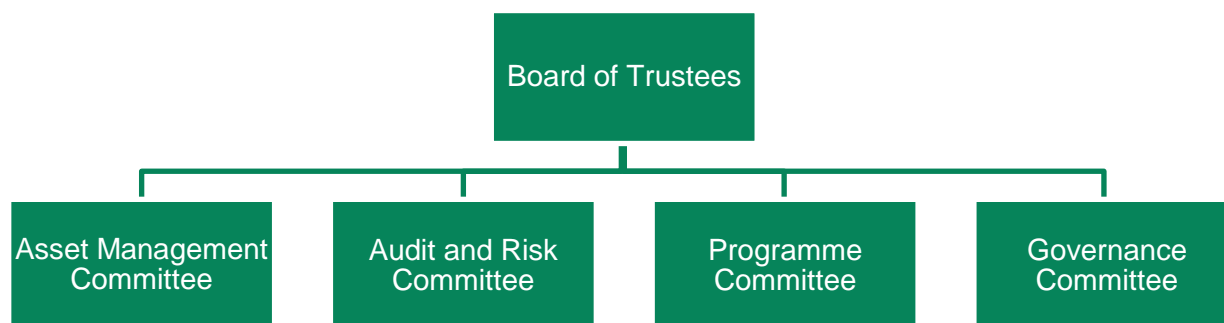
Related party transactions

There were no related party transactions in 2021.

Mr G Spink served as a non-executive director of Bell Educational Services Ltd for the whole of 2021. Mr M Milanovic served as a non-executive director of Bell Educational Services Ltd up to 10 February 2021. Neither received any remuneration for this role.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (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 (10 meetings held in 2021) |
|--|---|
| Mr R C Prior (Chair until 29 July 2021, retired 29 July 2021) | 8 |
| Mr A L Tomei (Retired 7 October 2021) | 9 |
| Mr J Gandy | 10 |
| Mr M Milanovic (Resigned 10 February 2021) | 0 |
| Mr G Spink | 10 |
| Mr R S M Auladin | 10 |
| Ms E J King | 9 |
| Mr A J Scott-Barrett | 10 |
| Ms T E Fazaeli (Vice Chair from 1 January 2021) | 10 |
| Ms L McLaughlin | 10 |
| Ms R Chakraborty (Appointed 1 August 2021, Chair from 1 August 2021) | 2 |
| Ms D Kuznetsova (Appointed 1 August 2021) | 2 |
| Mr D Hughes (Appointed 1 August 2021) | 2 |
| Mr P Roscrow (Appointed 1 August 2021) | 2 |

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 2021) |
|--|--|
| Mr G Spink (Chair until 8 September 2021) | 3 |
| Mr R S M Auladin | 2 |
| Mr A J Scott-Barrett (Chair from 9 September 2021) | 3 |
| Mr P Roscrow (From 1 August 2021) | 2 |

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. Further, in 2021, the Committee oversaw the five-year review of auditors and subsequent tender for audit services.

Asset Management Committee

| | Meetings attended (Four meetings held in 2021) |
|---|---|
| Mr J Gandy (Chair until 23 November 2021) | 4 |
| Mr A L Tomei | 3 |
| Mr A J Scott-Barrett | 4 |

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

| | |
|--|---|
| Ms L McLaughlin | 4 |
| Mr N J Tellwright (Co-optee, up to 21 August 2021) | 2 |
| Mr P Roscrow (From 1 August 2021, Chair from 24 November 2021) | 2 |

The Asset Management Committee completed further 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. The Committee also reviewed and recommended changes to the Foundation's ESG investment policy which was subsequently approved by the Board.

Governance Committee

| | Meetings attended (Two meetings held in 2021) |
|--|--|
| Mr R S M Auladin (Chair) | 2 |
| Mr R C Prior (Up to 29 July 2021) | 1 |
| Mr A J Scott-Barrett (Up to 8 June 2021) | 1 |
| Mrs E J King | 2 |
| Ms T Fazaeli (From 9 June 2021) | 1 |
| Ms R Chakraborty (From 1 August 2021) | 1 |

The Governance Committee oversaw the conflict of interest and hospitality policy review, annual skills audit, senior staff pay and remuneration. In addition to the two Committee meetings in 2021, the Committee undertook the recruitment for a new Chair and Trustees, and oversaw the recruitment of a new Chair for the wholly-owned trading subsidiary, Bell Educational Services Ltd.

Programme Committee

| | Meetings attended (Four meetings held in 2021) |
|---|---|
| Ms E J King (Chair) | 4 |
| Mr M Milanovic (Up to 10 February 2021) | 0 |
| Mr A L Tomei (Up to 7 October 2021) | 3 |
| Ms T E Fazaeli | 4 |
| Ms L McLaughlin (from 9 June 2021) | 2 |
| Ms D Kuznetsova (from 1 August 2021) | 2 |
| Mr D Hughes (from 1 August 2021) | 2 |
| Ms D Sutton (Director, The Bell Foundation) | 4 |

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.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

Employee involvement

There is a continued commitment to employee involvement throughout the organisation. Employees in the charity and in the trading subsidiaries are kept informed of performance and strategy through regular meetings with the respective 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. Where face-to-face meetings have not been possible, for instance during the global pandemic, 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 all 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 in employment will be given full support including retraining and redeployment, whenever reasonable and practicable.

The Bell Educational Trust Limited
Trustees' Annual Report for the year ended 31 December 2021 (continued)

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.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the 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 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.
- 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 June 2022 and signed on its behalf by



Radha Chakraborty
Chair of Trustees

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

Opinion

We have audited the financial statements of The Bell Educational Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheet, the Consolidated Cash Flow Statement, and the 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 of the parent charitable company's affairs as at 31 December 2021 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 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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.

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 or the parent charitable company'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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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 course of 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.

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

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 Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- The Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also 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 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's 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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 Auditors' 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.

