

YEAR ENDED 31 DECEMBER 2022

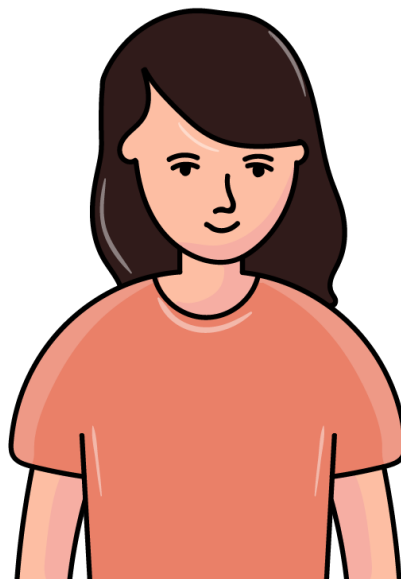
Annual Report and Financial Statements The Bell Educational Trust Limited

Company Number 1048465 Charity Number 311585

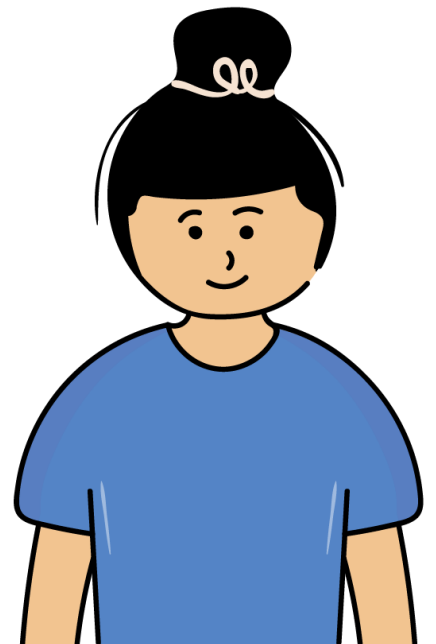
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Introduction

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. This is the annual report and consolidated financial statements for the year ended 31 December 2022 for the Foundation and its wholly-owned trading subsidiary, Bell Educational Services Ltd.

Highlights of 2022



£1.6m
in charitable spend



290,334
users of the website.
A 43% increase
on 2021



20,669
readers of the
Foundation's blog.
A 33% increase on 2021



26,464
education professionals
engaged through the EAL
(English as an Additional
Language) Programme



4,800
downloads of
Foundation research

1,297
refugees received targeted
support through projects
funded by the Foundation and
many more reached through
our work with schools



56,340
downloads of EAL resources.
A 10% increase on 2021



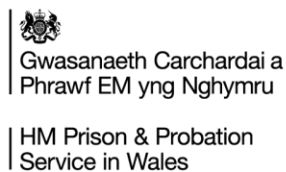
34
national or trade
articles published

5
examples of influence
on Government
or public body
publications or policy



Who we worked with in 2022

The Foundation is grateful for the time and contributions that the following partners made to increase the reach and impact of the Foundation's work:



The National Association of School-Based Teacher Trainers





Message from the Chair

2022 was a significant milestone for The Bell Foundation. Ten years ago, the charity was restructured, with the language school becoming a separately managed wholly-owned subsidiary, and the charity refocused with the vision of changing lives and overcoming exclusion through language education. Today the Foundation's mission is arguably more important than ever as the UK welcomes refugees from Ukraine and elsewhere, and latest Census data shows that over 1,040,000 adults report that they "do not speak English well" or "at all".

Guided by our core belief in the importance of evidence, the past decade has seen the Foundation work with a range of academic partners to build a robust evidence base, which has informed both the policy work of the Foundation, the development of Language for Results in schools, and our training, resources, and guidance. Over the past ten years, Language for Results has grown exponentially to become one of the most trusted and recognised training programmes for education professionals, achieving national reach through online delivery and at a regional and local level through licensed partners. Through the English as an Additional Language (EAL)¹ Programme, the Foundation has trained more than 86,000 participants, reaching schools nationwide and providing teachers with the skills to empower EAL learners, enabling them to achieve their potential. The Foundation's award-winning EAL Assessment Framework, which enables teachers to provide tailored support to students, has also been recommended by the Welsh Government and five local authorities, and adopted by the Government of Jersey.

The Foundation continues to work with and support a range of partnerships which are achieving impact nationally across schools, the criminal justice system, and adult and further education. This includes projects working with refugees and people seeking asylum, victims of trafficking and modern slavery, and people with convictions. Through this work, partners and participants are able to develop and access a range of tools, such as language education, employment guidance, and legal advice enabling access to justice.

Over the past decade the Foundation's assets have doubled from £21.6 million in 2012 to £42.3 million in 2022. The increase in assets was, in part, achieved through the sale of property and land, and has enabled an over tenfold increase in charitable spend from £138,000 in 2012 to £1.6 million total charitable spend in 2022. Over this time, the Foundation has grown to become a leading voice on EAL, working with partners across the UK to influence policy and practice.

I am pleased to present the Trustees' Annual Report for 2022, demonstrating the acceleration in the growth, reach, and impact of the Foundation's work. Last year, almost eight million people were forced to flee their homes following the start of the war in Ukraine. The Foundation responded rapidly, providing schools with the training, resources, and guidance they need to support effectively refugees arriving in the UK. The past year has also seen the scaling of Language for Results, reaching an unprecedented number of education professionals, the expansion of the Criminal Justice Programme, and the conclusion of the English for Speakers of Other Languages (ESOL)² Programme's pilot phase, ahead of the full programme launch.

The Foundation upholds high standards of governance and reviews its performance annually against the Charity Governance Code. I would also like to thank Lou McLaughlin who left the Board in 2022 for her service to the charity.

In 2023, the Foundation will build on the achievements to date, as we continue to champion the rights of English as a Second or Additional Language (ESL)³ speakers, in our work with partners, in our work to build capacity through training and resources, and to influence vital system change.

Radha Chakraborty, Chair of Trustees

¹ **EAL:** This refers to pupils in compulsory education who speak English as an Additional Language.

² **ESOL:** Used as the name of qualifications or provision for people who study English as a second or additional language beyond compulsory education.

³ **ESL:** This refers to individuals who have had exposure to a language or languages other than English from birth and have developed or are developing ability in English later in life.

Message from the Director

The events of 2022 reinforced, more than ever, the critical need to ensure that the rights of speakers of English as a second or additional language are being met in the UK. The Foundation's response to the refugee crisis included the delivery of a programme of webinars, the creation of translated guidance for parents and guardians, and the convening of experts to inform guidance on the use of funding for refugee children, due to be published in 2023. The Foundation's ESOL Programme also continued to support a number of projects working directly with refugees and people seeking asylum.

Schools continued to grapple with the effects of the Covid-19 pandemic and the resulting disruption to education. The learning loss experienced by many students has been well documented, and for many EAL learners, this was accompanied by a language learning loss. Survey questions commissioned by the Foundation found that 74 per cent of primary school teachers and 59 per cent of secondary school teachers observed a language loss in one or more language skill areas amongst their EAL learners⁴.