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with Trustees and other management, and from our knowledge and experience of the sector;
- we obtained an understanding of the legal and regulatory framework applicable to the Group and how the Group is complying with that framework;
- we obtained an understanding of the Group's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance;
- we identified which laws and regulations were significant in the context of the Group. The Laws and regulations we considered in this context were Companies Act 2006, Charities Act 2011 and taxation legislation. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items;
- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group's ability to operate or to avoid material penalty; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we;

- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policy were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

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 Auditors' Report.

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 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 Auditors' 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Hewett (Senior Statutory Auditor)
for and on behalf of

PETERS ELWORTHY & MOORE
Chartered Accountants and Statutory Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA
Date: 30 June 2022

The Bell Educational Trust Limited
Consolidated Statement of Financial Activities
31 December 2021

| | Note | Restricted funds 2021 £'000 | Unrestricted funds 2021 £'000 | Total funds 2021 £'000 | Restricted funds 2020 Restated £'000 | Unrestricted funds 2020 Restated £'000 | Total funds 2020 Restated £'000 |
|--|------|-----------------------------------|-------------------------------------|------------------------------|---|---|--|
| Income from: | | | | | | | |
| Donations | | - | 2 | 2 | - | - | - |
| Charitable activities | 4 | - | 43 | 43 | 60 | 18 | 78 |
| Language schools trading activities | 3 | - | 4,901 | 4,901 | - | 5,603 | 5,603 |
| Other income | 3 | 242 | 105 | 347 | 687 | - | 687 |
| Investments | 10 | - | 417 | 417 | - | 497 | 497 |
| Total income | | 242 | 5,468 | 5,710 | 747 | 6,118 | 6,865 |
| Expenditure on raising funds: | | | | | | | |
| Language schools trading activities | 6a | 242 | 6,182 | 6,424 | 687 | 7,049 | 7,736 |
| Investment management fees | 9a | - | 127 | 127 | - | 107 | 107 |
| Total expenditure on raising funds | | 242 | 6,309 | 6,551 | 687 | 7,156 | 7,843 |
| Charitable expenditure: | | | | | | | |
| EAL Programme | 6b | 18 | 832 | 850 | 77 | 609 | 686 |
| Criminal Justice Programme | | - | 419 | 419 | 20 | 396 | 416 |
| ESOL Programme | | 8 | 477 | 485 | 5 | 197 | 202 |
| Total charitable expenditure | | 26 | 1,728 | 1,754 | 102 | 1,202 | 1,304 |
| Total expenditure | | 268 | 8,037 | 8,305 | 789 | 8,358 | 9,147 |
| Net (expenditure) / income before tax | | (26) | (2,569) | (2,595) | (42) | (2,240) | (2,282) |
| Tax | 7 | - | 146 | 146 | - | (51) | (51) |
| Net income / (expenditure) before gains / (losses) on investments | | (26) | (2,423) | (2,449) | (42) | (2,291) | (2,333) |
| Net gains / (losses) on investments | 9c | - | 3,542 | 3,542 | - | 1,154 | 1,154 |
| Net income / (expenditure) before other recognised gains / (losses) | | (26) | 1,119 | 1,093 | (42) | (1,137) | (1,179) |
| Other recognised gains / (losses): | | | | | | | |
| Effect of movement in exchange rates | | - | (7) | (7) | - | 17 | 17 |
| Net movement in funds | | (26) | 1,112 | 1,086 | (42) | (1,120) | (1,162) |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | 15 | 26 | 42,739 | 42,765 | 68 | 43,859 | 43,927 |
| Total funds carried forward | 15 | - | 43,851 | 43,851 | 26 | 42,739 | 42,765 |

There were no recognised gains or losses other than those included above. All income and expenditure derived from continuing activities. The notes on pages 43 to 66 form part of these financial statements.

The Bell Educational Trust Limited Company Number 1048465
Consolidated and Charity Balance Sheets
31 December 2021

| | Note | Group | | Charity | |
|--|--------|---------------------|------------------|---------------------|------------------|
| | | 31 December 2021 | 2020 Restated | 31 December 2021 | 2020 Restated |
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed assets | | | | | |
| Intangible assets | 8a | 123 | 161 | 108 | 136 |
| Tangible assets | 8b | 11,226 | 11,478 | 10,730 | 10,879 |
| Investments | 9a, 9b | 26,944 | 23,539 | 28,944 | 25,539 |
| Total fixed assets | | 38,293 | 35,178 | 39,782 | 36,554 |
| Current assets | | | | | |
| Debtors | 11 | 1,009 | 2,781 | 979 | 1,547 |
| Cash at bank and in hand | 18 | 8,827 | 9,116 | 6,141 | 6,444 |
| Total current assets | | 9,836 | 11,897 | 7,120 | 7,991 |
| Creditors: amounts falling due within one year | 12 | (4,201) | (4,029) | (639) | (601) |
| Net current assets | | 5,635 | 7,868 | 6,481 | 7,390 |
| Total assets less current liabilities | | 43,928 | 43,046 | 46,263 | 43,944 |
| Creditors: amounts falling due after more than one year | 13 | (77) | - | (77) | - |
| Provisions for liabilities | 14 | - | (281) | - | (281) |
| Net assets | | 43,851 | 42,765 | 46,186 | 43,663 |
| The funds of the charity | | | | | |
| Unrestricted funds | 15 | 43,851 | 42,739 | 46,186 | 43,637 |
| Restricted income funds | 15 | - | 26 | - | 26 |
| Total funds | | 43,851 | 42,765 | 46,186 | 43,663 |

The financial statements on pages 40 to 66 were approved by the Board of Trustees and authorised for issue on 29 June 2022.



Radha Chakraborty

The notes on pages 43 to 66 form part of these financial statements.