Throughout 2022, the Foundation continued to increase the reach and impact of its work, with the scaling of Language for Results in schools, the launch of a new Initial Teacher Training module, and by working with partners, such as STEM Learning, to enhance the availability of its resources. As a result, education professionals were provided with the skills and tools to work effectively in multilingual settings, and to empower EAL learners to fully access the curriculum.

2022 also saw the expansion of the Criminal Justice Programme, with the launch of new language awareness training, and the publication of ground-breaking research, providing a firm evidence base on the language barriers faced in the criminal justice system. The pilot phase of the ESOL Programme also concluded with the full programme launching in 2023.

Looking ahead to 2023, the Foundation will continue to focus on influencing and system change, and on building the capacity and expertise of practitioners, with the further expansion of Language for Results, and building the evidence base of what works through our partnerships, beginning with the launch of a new ESOL grant funding round.

A core priority for the Foundation is supporting and promoting equality, diversity, and inclusion. In 2023, this commitment will continue to be embedded throughout the Foundation's work, with a particular focus on amplifying the voices and experiences of ESL speakers.

Following the adoption of an enhanced Environmental, Social and Governance (ESG) policy in 2021, Trustees have also increased their engagement with the Foundation's investment managers on ESG matters.

Diana Sutton, Director of the Foundation

⁴ Questions included in the National Foundation for Educational Research (NFER) Teacher Omnibus Spring 2021 Survey. Language skill areas are listening, reading, writing, and speaking.

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 2022 for the Foundation and its subsidiaries, namely its wholly-owned trading subsidiary, Bell Educational Services Ltd and its wholly-owned subsidiary, Bell Switzerland SA (“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.

Strategic Report

The Trustees present their Strategic Report for 2022 for the Foundation and its language school trading subsidiaries.

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 its founder.

To fulfil this purpose, the Foundation has two overarching objectives focused on improving outcomes for speakers of English as a second or additional language (ESL). Firstly, to build sustainable capacity and expertise in the system for speakers of ESL, and secondly, to influence policymakers and stakeholders through thought leadership, and to support evidence-based system change.

The Foundation works to achieve these objectives through:

- Influencing and thought leadership;
- Training, resources, and guidance;
- Partnerships.

These are delivered across the Foundation's three programmes of activity, the:

1. EAL Programme – working to improve the educational outcomes of disadvantaged children in the UK who use English as an Additional Language.
2. Criminal Justice Programme – working to remove the systemic language barriers to justice and rehabilitation for individuals who speak English as a second or additional language.
3. ESOL Programme – working to improve the education and employment outcomes for people aged 16 and above who speak English as a second or additional language.

Equity, diversity, and inclusion

The Foundation's commitment to equity, diversity, and inclusion (EDI) is embedded throughout its work. The Foundation's work is guided by, and aligned with, the Association of Charitable Foundation's "Pillars of good practice" on EDI. In 2022, the Foundation continued to prioritise the accessibility of its resources and training.

In 2022, work began on the development of a tool for children with Special Educational Needs and Disabilities (SEND) who speak EAL. The Foundation is working with the National Association for Special Educational Needs on the quality assurance and national dissemination of the tool in 2023.

The Foundation also provides grant funding to organisations and projects that tackle issues relating to intersectionality,⁵ and in 2023 will be looking to continue this both with existing projects and potential new partners.

The Foundation's tender processes for the selection of partners, contractors, and suppliers include reviews of both ESG and EDI policies to check that an organisation's values align with those of the Foundation. Actions to drive the Foundation's EDI values are also included in employees' appraisals.

An EDI page on the Foundation's website provides information on the diversity of the communities with whom the Foundation works, and the impact that this work is having. Working with 360Giving,⁶ the website includes information on the Foundation's grant making, ensuring full transparency by publishing open, standardised grants data.

Through the programmes' thought leadership objectives, work is being undertaken to make system-wide change with a view to driving accessibility with the long-term ambition of making public services, workplaces, and wider society more inclusive for ESL speakers.

⁵**Intersectionality** refers to the way in which an individual's personal characteristics, such as their race, class, or gender, and the associated disadvantage or discrimination they may face, overlap and interconnect.

⁶**360Giving** is a charity which helps organisations to openly publish grants data.

Achievements in 2022

The Foundation's work in thought leadership and influencing; training, resources and guidance; and partnerships, across three programmes – the EAL Programme, the Criminal Justice Programme and the ESOL Programme – is summarised below.

Thought leadership and influencing

From its founding in 2012, the Foundation has prioritised informing and influencing policy, at local and national levels, to ensure practice and policy considers the rights of people who use English as a second or additional language. Over this time, the Foundation has achieved a number of key outcomes. For example, the Foundation's award-winning EAL Assessment Framework for schools has been recommended in the guidance for the new Curriculum for Wales, which came into effect last year. It has also been recommended by five local authorities and formally adopted by the Government of Jersey. The Foundation is in its second year of a partnership with the Government of Jersey to deliver EAL assessment training to every teacher on the island.

In 2022, the Foundation continued to engage with key stakeholders and decision-makers, achieving a number of tangible policy outcomes, and demonstrating thought leadership through articles in national and key sector publications, and via the Foundation's blog. From 2023, the Foundation will build on this with the launch of a new influencing strategy. Working alongside partners, the Foundation will continue to undertake proactive influencing to champion best practice, evidence-based policy, and system change.



14

consultation responses submitted across the EAL, Criminal Justice and ESOL Programmes



55

meetings with civil servants, decision-makers, Government, statutory bodies, senior stakeholders or responses to consultations leading to meaningful activity



10

publications in which the Foundation's position was cited

5

examples of influence on Government or public body publications or policy



4,800

downloads of Foundation research

Policy change outcomes

EAL Programme

The Foundation contributed to policy change through:

- Ofqual's student guide on the arrangements for exam grading and awarding in 2022, ensuring it was accessible for learners using English as an Additional Language (EAL).
- Ofqual's statutory guidance for writing accessible exams, which came into effect in 2022.

Criminal Justice Programme

Submissions from the Foundation ensured the rights and needs of ESL speakers were included in:

- The Education Select Committee's final report on the inquiry into prison education.
- HM Inspectorate of Constabulary and Fire & Rescue Services publication, "Expectations for police custody".
- The Justice Select Committee report on the Draft Victims' Bill scrutiny.

Programme thought leadership and influencing highlights

EAL Programme

In 2022, the Foundation responded to a number of opportunities for ensuring the rights, needs, and assets of EAL learners were considered within wider education decision-making, and promoting the Foundation's work to new and wider audiences.

This included responding to Government consultations on the approach to area SEND inspections, the resilience of the qualifications system, education challenges for Gypsy, Roma and Traveller pupils, civil society reports to the UN Committee on the Rights of the Child (UNCRC), and to the UN Committee on Economic, Social and Cultural Rights (CESCR), a call for evidence from the Commission on Young Lives, and a consultation by Labour's National Policy Forum.

The Foundation also participated in a number of high-level groups and meetings, including roundtables hosted by the National Foundation for Educational Research on disadvantaged pupils, the Northern Ireland Department of Education on Newcomer Policy, the Northern Ireland Independent Review of Education, and the Education Endowment Foundation. The Foundation also participated in inclusion panels for the Standards and Testing Agency, Ofqual, Teach First, Speech and Language UK, and the Chartered College of Teaching.

Criminal Justice Programme

Through the Criminal Justice Programme, the Foundation worked to raise awareness of the language barriers to accessing justice and rehabilitation in the criminal justice system. The Foundation responded to a number of consultations: on the Prison Strategy White Paper, on Improving the Victim Experience, on the Expectations for Police Custody, and pre-legislative scrutiny of the draft Victims' Bill.

In 2022 the Foundation published the ground-breaking research series, "Language Barriers in the Criminal Justice System", produced in partnership with the Institute for Crime and Justice Policy Research at Birkbeck, University of London, Victim Support, and the Centre for Justice Innovation.

The series, which provides a robust evidence base on the experiences of ESL speakers and a range of practical resources, generated national media interest as well as being taken up by both charity sector stakeholders and police specialist press. It was also the subject of a Prisoner Learning Alliance webinar and an article in "Independent Monitor", the trade magazine for

members of Independent Monitoring Boards. The insights gained from this research will inform the Foundation's ongoing policy and influencing work.

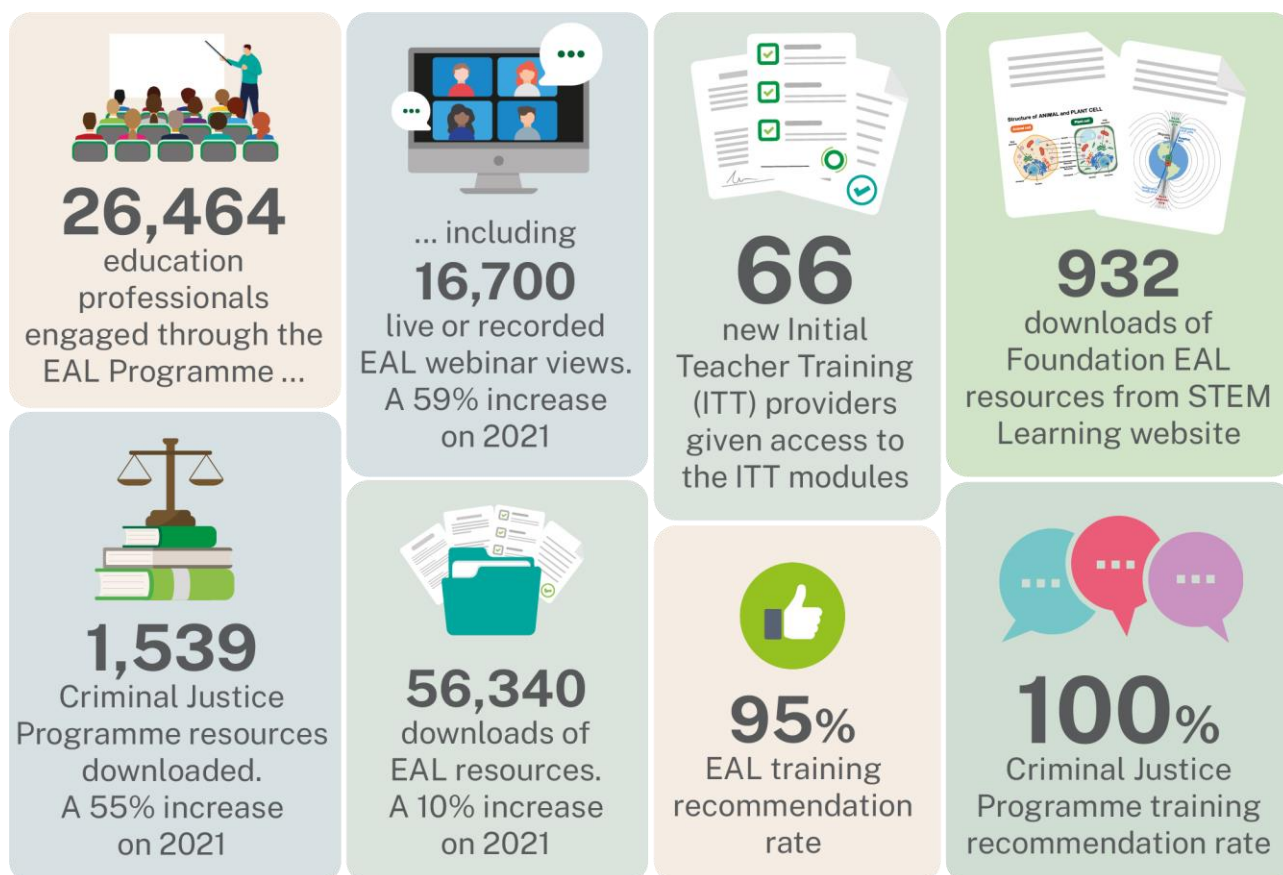
ESOL Programme

The Foundation promoted the importance of accessible and appropriate ESOL in responses to Government consultations on Post-16 Qualifications at Level 2 and Below, The Future of Post-16 Qualifications, and Careers Education, Information, Advice and Guidance.

The Foundation is working with Refugee Education UK to conduct research into the educational experience of "late arrivals"⁷ into the school system, an area increasingly raised by schools. The research will seek to understand current practice across the UK, to identify and share best practice, and provide valuable insights to inform policy and the development of training for education professionals.

Building capacity with training, resources, and guidance

In 2022, the Foundation continued to respond rapidly to global events, with the launch of a range of new training, resources, and guidance to support schools and practitioners in welcoming refugees from Ukraine and elsewhere. The Foundation continued to see substantial growth in the reach and impact of its work, promoted through partnerships and the Foundation's networks and channels.



⁷ Students who arrive in the education system in Key Stage 3 to Key Stage 5.

Programme training, resources, and guidance highlights

EAL Programme

Supporting schools to welcome refugees

“I am pleased the Bell Foundation is providing support and leadership on supporting Refugee Families. This is something we see a need for in schools. This webinar gave many practical ideas, supported by research, which can be put into place quickly.”

Participant from Pupil and School Support, Birmingham

The invasion of Ukraine in early 2022 triggered the largest population movement and refugee crisis in Europe since the Second World War, with almost eight million people forced to flee their homes. Between the start of the war and February 2023, more than 160,000 refugees have been welcomed from Ukraine to the UK through the Ukraine visa schemes. A priority for the Foundation continues to be providing schools with the resources and training they need to support effectively newly-arrived children and their families.

The Foundation delivered a series of webinars on welcoming refugee children, in partnership with Nottingham Education Sanctuary Team (NEST), Schools of Sanctuary, and Nottingham Ukrainian Cultural Centre. The latter was run by the headteacher at Nottingham Ukrainian School, focused on providing key information about the Ukrainian context and supporting teachers to understand more about the experiences of Ukrainian new arrivals. The Foundation also partnered with Refugee Education UK (REUK) on a webinar on supporting Afghan refugee children in schools, which included a speaker with experience of being an unaccompanied asylum-seeking child. In addition, the Foundation contributed to the development of a module for senior leaders and teachers on working with newly-arrived refugee children developed by the Chartered College of Teaching.