The Bell Educational Trust Limited
Consolidated Statement of Cash Flows
for the year ended 31 December 2021

| | Note | 2021 £'000 | 2020 £'000 |
|--|------|---------------|---------------|
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | 17 | (688) | (3,910) |
| Cash flows from investing activities: | | | |
| Investment income | | 417 | 497 |
| Purchases of tangible fixed assets | | (18) | (339) |
| Purchases of intangible fixed assets | | - | (152) |
| Net cash provided by investing activities | | 399 | 6 |
| Change in cash and cash equivalents in the year | | (289) | (3,904) |
| Cash and cash equivalents at 1 January | | 9,116 | 13,020 |
| Cash and cash equivalents at 31 December | 18 | 8,827 | 9,116 |

The notes on pages 43 to 66 form part of these financial statements.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

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 a Second or Additional Language. The charity is incorporated and domiciled in the UK. Its registered office is 1 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) 2nd edition (effective 1 January 2019) – (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 relates to properties sold over the period 2016 to 2020. Overage was cumulative and due for payment on the sale of the last property. By 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 were recognised annually up to 2020. The final property was sold in December 2020, the final overage amount was confirmed and paid in 2021.

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 global pandemic. Financial support in the form of a Revolving Credit Facility as set out in notes 11 and 23 has been 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 2021

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 2021

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's 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.
- 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 of 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 2021

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 2021

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 2021

2 Financial performance of the charity

The consolidated Statement of Financial Activities includes the results of the charity's wholly-owned subsidiary, Bell Educational Services Ltd, and its subsidiary Bell Switzerland SA, that both operate language schools and are thus referenced in the notes below as 'Language Schools'. The summary financial performance of the charity alone is:

| | Note | 2021 £'000 | 2020 Restated £'000 |
|------------------------------------|------|----------------|---------------------------|
| Income | | 1,090 | 1,192 |
| Expenditure | | (2,114) | (1,617) |
| Tax | | 5 | (66) |
| | | (1,019) | (491) |
| Net investment gains / (losses) | 9c | 3,542 | 1,154 |
| Net income | | 2,523 | 663 |
| Total funds brought forward | | 43,663 | 43,000 |
| Total funds carried forward | | 46,186 | 43,663 |
| Represented by: | | | |
| Unrestricted income funds | | 130 | (151) |
| Restricted income funds | | - | 26 |
| Unrestricted capital funds | | 43,507 | 43,788 |
| Total | | 46,186 | 43,663 |

Net investment gains previously included overage gains net of tax. The overage gain is now restated to be gross of tax. The transfers to funds restated accordingly.

3 a) Activities for raising funds – Language Schools

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

| | 2021 Restricted £'000 | 2021 Unrestricted £'000 | 2021 Total £'000 | 2020 £'000 |
|------------------------------|-----------------------------|-------------------------------|------------------------|---------------|
| United Kingdom | - | 1,527 | 1,527 | 2,342 |
| Europe | - | 3,242 | 3,242 | 3,153 |
| Middle East and North Africa | - | - | - | 3 |
| Far East | - | 132 | 132 | 101 |
| Rest of World | - | - | - | 4 |
| Total | - | 4,901 | 4,901 | 5,603 |

Fees receivable in the UK relate to educational services delivered in the UK to students, primarily from overseas, who in 2021 represented 70 (2020 – 60) different nationalities from around the world.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

b) Other income – Language Schools

Other income recognised in the year related to:

| | 2021 Restricted £'000 | 2021 Unrestricted £'000 | 2021 Total £'000 | 2020 £'000 |
|--|-----------------------------|-------------------------------|------------------------|---------------|
| Government coronavirus job retention scheme grant income | 242 | - | 242 | 687 |
| Insurance claim | - | 105 | 105 | - |
| Total | 242 | 105 | 347 | 687 |

4 Income from charitable activities

| | 2021 Restricted £'000 | 2021 Unrestricted £'000 | 2021 Total £'000 | 2020 Total £'000 |
|--------------------------------|-----------------------------|-------------------------------|------------------------|------------------------|
| Fees for charitable activities | - | 43 | 43 | 78 |
| Grants | - | - | - | - |
| Total | - | 43 | 43 | 78 |

All income from charitable activities arose within the United Kingdom.

5 Staff and Trustee costs

| | Group 2021 £'000 | Charity 2021 £'000 | Group Restated 2020 £'000 | Charity 2020 £'000 |
|-------------------------|------------------------|--------------------------|------------------------------------|--------------------------|
| Staff costs consist of: | | | | |
| Wages and salaries | 4,415 | 743 | 4,715 | 551 |
| Social security costs | 466 | 70 | 546 | 58 |
| Other pension costs | 114 | 34 | 127 | 28 |
| Total | 4,995 | 847 | 5,388 | 637 |

A correction has been made to the prior year Group wages and salaries. In the 2020 financial statements notes, Group wages and salaries were stated as being £4,245,000 which was incorrect owing to a report error. The 2020 figure has thus been restated for the correct amount and the total of all Group 2020 costs updated (previously the Group total had been stated at £4,918,000).

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 £731 (2020 – £285) were outstanding at the year end and are included in creditors.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

5 Staff and Trustee costs (continued)

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

| | 2021 | 2020 |
|---|-------------|------|
| | No. | No. |
| Commercial language schools' operations | | |
| Tutorial and academic support | 65 | 79 |
| Office, management and ancillary | 45 | 58 |
| Charitable activities | 15 | 15 |
| Total | 125 | 152 |

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

| | Group | Charity | Group | Charity |
|---------------------|--------------|----------------|-------|---------|
| | 2021 | 2021 | 2020 | 2020 |
| | No. | No. | No. | No. |
| £60,000 - £69,999 | 4 | - | 4 | 1 |
| £70,000 - £79,999 | 2 | 1 | 1 | - |
| £80,000 - £89,999 | 1 | - | 1 | 1 |
| £90,000 - £99,999 | 1 | 1 | 1 | - |
| £100,000 - £109,999 | 2 | - | 1 | - |
| £140,000 - £149,000 | - | - | 1 | - |
| £150,000 - £159,999 | 1 | - | - | - |

Pension contributions of £7,803 (2020 – £7,413) were paid on behalf of the highest-paid employee in the Group. Pension contributions of £27,094 (2020 – £24,608) 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, the Head of Training and Resources and the Communications Manager. The Head of Training and Resources and the Communications Manager joined the senior management team at the start of 2021, at which point they were classed as key management personnel. The total employment benefits of the key management personnel of the charity for the year were £285,659 (2020 – £219,776).