The Foundation hosted a roundtable with experts in the refugee education sector to explore the most impactful use of funding to support refugee children. Guidance on the use of this funding will be launched in 2023 for school leaders, in collaboration with the Refugee Council, REUK, and Schools of Sanctuary.

To support refugee families from Ukraine and Hong Kong to navigate a new and unfamiliar education system, the Foundation’s guidance for parents was translated into Ukrainian and Chinese, with the former becoming the most downloaded document from the website in 2022. The Foundation’s guidance documents were included in welcome packs distributed by REUK to newly-arrived refugees from Ukraine. The Department for Education’s guidance also signposted to the Foundation’s “Welcoming Refugees” webpage and EAL Assessment Framework, supporting the widest possible reach of these resources.

Promoting accessibility and inclusion through the Foundation's resources

In 2022, the Foundation’s award-winning EAL Assessment Framework was translated and published in Welsh, for use by teachers working with new arrivals using both Welsh as an Additional Language and English as an Additional Language.

Empowering more teachers and learners with Language for Results



Over the past ten years, Language for Results has grown exponentially to become one of the most trusted and recognised training programmes for education professionals, achieving national reach through online delivery and at a regional and local level, through licensed partners. 2022 was the first full year since the adoption of new licence models. This resulted in a significant increase in capacity to deliver training, reaching more teaching professionals than ever, and giving them the skills to empower an even greater number of EAL learners to fully access the curriculum and achieve their potential. In 2022, 14 new Bell Foundation Licensed Practitioners (BFLPs)⁸ were trained, bringing the total number of BFLPs to 41.

The reach of Language for Results was further expanded through training delivered with partners, including the Universities Council for the Education of Teachers, National Association of School-Based Teacher Trainers, Harris Federation, Teach First, and the National Education Union.

“More planning with teachers prior to classes.”

Change in practice reported by a training participant after three months

⁸ BFLPs are EAL trainers who are trained and licensed by the Foundation to deliver Language for Results.

The Foundation works closely with partners to increase the availability of its resources, and in doing so enhances the capacity of schools to support multilingual learners and achieve improved outcomes for speakers of EAL. In 2022, the Foundation began sharing resources on the STEM Learning website, enhancing the availability of these materials.

In 2022, the Foundation launched its third Initial Teacher Training (ITT) module, “Assessing Learners who use EAL”. Alongside two existing modules, all freely available to ITT providers, this module reaches student teachers, preparing them at the very start of their careers to work in diverse multilingual classrooms, an area where, evidence shows, teachers often feel underprepared, and providing them with important skills to take into their future schools. Responding to demand from international EAL teachers, the pilot of Language for Results International began in 2021, during which it was trialled with Orbital Education schools and the International School of Geneva, Ecolint. Language for Results International was fully launched in 2022, with the aim of supporting excellence in EAL teaching in international schools and providing a new income stream to support the Foundation’s charitable work.

Criminal Justice Programme

2022 also saw the expansion of the Criminal Justice Programme, alongside the refinement of the programme’s strategic objectives. The launch and promotion of the programme’s training and resources enabled the Foundation to increase reach and engagement across the criminal justice system.

The Foundation launched new training aimed at supporting staff working in victim support (“Communicating with Victims of Crime who use ESL”⁹) and prison and probation staff (“Communicating with Service Users who use ESL”¹⁰), enabling system change from the bottom up. The training was delivered to Unlocked Graduates, Victim Support, and HMPPS Wales, reaching 54 participants in 2022, ahead of the full roll-out in 2023.

“I’m going to be much more aware of how I speak and to break up my sentences clearly and use less complicated language.”

“I work in the Induction wing so get many ESL or non-English speaking prisoners that I have to interview. The techniques I learnt today will help a lot.”

“This course taught me how to reflect on how I speak at work and taught me useful techniques to ensure others can understand me!”

Feedback from training participants

Following engagement with HM Prison and Probation Service in 2022, the Foundation is planning to trial the ESOL Screening Tool in a selection of prisons in 2023, with the aim of collecting feedback to update the tool before rolling it out more widely across the prison estate, supporting the early identification of those who may benefit from ESOL learning.

Partnerships

A core part of the Foundation’s approach is working in partnership, to build capacity in working with speakers of ESL, to develop and share evidence of what works, to influence policy and ultimately, achieve system change. The past ten years has seen the Foundation support an array of partnerships and projects, including, for example, those supporting speakers of ESL to

⁹ In February 2023 the course name “Communicating with Victims of Crime who use ESL” was updated to “Victim support staff: Communicating with ESL speakers”.

¹⁰ In February 2023 the course name “Communicating with Service Users who use ESL” was updated to “Prison and probation staff: Communicating with ESL speakers”.

learn to read in prison, developing resources to support victims of crime, and developing an accredited qualification in Advice and Guidance relevant for ESL speakers in prison.

The Foundation maintains a flexible and open approach to grant giving, partnering with both small and larger organisations who have expertise in working with children, young people, adults, and communities who use English as a second or additional language. The Foundation is open to partnership opportunities with organisations who share its strategic objectives who can approach the Foundation via its website.

Programme partnership highlights

Criminal Justice Programme

“Grant holders for the victims’ projects continue to talk positively about the forums that the programme has run to help collaboration and networking, seemingly in the absence of anything similar in the sector.”

Cloud Chamber Independent Evaluation, 2022

In 2022, the Foundation continued to partner with organisations working with victims of crime, with the aim of enhancing capacity and expertise in supporting speakers of ESL, as well as building and sharing evidence of effective practice. Following a call for partners in June, the Foundation agreed a new partnership with the Prison Advice and Care Trust.

Hibiscus Initiatives – The Foundation is supporting a three-year project using cultural mediation¹¹ to improve understanding and communication between survivors of trafficking and modern slavery who use ESL, and statutory and non-statutory agencies. This includes the development and delivery of training for practitioners, including training aspiring practitioners with lived experience, to increase awareness and use of these techniques.

Case study: using cultural mediation with community clients

“[The client] and her two children came to the UK from Albania to claim asylum. At the time she met Hibiscus, [the client] was very confused and did not know what was going on with her immigration case. She also had mental and physical health issues to deal with and her solicitors were unresponsive.

[The] Hibiscus Cultural Mediation project worker interacted with [the client] to help her better communicate with the solicitors and resolve her concerns and issues. From the construction of this mediation, it was found that the solicitors did not know that [the client] had not received the [immigration] papers and thought that everything was fine. From then on, they acted on it by writing to [the] Home Office.

[The client] and her family are still living in the hotel and awaiting their immigration papers, but now she knows where she is in her immigration journey and how to request updates and information from her solicitors and [the] Home Office.”

Law Centres Network, Harrow Law Centre and Greater Manchester Law Centre – With funding from the Foundation, the Law Centres projects are empowering victims of crime who speak ESL to access justice, using case work, outreach and policy work, including supporting system change through submissions to Government consultations and undertaking a Freedom

¹¹ “A cultural mediator facilitates mutual understanding between a person or a group of people...by providing two-way verbal translation (interpreting) and helping them overcome cultural barriers” – Hibiscus Initiatives, 2021.

of Information exercise to understand the language provision for victims of crime among all police authorities in England and Wales.

Between 2021 and 2022, Greater Manchester and Harrow Law Centres provided support to 81 and 45 individuals respectively,¹² including challenging local authority housing decisions, navigating police complaints procedures, and securing compensation claims.

Case study: working with victims of domestic abuse who speak ESL¹³

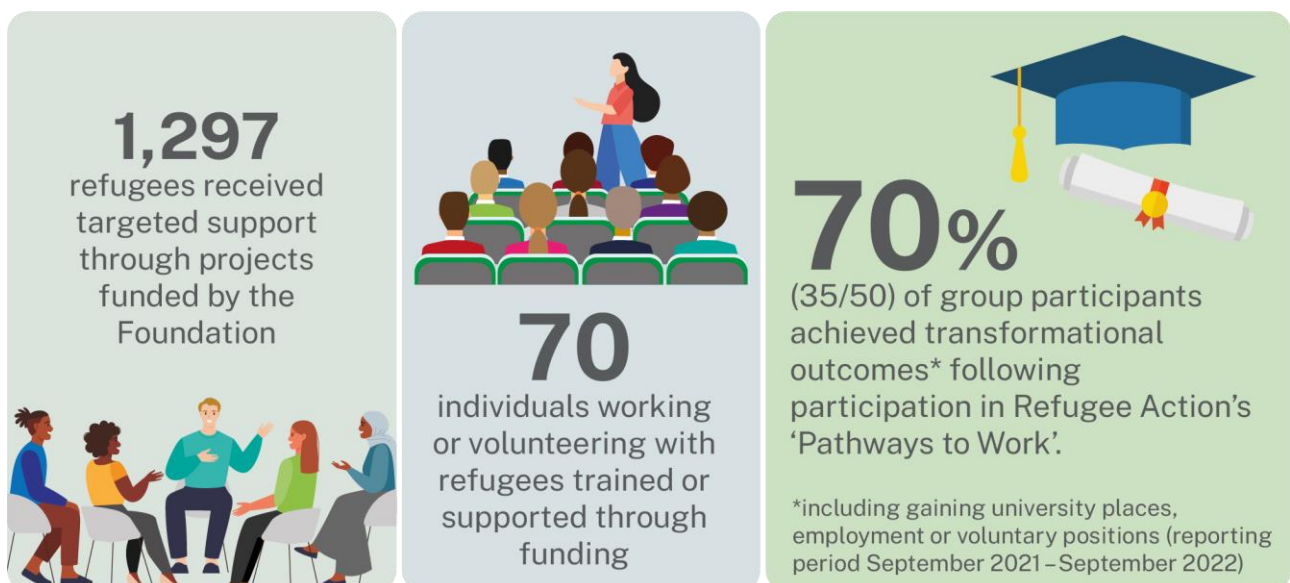
“Client T presented with accommodation needs. It transpired that T was also in need of urgent immigration advice in order to secure her status in the UK. As a result of the domestic abuse experienced by T and her resulting poor mental health, T did not want to retell her story to another agency and requested the caseworker to accompany her to any relevant appointments.

The caseworker liaised with the Greater Manchester Immigration Aid Unit and accompanied T to obtain urgent advice in relation to her status. The caseworker was able to provide a succinct account of T’s circumstances and history, avoiding the need for T to relive the traumatic experiences, and answer any questions T was unable to. This allowed T to obtain appropriate and targeted advice and T was able to reach an informed decision about her future. T explained that for what felt like the first time she was able to make her mind up about her future on the basis of information she had been able to acquire herself.”

Why me? – With funding from the Foundation, “Project Articulate” aims to widen access to restorative justice (RJ)¹⁴ for victims of crime who use ESL, by increasing the capacity of ESL professionals and community representatives to make RJ referrals, improving the understanding of RJ professionals about the needs of ESL speakers, and influencing system change at regional and national levels.

Prison Advice and Care Trust (Pact) – As part of a new three-year partnership launched in 2022, the “Building Bridges” project will work with ESL speakers to understand and break down barriers to engaging with their relationship, parenting, social and emotional education courses.

ESOL Programme



¹² Year to June for Greater Manchester Law Centre and year to May for Harrow Law Centre.

¹³ Reporting period July 2021 to June 2022.

¹⁴ “Restorative Justice is a way for someone who has been harmed by a crime to communicate with the person who caused the harm.”
Why me? <https://why-me.org/what-is-restorative-justice/>

In 2022, the pilot of the ESOL Programme concluded, ahead of the full programme launch in 2023. The Foundation's existing ESOL partnerships continued to deliver important language support to refugees, empowering them to achieve their education and employment aspirations, and providing evidence of effective practice.

Kent Refugee Action Network (KRAN) – The Foundation is working in partnership with KRAN to evaluate and develop the content, curriculum, and delivery of resources and classes as part of their Learning for Life education programme for newly-arrived refugee and asylum-seeking young people.

Refugee Action – With funding from the Foundation, the Pathways to Work project seeks to facilitate the journey of participants into employment, enabling them to improve their working English, to navigate the jobs market, and to overcome pre-employment barriers.

Case study: Mohamed, a software developer from Sudan, currently seeking asylum¹⁵

“Before I started, I was confident about my job search skills, but not writing CVs and cover letters. Pathways to Work improved my language, especially work terms, and built my knowledge of the UK work environment, but most importantly, it raised my confidence to speak and believe that I could get the job type I want. My favourite part was Interviews and STAR techniques in topics, discussions, and quizzes in activities. In addition to the benefits mentioned above, it opened other opportunities for me: courses (Communication and Interpersonal Skills at Work [by Future Learn], Perfectly Spoken access, a Diploma in Full Stack Development [by Code Institute]), references to universities which helped me to get two offers, contact the ENIC on behalf of me to state comparability of my bachelor degree, providing me with an experienced mentor providing me advice and tracking my progress. In the future I hope in getting a master's degree and a decent job in the UK software field.”

Refugee Education UK (REUK) – The Foundation is working in partnership with REUK to empower young people to improve their English language skills through engagement with REUK's Educational Mentoring Programme.

East of England Local Government Association's Strategic Migration Partnership (EELGA SMP) – The Foundation funded the evaluation of EELGA SMP's Wellbeing and Work for Refugee Integration (WW4RI) project, which supported between 1,000 and 1,200 refugees between 2020 and 2022. Published in 2022, the report demonstrated the importance of employment, language, and wellbeing support for refugee integration. Of the participants surveyed, almost three-quarters reported that their English proficiency had improved, with an average increase in rated language skills of 63 per cent. This enabled them to build “social bridges” with their local communities and contributed to increased confidence and feelings of independence.

The partnership is continuing with the roll-out of the lessons learned from WW4RI across the East of England through the dissemination of a refugee integration framework.

¹⁵ Reporting period September 2021 – September 2022.