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 £323,688 (2020 – £301,785). The employee benefits of key management personnel of the Group were therefore £609,347 (2020 – £521,561).

The highest-paid employee within the Group received emoluments of £154,410 (2020 – £147,981). The highest-paid employee in 2021 and in 2020 was employed in the trading subsidiary, Bell Educational Services Ltd.

No Trustee received remuneration, pension contribution or accrued any other form of retirement benefit during the current or previous year. Trustees' out-of-pocket expenses for travel and subsistence of £1,251 (2020 – £1,179) were reimbursed during the year to eight (2020 – five) Trustees. Indemnity insurance premiums of £5,314 (2020 – £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 (2020 – £0).

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

6 Analysis of resources expended

a) Activities for generating funds – language schools

| | Note | 2021 £'000 | 2020 £'000 |
|---|------|---------------|---------------|
| Direct cost of language education | | 2,499 | 3,555 |
| Administrative expenditure | | 3,849 | 4,118 |
| Depreciation of freehold buildings and related assets of language schools | | 76 | 63 |
| Expenditure on raising funds | | 6,424 | 7,736 |

Activities in 2021 include £242,000 of restricted expenditure (2020 – £687,000).

b) Charitable activities

| | Grants | Programme delivery | Support costs | Governance costs | Total | Including restricted expenditure of |
|----------------------------|---------------|--------------------|---------------|------------------|---------------|-------------------------------------|
| | 2021 £'000 | 2021 £'000 | 2021 £'000 | 2021 £'000 | 2021 £'000 | 2021 £'000 |
| EAL Programme | - | 576 | 113 | 161 | 850 | 18 |
| Criminal Justice Programme | 206 | 76 | 57 | 80 | 419 | - |
| ESOL Programme | 262 | 85 | 57 | 81 | 485 | 8 |
| Total | 468 | 737 | 227 | 322 | 1,754 | 26 |

| | Grants | Programme delivery | Support costs | Governance costs | Total | Including restricted expenditure of |
|----------------------------|---------------|--------------------|---------------|------------------|---------------|-------------------------------------|
| | 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 |

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

c) Grants

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

| | 2021 | 2020 |
|---|--------------|-------|
| | £'000 | £'000 |
| Criminal Justice Programme | | |
| Victim Support | - | 54 |
| Harrow Law | 47 | 47 |
| Hibiscus Initiatives | 50 | 6 |
| Why Me? | 113 | 54 |
| Shannon Trust | - | 40 |
| Greater Manchester Law Centre | 25 | - |
| | 235 | 201 |
| ESOL Programme | | |
| East of England Strategic Migration Partnership | 43 | - |
| Kent Refugee Action Network | 21 | - |
| Refugee Action | 110 | - |
| Refugee Education | 88 | - |
| UCL Institute of Education (IoE) | - | 62 |
| | 262 | 62 |
| Grants previously awarded not utilised | | |
| Victim Support ¹ | (29) | - |
| | 468 | 263 |

¹ Victim Support were unable to continue delivery of their funded work in 2021. The grant was formally ended in September 2021.

Grant support costs totalling £468,000 (2020 - £263,000) are disclosed under note 6b.

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 | Governance function | Total | Basis of apportionment |
|-----------------------------------|------------------------|----------------------------|--------------|--------------------------------|
| | £'000 | £'000 | £'000 | |
| Salaries and related costs | 121 | 57 | 178 | Based on estimated actual time |
| General office costs | 106 | 40 | 146 | Based on staff time |
| Audit fees | - | 28 | 28 | Actual costs |
| Legal and other professional fees | - | 197 | 197 | Actual costs |
| Total | 227 | 322 | 549 | |

In 2021, the professional fees included the professional advice for the Trustees in support of a loan facility for the trading subsidiary, Bell Educational Services Ltd.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

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

| | 2021 | 2020 |
|--|--------------|-------|
| | £'000 | £'000 |
| Depreciation of tangible assets – owned | 270 | 283 |
| Amortisation of intangible fixed assets | 38 | 14 |
| Operating lease rentals: | | |
| Other assets | 738 | 948 |
| External auditor's remuneration: | | |
| Audit of the charity's financial statements | 28 | 27 |
| Audit of the subsidiary financial statements | 25 | 40 |
| Tax compliance services | 3 | 12 |

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 £276,000 (2020 – £0) which was wholly related to the receipt of overage and previously included within deferred tax balances. The Group was liable to taxation as detailed below:

| | Note | 2021 | 2020 |
|--|------|--------------|-------|
| | | £'000 | £'000 |
| Analysis of tax charge in the year | | | |
| Current tax | | | |
| Corporate taxes on profit for the year | | 57 | 47 |
| Adjustment in respect of previous periods | | (198) | (49) |
| Total current tax | | (141) | (2) |
| Deferred tax – language schools | 14 | - | (13) |
| Deferred tax – charity | 14 | (5) | 66 |
| Total taxation on profit on ordinary activities | | (146) | 51 |

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

7 Taxation (continued)

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

| | 2021 £'000 | 2020 £'000 |
|--|---------------|---------------|
| Profit from commercial activities before tax but after Gift Aid – continuing activities | (1,502) | (1,484) |
| (Loss) / Profit on ordinary activities at the standard rate of Corporation Tax in the UK of 19% (2020 – 19%) | (285) | (282) |
| Effect of: | | |
| Expenses not deductible for tax purposes | 1 | - |
| Fixed asset timing differences | 36 | 27 |
| Group income | (49) | (61) |
| Losses carried back to prior year | - | - |
| Adjustment from previous periods | (198) | (49) |
| Differences in overseas taxation rates | (23) | (12) |
| Adjustment to average rate of 19% for deferred tax | - | 32 |
| Deferred tax asset not recognised | 372 | 396 |
| Total taxation on profit on ordinary activities | (146) | 51 |