Future plans

Priorities for 2023

- Develop an influencing strategy to achieve policy and system change, and continue to respond to Government consultations, and engage in thought leadership through participation in key policy and practice forums, working with partners, and through communications activities.
- Increase the reach and impact of Language for Results through digital training, scaling partners, and launch of an accreditation kitemark for UK and international schools.
- Continue to enhance the capacity and expertise of staff and volunteers working with speakers of English as a second or additional language by providing evidence-based training, resources, and guidance.
- Launch the full ESOL Programme including new funded and evaluated partnerships.
- Continue to expand the reach and impact of the Criminal Justice Programme with the roll-out of language awareness training for staff and volunteers in victim support or prison and probation services, the trial of the ESOL Screening Tool, and the launch of new programme partnerships.
- In conjunction with the Foundation's independent evaluator, assess and articulate the impact of the Foundation's work as a whole rather than just by programme.

Financial review and results for the year

The Foundation owns a set of assets which are managed to fund its charitable work, both in the short term and to ensure long-term sustainability. The net assets of the Foundation, encompassing property in Cambridge, funds invested with two Investment Managers, and capital invested in its wholly-owned subsidiary, Bell Educational Services Ltd, amount to £42,323,000 in value at the end of 2022 (2021: £46,186,000). The Foundation's Investment Policy and a review of the performance of these assets through 2022 and future plans are summarised in the following sections.

Significant events which have proved challenging in the management of these assets this year include the ongoing impact of the Covid-19 global pandemic, which severely affected the wholly-owned UK trading subsidiary, the current cost of living crisis, and the impact of high inflation on asset values. Details of how these events are impacting individual assets and how the challenges are being met are included in the commentary below.

Charitable expenditure

The Foundation's charitable expenditure in 2022 totalled £1,620,000. A combination of multi-year grant commitments made and accounted for in 2021 and timing of some projects delaying completion into 2023 meant that the charitable expenditure in 2022 was down slightly by £134,000 on the prior year spend of £1,754,000. New grant commitments in 2022 totalled £387,000 (2021: £497,000).

Financial budgets for new grants presented in the latter half of 2022 were specifically reviewed by the Foundation for inflationary impact to costs, to ensure grantee partners had included appropriate levels of spend for their work.

Investment Policy

The Foundation's Asset, Investment and Reserve Strategy sets out 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 and to consider their wider societal and environmental impact.
- 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 financial investments.
- The investment in Bell Educational Services Ltd, a wholly-owned trading subsidiary.
- The Cambridge campus, encompassing land and buildings, which is leased to the trading subsidiary.

The Foundation also holds cash balances, of which a portion is held in support of the Foundation's five-year plans (see Reserves Policy below).

Environmental, Social and Governance (ESG) Policy

The Trustees' intention is to take a proactive approach to the Foundation's assets, specifically considering their wider societal and environmental impact and ensuring the investments do not run counter to the Foundation's values or aims whilst also achieving the targeted return. The managers of the Foundation's investment portfolios are required to adhere to the Foundation's ESG Policy which:

- Requires 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:
 - Includes investments that support the transition to net zero carbon and a carbon positive future.
 - Excludes specific sectors: tobacco, adult entertainment, alcohol, gambling, high interest rate lending, and armaments.
 - Excludes companies that fail to implement basic labour rights or that engage in bribery, corruption, money laundering, or tax evasion.
- Requires investment managers to be active owners and incorporate ESG issues into their ownership policies and practices.
- Requires investment managers to seek appropriate disclosure on ESG issues by the entities in which they invest.
- Requires investment managers to report to the Foundation on their ESG engagement and voting decisions.

Investment portfolios

The Foundation has funds invested with two investment managers. The investment mandate set out to investment managers is to generate a total return of CPI (Consumer Prices Index) plus four per cent. There is an additional stated annual cash income drawdown requirement of three per cent. However, it is recognised that the investment manager strategies, whilst meeting the total return requirement, may result in a portfolio with reduced dividend income which would ordinarily support the income requirement. Where this is the case then the total return requirement takes priority, and an alternative arrangement will be set up to provide a structure to drawdown funds (as required) in support of the Foundation's work at times when it is not optimal to sell investment holdings directly.

A review of 2022 and priorities for 2023

In 2022, following a reassessment of the Foundation's ESG Policy in 2021, Trustees undertook a review of their existing investment managers' investment strategy, results, and approach to ESG to ensure the portfolios aligned to the enhanced policy. The review culminated with an evaluation of submitted proposals from alternative firms and, on 30 November 2022, Trustees approved the recommendation put forward by the Asset Management Committee that Barclays Wealth continue the management of one of the Foundation's investment portfolios and that Investec be asked to step down and for Sarasin & Partners LLP to be appointed to manage the other investment portfolio. The onboarding process and appropriate transfer of assets from Investec was completed in May 2023.

The performance of the investment portfolios through 2022 reflects the turbulent year on global stock markets and, with inflation running at 10.5 per cent in the 12 months to 31 December 2022, the total return target of CPI plus four per cent has not been met, with the rate of inflation being too challenging to meet. The portfolios started the year with a fall in value reflecting the volatile financial markets and, though some ground was recovered, the closing total value of the investment portfolios was £23,562,000 at 31 December 2022 which represented a drop from the prior year balance of £26,944,000 (at 31 December 2021). The funds are held for the long term, and whilst this fall in value is significant, there is confidence that over time values will recover and the total return in the long term remains attractive.

In the short to medium term, the Foundation has sufficient cash resources to support the five-year planned activity of the Foundation.

Priorities for the investment portfolios in 2023 will be:

- Embedding the relationship with the new investment manager, Sarasin, and with regular discussions, hold both investment managers to account over their engagement on ESG matters, ensuring their observance of the Foundation's ESG Policy and values.
- Investigating alternative, and appropriate, social and impact investment options for the Foundation to widen its charitable work and impact.
- Careful management of cash resources during a continued period of challenging inflation levels.

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. Bell Educational Services Ltd also wholly-owns a subsidiary, a language school based in Switzerland, Bell Switzerland SA.

In addition to income remitted to the Foundation from royalties payable under a Trade Mark Licence for the use of the Bell name and trademarks, which are owned by the Foundation, the Foundation's return expectations on its investment in Bell Educational Services Ltd is for a cash return through Gift Aid.

Gift Aid is the expected return during normal trading times. The Covid-19 global pandemic resulted in a severe impact to the trading of Bell Educational Services Ltd, with the school experiencing periods of temporary closure and the limited ability (if at all) for international students to travel through the period 2020, 2021, and into the early months of 2022. The ongoing impact of the pandemic to the school's financial position was severe. Having taken careful consideration of forecasts, sought external independent legal and professional advice, and recognised that protecting the Foundation's asset was in the best interests of the Foundation, Trustees set up financial support in October 2020. The financial support was in the form of a secured loan, on commercial terms, for Bell Educational Services Ltd. Ongoing monitoring of results and forecasts,

including two further reviews by independent legal and professional business advice, continues to support the loan finance decision. This support safeguards the asset for the Foundation enabling the trading subsidiary in time to remit returns via Gift Aid in line with the Investment Policy for the capital invested. Trustees continue to consider this to be in the best interests of the Foundation.