8a Intangible assets

| | Group | | | Charity | | |
|----------------------------|-------------------|----------------------------------|----------------|-------------------|----------------------------------|----------------|
| | Software £'000 | Course develop- ment £'000 | Total £'000 | Software £'000 | Course develop- ment £'000 | Total £'000 |
| Cost or valuation | | | | | | |
| At 1 January 2021 | 86 | 84 | 170 | 56 | 84 | 140 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| At 31 December 2021 | 86 | 84 | 170 | 56 | 84 | 140 |
| Amortisation | | | | | | |
| At 1 January 2021 | 9 | - | 9 | 4 | - | 4 |
| Provided for the year | 21 | 17 | 38 | 11 | 17 | 28 |
| Disposals | - | - | - | - | - | - |
| At 31 December 2021 | 30 | 17 | 47 | 15 | 17 | 32 |
| Net book value | | | | | | |
| At 31 December 2020 | 77 | 84 | 161 | 52 | 84 | 136 |
| At 31 December 2021 | 56 | 67 | 123 | 41 | 67 | 108 |

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

8b) Tangible assets

| | Group | | | Charity |
|---------------------------------|--|---|----------------|--|
| | Freehold land and buildings £'000 | Fixtures, fittings, and equipment £'000 | Total £'000 | Freehold land and buildings £'000 |
| Cost or valuation | | | | |
| At 1 January 2021 | 11,023 | 2,284 | 13,307 | 11,023 |
| Additions | - | 18 | 18 | - |
| Foreign exchange changes | - | (2) | (2) | - |
| Disposals | - | - | - | - |
| At 31 December 2021 | 11,023 | 2,300 | 13,323 | 11,023 |
| Accumulated depreciation | | | | |
| At 1 January 2021 | 144 | 1,685 | 1,829 | 144 |
| Provided for the year | 149 | 121 | 270 | 149 |
| Foreign exchange changes | - | (2) | (2) | - |
| Disposals | - | - | - | - |
| At 31 December 2021 | 293 | 1,804 | 2,097 | 293 |
| Net book value | | | | |
| At 31 December 2020 | 10,879 | 599 | 11,478 | 10,879 |
| At 31 December 2021 | 10,730 | 496 | 11,226 | 10,730 |

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. At that date freehold land and buildings were revalued to £10,700,000 in total.

Trustees have considered if the on-going disruption associated with the global pandemic might temporarily be affecting the ordinary operation of the market for specialist assets such as the land and educational buildings owned by the charity. Following discussion with the Foundation's property advisors, Trustees consider that 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 £5,696,836 (2020 – £5,842,258). Depreciation is provided for on freehold buildings at valuation in accordance with FRS102.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

9a) Investments

| Group | Note | Listed Investments 2021 £'000 | Listed Investments 2020 £'000 |
|------------------------------------|------|--|--|
| Market value at 1 January | | 23,539 | 22,707 |
| Additions | | 3,272 | 11,559 |
| Disposals | | (3,747) | (11,733) |
| Revaluations | 9c | 3,367 | 893 |
| Cash Movements | | 513 | 113 |
| Market value at 31 December | | 26,944 | 23,539 |

| Charity | Note | Investment in subsidiary company 2021 £'000 | Listed Investments 2021 £'000 | Total Investments 2021 £'000 | Total Investments 2020 £'000 |
|--------------------------|------|--|--|---------------------------------------|---------------------------------------|
| Cost or Valuation | | | | | |
| At 1 January | | 2,000 | 23,539 | 25,539 | 24,707 |
| Additions | | - | 3,272 | 3,272 | 11,559 |
| Disposals | | - | (3,747) | (3,747) | (11,733) |
| Revaluations | 9c | - | 3,367 | 3,367 | 893 |
| Cash movements | | - | 513 | 513 | 113 |
| At 31 December | | 2,000 | 26,944 | 28,944 | 25,539 |

| Investments at fair value comprised: | Investments 2021 £'000 | Investments 2020 £'000 |
|--------------------------------------|------------------------------|------------------------------|
| Group | | |
| Property and infrastructure | 1,298 | 1,368 |
| Equities | 22,985 | 20,054 |
| Fixed interest | 1,856 | 1,826 |
| Cash | 805 | 291 |
| Market value at 31 December | 26,944 | 23,539 |

Investment Manager fees totalled £127k in the year (2020 - £107k).

9b) Investments – Group Companies**Group Companies**

| Name | Country of incorporation / registration | Class of shares held | Per cent held | Nature of business | Year end |
|----------------------------------|---|----------------------------|------------------|-----------------------|----------------|
| Bell Educational Services Ltd | UK | Ordinary | 100% | Language School | 31 December |

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

(Company No. 07169627)
 Bell Switzerland SA * Switzerland Ordinary 100% Language 31
 (Company No. CHE School December
 103.199.737)

*Owned by Bell Educational Services Ltd

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 | |
|-------------------------------|------------|-------|------------------------------|---------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Bell Educational Services Ltd | (46) | 1,653 | (1,699) | (1,947) |
| Bell Switzerland SA | 612 | 511 | 362 | 263 |

The Bell Educational Services Ltd result for 2021 includes a dividend of £254,000 from Bell Switzerland SA (2020 - £321,000).

| | Assets | | Liabilities | |
|-------------------------------|--------|-------|-------------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Bell Educational Services Ltd | 3,402 | 4,003 | 3,448 | 2,350 |
| Bell Switzerland SA | 1,805 | 1,671 | 1,193 | 1,159 |

Further information for material subsidiaries:

| | Turnover | | Expenditure | |
|-------------------------------|----------|-------|-------------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| | £'000 | £'000 | £'000 | £'000 |
| Bell Educational Services Ltd | 1,661 | 2,451 | 4,148 | 5,325 |
| Bell Switzerland SA | 3,240 | 3,153 | 2,879 | 2,976 |

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 the trading subsidiary, Bell Educational Services Ltd, is £2,000,000. The pandemic has adversely impacted the subsidiary's trading over 2020 and 2021, consequentially the net assets of the company have turned negative. The deterioration of the subsidiary's net asset value is reasonably considered to be temporary with trading forecast to gradually improve through 2022 and 2023, and to recover to pre-pandemic trading levels by 2024. The provision of a short-term loan to the trading subsidiary by the charity delivers support to the subsidiary to achieve those forecasts. Taking account of the forecast activity to pre-pandemic profits and beyond, and an appropriately set discount rate, then the present value of cash flows is calculated to support the carrying value, £2,000,000. Therefore, Trustees consider that the carrying value in the trading subsidiary is supported by its underlying assets (which include the trading subsidiary's 100% shareholding in Bell Switzerland SA), and future income expectations, and as such no impairment to the value has been made.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

9c) Investments – Net investment gains / (losses)

| | 2021 £'000 | 2020 Restated £'000 |
|--|-----------------------------|---------------------------|
| Realised gains / (losses) on investments | 161 | 47 |
| Unrealised gains / (losses) on investments | 3,367 | 893 |
| | 3,528 | 940 |
| Overage gain / (loss) net of tax | 14 | 215 |
| | 3,542 | 1,154 |

The overage gain of £14,000 represents the final adjustment upon completion of calculations, receipt of overage.

The overage gain previously reported was net of tax. This has been restated gross of tax.

10 Investment income

| | 2021 £'000 | 2020 £'000 |
|--|-----------------------------|---------------|
| Interest receivable on interest bearing deposit accounts | 18 | 40 |
| Dividends | 399 | 457 |
| | 417 | 497 |

11 Debtors

| | Group | | Charity | |
|-------------------------------------|-----------------------------|---------------|-----------------------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Fees receivable | 414 | 508 | 1 | 2 |
| Overage | - | 1,477 | - | 1,477 |
| Sundry debtors | 266 | 370 | 49 | 58 |
| Prepayments and accrued income | 329 | 418 | 15 | 10 |
| Corporate Tax | - | 8 | - | - |
| Amounts due from Group undertakings | - | - | 914 | - |
| | 1,009 | 2,781 | 979 | 1,547 |

Debtors for the Group include £0 (2020 - £0) due in more than one year.

Debtors for the Charity include £900,000 (2020 - £0) representing the loan to Bell Educational Services Ltd which is also due in more than one year.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

12 Creditors: amounts falling due within one year

| | Group | | Charity | |
|---|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Fees received in advance and sums due to students | 2,333 | 1,987 | - | - |
| Trade creditors | 443 | 357 | 21 | 7 |
| Amounts owed to Group undertakings | - | - | 7 | 21 |
| Taxation and social security costs | 92 | 133 | 22 | 19 |
| Corporation Tax | 14 | 8 | - | - |
| Other creditors | 183 | 244 | - | - |
| Grants payable (see below) | 360 | 311 | 360 | 311 |
| Accruals and deferred income (see below) | 776 | 989 | 229 | 243 |
| | 4,201 | 4,029 | 639 | 601 |

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

| | Note | 2021 £'000 | 2020 £'000 |
|--|------|---------------|---------------|
| Charity grants | | | |
| Amounts outstanding at 1 January | | 311 | 435 |
| Grants approved | | 497 | 263 |
| Grants not utilised | | (29) | - |
| Grants paid | | (342) | (387) |
| Amounts outstanding at 31 December | | 437 | 311 |
| Split as follows: | | | |
| Amounts falling due within one year | | 360 | 311 |
| Amounts falling due after more than one year | 13 | 77 | - |
| | | 437 | 311 |

Grants payable listed under Group in note 12 relate entirely to grants payable by the charity.

The following table below shows the reconciliation of deferred income during the year.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

| | Group | | Charity | |
|---|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Deferred income including fees received in advance | | | | |
| Deferred income at 1 January | 2,007 | 3,455 | 141 | 140 |
| Resources deferred during the year | 2,110 | 1,946 | 561 | 561 |
| Amounts released from previous periods | (1,743) | (3,376) | (559) | (560) |
| Deferred income at 31 December | 2,374 | 2,025 | 143 | 141 |

The charity receives lease rentals in advance of the period to which it relates, income is recognised in the month to which the rental relates. Since the trading subsidiary is the tenant, then the deferred income is eliminated on consolidation. The trading subsidiary receives payments in advance of courses. The income is recognised in the month in which the courses take place.

13 Creditors: amounts falling due after more than one year

| | Group | | Charity | |
|--------------------------|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Grants payable (Note 12) | 77 | - | 77 | - |

14 Deferred taxation

Deferred taxation of £281,000 was provided by the charity in 2020 on the investment gain from overage income of £1,477,000 and was calculated at 19%. The tax became due on the crystallisation of overage and tax of £276,000 was paid in 2021. The remaining £5,000 deferred tax balance was released in 2021.

As at 31 December 2021 the trading subsidiary, Bell Educational Services Ltd, had tax losses net of other taxable timing differences of circa £2.8m (2020: £0.8m) available to potentially offset against future taxable profits. A deferred tax asset of £711k (2020 - £156k) has not been recognised in respect of these losses as at 31 December 2021 as it is not sufficiently certain that the Bell Educational Services Ltd will generate taxable profits in the foreseeable future.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