The loan, in the form of a Revolving Credit Facility, is set on commercial terms which include a commercial rate of interest set at a margin of 3.25 per cent 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 £1.9m is available. 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 Switzerland SA.

The subsidiary of Bell Educational Services Ltd, Bell Switzerland SA, was less affected by the global pandemic with no reliance on students travelling from abroad.

A review of 2022 and priorities for 2023

As travel restrictions eased in 2022, students gradually returned, and though not yet fully back to pre-pandemic levels, Bell Educational Services Ltd reported significantly improved turnover of £6,082,000 for 2022 (2021: £1,661,000). Whilst the 2022 budget for the subsidiary had anticipated a further year of reduced activity as a direct result of the global pandemic, the income expectations were exceeded by over £1,000,000. This positive result feeds through to the net results, which though still a loss of £302,000 (2021: loss of £1,699,000) is less severe than the loss which had been budgeted.

Income for the business was and will continue to be closely monitored against the loan facility's financial covenants and forecasts. Forecasts indicate that income will continue to recover through 2023. The results of the UK trading subsidiary do further impact the company's net assets which, at 31 December 2022, were negative £348,000 (2021: negative £46,000). Early forecasts indicate that this will be the lowest point for net asset values, with a return to positive net assets estimated in 2024.

Trustees made changes to the composition of non-executive directors on the Board of Bell Educational Services Ltd in 2022 with the appointment of two new independent non-executive directors: Jonathan Mark Davis and Duncan Taylor Greenland.

Geoff Spink, also a Trustee of the Foundation, having served the maximum term set out by Trustees on the trading subsidiary Board, stepped down on 31 October 2022.

In terms of changes in the loan to the trading subsidiary, a combination of drawdowns and prepayments on the loan facility with the Foundation during 2022 resulted in a balance on the loan, at 31 December 2022, of £1,300,000 (31 December 2021: £900,000). The balance has increased slightly since the year end with a loan balance at the date of signing these accounts of £1,350,000 which is below budgeted levels.

Alongside Trustees' consideration of the 2023 budget for Bell Educational Services Ltd, Trustees sought an external professional review of the budget and implications for the funding arrangement in place. Consequentially, Trustees agreed on 30 November 2022 to extend the facility by a further seven months to 31 July 2024, amendment documentation for which was completed on 24 February 2023.

Bell Switzerland SA, as previously noted, did not suffer the same impact from the global pandemic and reported a further year of steady turnover at £3,468,000 (2021: £3,240,000) resulting in a net profit of £347,000 (2021: £362,000) and net assets of £634,000 (2021: £612,000). Bell Switzerland SA remits annual dividends to Bell Educational Services Ltd. Dividends remitted in 2022 were £378,000 (2021: £254,000).

Priorities for 2023 will be:

- Closely monitoring the results of the trading subsidiary against forecasts and in accordance with the terms of the loan agreement.
- Reviewing updated business plans for the subsidiary, setting out medium-term objectives to strengthen, grow, and increase the resilience of the business to geopolitical, economic, and pandemic risks.

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, which sets the rent at the higher of market rate or an inflation-based increase. This is as set out in the Foundation's Investment Policy which requires a market rental return for the property. The current rental results in a return of seven per cent per annum.

A review of 2022

The lease rental for the campus underwent a five-yearly review in January 2022 resulting in a revised rental being set at a market rate of £705,000 per annum (the lease rental prior to this review was £561,000). This increase also achieves the required investment return of seven per cent on the carrying value of the asset. The next rental review date is 1 January 2027.

Reserves Policy

There are no restrictions over the Foundation's assets and consequently all funds are classified as unrestricted. Historically there had been one source of restricted income, however, that project completed in 2021 with the restricted reserves fully utilised.

The Foundation differentiates the unrestricted funds as an Income Fund and a Capital Fund. The Income Fund enables Trustees to see the progress of the Foundation in utilising its income for the purposes of the Foundation, and Trustees have agreed that on a temporary or permanent basis, amounts may be transferred from the Capital Fund to the Income Fund to ensure the delivery of the Foundation's programmes. The Capital Fund is intended to both support the Foundation's strategic plans and to ensure the long-term sustainability of the organisation.

In 2022, to set out this intention more clearly, Trustees agreed to sub-divide the Capital Funds, creating a Designated Fund to support the five-year financial plans of the Foundation, leaving a Capital Fund which represents the long-term investment of the Foundation.

The Designated Fund is represented by a portion of the Foundation's uninvested cash balances and the Capital Fund represents the carrying value of assets held for investment purposes.

The Reserves Policy, which is contained within the Foundation's Asset, Investment, and Reserves Strategy, is reviewed annually, along with a review of the level of unrestricted income reserves and the Foundation's future plans, to ensure sufficient cash resources to finance the Foundation's rolling five-year plans with an allowance for reasonable contingencies.

The Reserves Policy is therefore 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.

The Foundation's five-year plans include total expenditure of £11,388,000 which, after income generated from the Foundation's assets, results in a net loss of £3,309,000. Recognising that in 2022 the Foundation also reported a planned loss of £605,000, Trustees approved a transfer, as at 31 December 2022, of £4,000,000 from the Capital Fund, resulting in an Income Fund balance of £1,000, a Designated Fund balance of £3,400,000, and Capital Fund balance of £38,922,000. The balance on the Designated Fund is £91,000 above the five-year planned requirement, thus providing an allowance for contingencies and in line with the Reserves Policy. The transfers result in the free reserves¹⁶ of the Foundation being negative £79,000, however, the Designated Fund is sufficient to fund this balance and the five-year planned net loss. There are no excess funds.

The transfer to the Income Fund was in line with budgets recognising that income in 2022 would be below normal expectations, predominantly due to the ongoing impact of the global pandemic on the trading subsidiary, Bell Educational Services Ltd, resulting in reduced income from royalties and no ability to remit Gift Aid. Reduced income in 2022 was also a reflection that investment income has also fallen below the three per cent income requirement because the investment strategy on the Barclays Wealth portfolio generates a lower level of dividend income (as noted above under "Investment Policy"; Barclays Wealth prioritises the total return target).

The impact of the global pandemic on the trading subsidiary will continue to affect the ability for the company to remit Gift Aid until its distributable reserves are fully repaired, which current forecasts indicate is likely to be towards the end of 2026. It is also anticipated that returns from the investment portfolios are also more likely to be seen in valuations rather than dividends received. These both contribute to a budgeted loss of £696,000 in 2023 for the Foundation. A transfer from the Designated Fund will be made to the Income Fund in support of this. However, as a consequence, the Designated Fund is likely to require a further, though significantly smaller, transfer from the Capital Fund in 2023 to ensure it remains in line with the Reserves Policy of supporting the Foundation's five-year plans.

Notwithstanding a possible need for a further transfer to the Designated Fund in support of the Foundation's planned programmatic work in 2023, the value of the Foundation's net assets is forecast to increase modestly over the next five years, not by a margin to keep pace with current inflation levels, but sufficiently so to ensure sustained funding of the Foundation's charitable work into the long term. Trustees continually review the financial position of the Foundation including any impact significant external events might be having on the assets.