15 Statement of funds

| 2021 | Group | | | Restricted funds | Total funds |
|--|---------------------------|---------------------|---------------------------------|-------------------------|--------------------|
| | Unrestricted funds | | Foreign exchange reserve | | |
| | Income fund | Capital fund | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2020 as signed | (1,402) | 44,107 | 34 | 26 | 42,765 |
| Prior year adjustment: Overage tax | (281) | 281 | - | - | - |
| Prior year adjustment: Consolidation adjustment re fixed assets | 972 | (972) | - | - | - |
| At 1 January 2021 as restated | (711) | 43,416 | 34 | 26 | 42,765 |
| Incoming resources | 5,468 | - | - | 242 | 5,710 |
| Resources expended | (7,891) | - | - | (268) | (8,159) |
| Transfers between funds | 1,253 | (1,253) | - | - | - |
| Investment gains (Note 9c) | - | 3,542 | - | - | 3,542 |
| Change in value of net investment in overseas subsidiary as a result of movement in exchange rates | (11) | - | 4 | - | (7) |
| Transfers between funds on realisation | - | - | - | - | - |
| At 31 December 2021 | (1,892) | 45,705 | 38 | - | 43,851 |
| 2020 | Group | | | Restricted funds | Total funds |
| | Unrestricted funds | | Foreign exchange reserve | | |
| | Income fund | Capital fund | | | |
| | Restated | Restated | reserve | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2020 as signed | 699 | 43,139 | 21 | 68 | 43,927 |
| Prior year adjustment: Overage tax | (215) | 215 | - | - | - |
| Prior year adjustment: Consolidation adjustment re fixed assets | 971 | (971) | - | - | - |
| At 1 January 2020 as restated | 1,455 | 42,383 | 21 | 68 | 43,927 |
| Incoming resources | 6,118 | - | - | 747 | 6,865 |
| Resources expended as restated | (8,409) | - | - | (789) | (9,198) |
| Transfers between funds as restated | 121 | (121) | - | - | - |
| Investment gains (Note 9c) | - | 1,154 | - | - | 1,154 |
| 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 as restated | (711) | 43,416 | 34 | 26 | 42,765 |

The prior year has been restated for overage investment gains gross of tax as opposed to net of tax as previously reported. The unrestricted income fund and unrestricted capital fund are also restated for the consolidation adjustment of depreciation in the trading subsidiary which adjusts depreciation in the income fund, previously this had adjusted the capital fund balances.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

15 Statement of funds (continued)

| 2021 | Charity | | | Total funds |
|--|--------------------|---------------|------------------|----------------|
| | Unrestricted funds | | Restricted funds | |
| | Income fund | Capital fund | | |
| | £'000 | £'000 | £'000 | £'000 |
| At 1 January 2021 as signed | 130 | 46,180 | 26 | 43,663 |
| Prior year adjustment: Overage tax | (281) | 281 | - | - |
| At 1 January 2021 as restated | (151) | 43,788 | 26 | 43,663 |
| Incoming resources | 1,090 | - | - | 1,090 |
| Resources expended | (2,083) | - | (26) | (2,109) |
| Transfers between funds | 1,150 | (1,150) | - | - |
| Investment gains (Note 9c) | - | 3,542 | - | 3,542 |
| Transfers between funds on realisation | - | - | - | - |
| At 31 December 2021 | 6 | 46,180 | - | 46,186 |

| 2020 | Charity | | | Total funds |
|--|--------------------|----------------|------------------|----------------|
| | Unrestricted funds | | Restricted funds | |
| | Income fund | Capital fund | | |
| | Restated £'000 | Restated £'000 | £'000 | £'000 |
| At 1 January 2020 as signed | 513 | 42,419 | 68 | 43,000 |
| Prior year adjustment: Overage tax | (215) | 215 | - | - |
| At 1 January 2020 | 298 | 42,634 | 68 | 43,000 |
| Incoming resources | 1,132 | - | 60 | 1,192 |
| Resources expended as restated | (1,581) | - | (102) | (1,683) |
| Transfers between funds | - | - | - | - |
| Investment gains as restated (Note 9c) | - | 1,154 | - | 1,154 |
| Transfers between funds on realisation | - | - | - | - |
| At 31 December 2020 as restated | (151) | 43,788 | 26 | 43,663 |

The Unrestricted Income Fund represents the free funds of the charity that are not designated for specific purposes. As noted on page 24, the Foundation's reserves policy is to have sufficient cash resources, whether internally generated or through long-term borrowings, to finance the Foundation's rolling five-year plans with an allowance for reasonable contingencies. The Foundation's five-year plans include total expenditure of £10.9m which, after income generated from the Foundation's assets, results in a net loss of £3.6m. The Foundation's unrestricted reserves are £46.2m of which £6.1m is represented by cash balances to support the planned activity of the Foundation over the next five years whilst ensuring the remaining assets continue to provide sufficient income for the Foundation on rolling five-year plans.

The Restricted Funds are funds which were held for specific purposes in connection with the EAL and ESOL Programmes, at the end of 2021 all restricted funds had been fully utilised.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

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

The prior year has been restated for overage investment gains gross of tax as opposed to net of tax as previously reported.

16 Analysis of net assets between funds

| 2021 | Group | | | | Total funds |
|--|--------------------|---------------|--------------------------|------------------|---------------|
| | Unrestricted funds | | | Restricted funds | |
| | Income fund | Capital fund | Foreign exchange reserve | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Fund balances at 31 December 2021 are represented by: | | | | | |
| Intangible assets | 123 | - | - | - | 123 |
| Tangible fixed assets | - | 11,226 | - | - | 11,226 |
| Investments | - | 26,944 | - | - | 26,944 |
| Net current assets | (1,938) | 7,535 | 38 | - | 5,635 |
| Creditors due after more than one year | (77) | - | - | - | (77) |
| Total net Assets | (1,892) | 45,705 | 38 | - | 43,851 |

| 2020 | Group | | | | Total funds |
|--|--------------------|----------------|--------------------------|------------------|---------------|
| | Unrestricted funds | | | Restricted funds | |
| | Income fund | Capital funds | Foreign exchange reserve | | |
| | Restated £'000 | Restated £'000 | £'000 | £'000 | £'000 |
| Fund balances at 31 December 2020 are represented by: | | | | | |
| Intangible assets | 161 | - | - | - | 161 |
| Tangible fixed assets | - | 11,478 | - | - | 11,478 |
| Investments | - | 23,539 | - | - | 23,539 |
| Net current assets | (591) | 8,399 | 34 | 26 | 7,868 |
| Creditors due after more than one year | - | - | - | - | - |
| Provision for liabilities | (281) | - | - | - | (281) |
| Total net Assets | (711) | 43,416 | 34 | 26 | 42,765 |

The prior year has been restated for deferred tax relating to overage which is now recognised in the income fund.

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

16 Analysis of net assets between funds (continued)

| 2021 | Charity | | | Total funds £'000 |
|--|--|------------------------|---------------------------|----------------------|
| | Unrestricted funds Income fund £'000 | Capital funds £'000 | Restricted funds £'000 | |
| Fund balances at 31 December 2021 are represented by: | | | | |
| Intangible assets | 108 | - | - | 108 |
| Tangible fixed assets | - | 10,730 | - | 10,730 |
| Investments | - | 28,944 | - | 28,944 |
| Net current assets | (25) | 6,506 | - | 6,481 |
| Creditors due after more than one year | (77) | - | - | (77) |
| Total Net Assets | 6 | 46,180 | - | 46,186 |

| 2020 | Charity | | | Total funds £'000 |
|--|--|------------------------------------|---------------------------|----------------------|
| | Unrestricted funds Income fund Restated £'000 | Capital funds Restated £'000 | Restricted funds £'000 | |
| Fund balances at 31 December 2020 are represented by: | | | | |
| Intangible assets | 136 | - | - | 136 |
| Tangible fixed assets | - | 10,879 | - | 10,879 |
| Investments | - | 25,539 | - | 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 | (151) | 43,788 | 26 | 43,663 |

The prior year has been restated for deferred tax relating to overage which is now recognised in the income fund.

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

| Note | 2021 £'000 | 2020 £'000 |
|--|---------------|----------------|
| Net income / (expenditure) for the year | 1,086 | (1,162) |
| Adjustments for: | | |
| Depreciation of tangible fixed assets | 270 | 283 |
| Amortisation of intangible fixed assets | 38 | 14 |
| (Gains) / Losses on investments | 9c (3,528) | (940) |
| Interest received | (417) | (497) |
| Decrease / (Increase) in debtors | 1,631 | 237 |
| Increase / (Decrease) in creditors and deferred income | 390 | (2,029) |
| Other non-cash changes | (158) | 184 |
| Net cash inflow from operating activities | (688) | (3,910) |

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

18 Analysis of cash and cash equivalents

| | Group | | Charity | |
|--|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Cash in hand | 8,827 | 9,116 | 6,141 | 6,444 |
| Total cash and cash equivalents | 8,827 | 9,116 | 6,141 | 6,444 |

19 Analysis of changes in net debt

| Group | At 1 January | Cash flows | Other non- cash changes | At 31 December |
|--------------------------|-----------------|---------------|----------------------------|-------------------|
| | 2021 £'000 | 2021 £'000 | 2021 £'000 | 2021 £'000 |
| Cash at bank and in hand | 9,116 | (289) | - | 8,827 |
| Total | 9,116 | (289) | - | 8,827 |

20 Commitments under operating leases

As at 31 December 2021, the Group's future minimum operating lease payments are set out below:

| | Land and buildings | | Other | |
|-------------------------|--------------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Within one year | 787 | 792 | 46 | 33 |
| In two to five years | 395 | 1,295 | 54 | 34 |
| In more than five years | 767 | 432 | 2 | - |
| | 1,949 | 2,519 | 102 | 67 |

21 Capital commitments

| | Group | | Charity | |
|---|---------------|---------------|---------------|---------------|
| | 2021 £'000 | 2020 £'000 | 2021 £'000 | 2020 £'000 |
| Capital expenditure contracted but not provided | 1 | 1 | - | - |

The Bell Educational Trust Limited
Notes forming part of the financial statements
for the year ended 31 December 2021

22 Related party disclosures

There were no related party transactions in 2021 or 2020 with Trustees.

In 2021, 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 purposes £561,000 (2020 – £561,000).
- Bell Educational Services Ltd has the right to use the Bell name and logos under a royalty agreement with the charity, resulting in royalties of £42,523 being paid to the charity (2020 – £48,696).
- Drawdown on the Revolving Credit Facility (loan) by Bell Educational Services Ltd £900,000 (2020 – £0).
- Interest received by the charity from Bell Educational Services Ltd in respect of the Revolving Credit Facility (loan) £15,220 (2020 – £0).
- Provision under an agreement of premises and other support services by Bell Educational Services Ltd to the charity £82,228 (2020 – £64,815), and
- Recharge of costs incurred on behalf of Bell Educational Services Ltd by the charity £12,439 (2020 – £15,458).

The following balance was outstanding at 31 December 2021 in respect of the above transactions: £914,012 due to the charity (2020 – £11,325 due to the charity) of which £900,000 (2020 – £0) is the balance on the Revolving Credit Facility (loan).

The Revolving Credit Facility (loan) with Bell Educational Services Ltd provides debt funding up to a maximum limit of £1,900,000. The facility is fully secured on the assets of Bell Educational Services Ltd, which include the 100% shareholding in Bell Switzerland SA. The facility is set on commercial terms and is available until 31 December 2023.

23 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.

24 Post balance sheet events

As noted in the Strategic Report, the Foundation's trading subsidiary, Bell Educational Services Ltd requested a further extension to the Revolving Credit Facility (loan). After seeking external independent advice, Trustees approved an extension to the end date of the facility. This was agreed in December 2021 and the documentation was completed in January 2022 at which point the change was affected. The change extends the end date from 31 December 2022 to 31 December 2023. The limit of the facility remains at £1.9m.

In January 2022 and May 2022, Bell Educational Services Ltd requested a further drawdown of £150,000 and £200,000 respectively from the Revolving Credit Facility (loan). The balance on the facility is £1,250,000 at the date of signing these accounts.

The Bell Educational Trust Limited

Administrative information

Registered office

1 Red Cross Lane, Cambridge CB2 0QU

Charity number

311585

Company number

1048465

Independent Auditors

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

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
Investec, 30 Gresham Street, London EC2V 7QN

Business Advisors

BDO LLP, Level 12, Thames Tower, Reading, Berkshire RG1 1LX