Trading subsidiaries' reserves

The combined unrestricted income reserves of both the trading subsidiary Bell Educational Services Ltd and its subsidiary, Bell Switzerland SA, fell to a negative £1,893,000 (2021: negative £1,603,000). As noted above, this fall in reserves is the direct result of the impact of the global pandemic and a resulting third year of losses. The loan facility set up by the Foundation supports the ongoing trading of the business and expectations are that this is the furthest that the reserves will erode, and they are anticipated to slowly repair through the medium term as profits return.

Going concern

In order to assess the appropriateness of the basis for the Group's going concern assumption, the Trustees have considered the Group's financial position, liquidity, unrestricted reserves, and forecasts into the mid-term, taking into account the key risks to which the Group is exposed, the recovery of the trading subsidiary from the global pandemic, and the impact of inflation and cost of living rises. Taking account of the current level of the Group's net current assets (which at 31 December 2022 were £5,113,000), the Foundation's investment portfolios (which at 31 December 2022 were valued at £23,562,000), and the ease with which these could be liquidated, and having

¹⁶ Free reserves are represented by the unrestricted funds of the Foundation but exclude fixed assets and the designated and capital funds.

considered the updated budgets and forecasts of the Foundation and its trading subsidiaries, 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 senior management 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, reviewed by the Board of Trustees and in the subsidiaries by the subsidiaries' Boards.

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

- Vetting procedures and policies as required by law and in line with best practice.
- Maintenance and regular review of the risk registers.
- An annual review of insurance.
- A review of major operational risks.

Major risks and mitigation identified by the Foundation and its trading subsidiaries are as follows:

| Risk | Mitigation |
|---|--|
| <p>Charitable Programmes</p> <p>Changing external environment for the delivery of programmes.</p> <p>Income from trading subsidiaries and investments insufficient to fund planned charitable programmes.</p> | <ul style="list-style-type: none"> • Long-term view and flexible approach taken with partners and grantees. • Trustees' policy of utilising capital to ensure delivery of agreed charitable programmes. |
| <p>Trading Subsidiaries</p> <p>Adverse geopolitical, economic or pandemic events and circumstances impacting the activities of the trading subsidiary, and the cyclical trends in the English language market in which the trading subsidiaries operate.</p> | <ul style="list-style-type: none"> • Trading subsidiaries' proactive responses to business conditions and a flexible sales approach and ability to redeploy resource according to circumstances. • Continued close monitoring of market developments as the industry recovers from the impact of the global pandemic. • Financial support in the form of a loan in place with close monitoring by Trustees of activity compared to budgets and forecasts. • Revisiting strategic plans to develop and diversify the business ultimately to mitigate the impact of cyclical business streams and international travel issues. |
| <p>Intellectual Property (IP), Brand and Reputation</p> <p>Damage to brand and reputation due to the activities of others.</p> | <ul style="list-style-type: none"> • Formal agreements with partners for use of IP, clear statements of copyright ownership and use. • Policy work is evidence-based, drawn from research and facts. |

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 reviews and inspections undertaken regularly, the next being due in 2023.
 - Safeguarding systems to ensure concerns are escalated.
-

Cyber Security

- Best practice (informed by industry experts) risk mitigation policies and processes in place.
 - Cyber Essentials¹⁷ accredited.
 - Firewalls, malware filtering, and other cyber risk mitigation dashboards actively monitored.
 - Oversight of policies by the Audit and Risk Committee.
-

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.
-

¹⁷ A UK Government-backed, industry-supported, scheme to help organisations protect themselves against common online threats.

Structure, governance, and management

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 cannot serve for more than three consecutive terms. Each Trustee serves on at least one Committee.

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, assets under management, 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, 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.

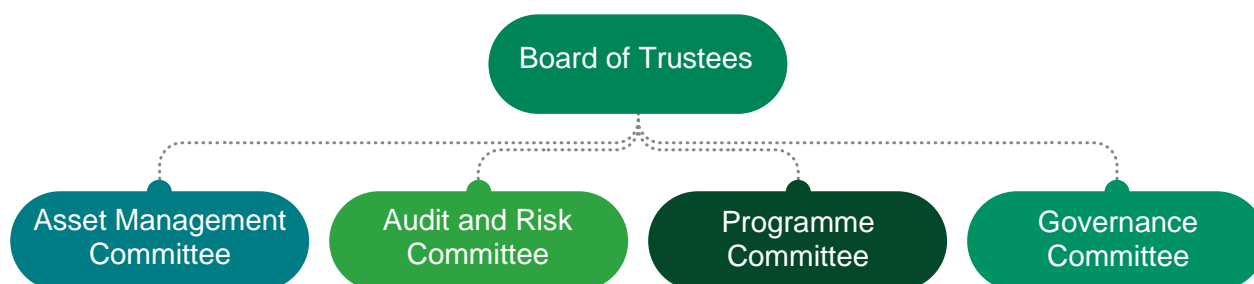
Public benefit

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 2022. Geoff Spink served as an unremunerated non-executive director of Bell Educational Services Ltd for the period up to 31 October 2022.

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 (Five meetings held in 2022) |
|---|---|
| John Gandy | 4 |
| Geoff Spink | 5 |
| Reshard S M Auladin | 4 |
| Elizabeth J King | 5 |
| Alexander J Scott-Barrett | 5 |
| Toni E Fazaeli (Vice Chair) | 5 |
| Louise McLaughlin (Resigned 31 December 2022) | 3 |
| Radha Chakraborty (Chair) | 5 |
| Daria Kuznetsova | 5 |
| David Hughes | 4 |
| Peter Roscrow | 5 |

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 (Two meetings held in 2022) |
|-----------------------------------|--|
| Alexander J Scott-Barrett (Chair) | 2 |
| Geoff Spink | 2 |
| Reshard S M Auladin | 2 |
| Peter Roscrow | 2 |

The Audit and Risk Committee provides oversight for the Board over risk management, mitigation, and assurance on related controls. It also provides oversight for financial statement integrity with reviews of the auditor's planning, reports and the Foundation's annual report and accounts.

Asset Management Committee

| | Meetings attended (Four meetings held in 2022) |
|--|---|
| Peter Roscrow (Chair) | 4 |
| John Gandy | 4 |
| Alexander J Scott-Barrett | 4 |
| Louise McLaughlin (Up to 31 December 2022) | 4 |
| Daria Kuznetsova (From 27 January 2023) | 0 |

The Asset Management Committee monitors the performance of the Foundation's assets against the Asset, Investment and Reserves Policy. During 2022 the Committee provided support to the Board's decisions on the extension of the loan with the trading subsidiary and the change of investment manager, both as commented on in detail within the financial review above.

Governance Committee

| | Meetings attended (Three meetings held in 2022) |
|-----------------------------|--|
| Reshard S M Auladin (Chair) | 3 |
| Radha Chakraborty | 1 |
| Toni E Fazaeli | 3 |
| Elizabeth J King | 3 |

Ensuring strong governance of the Foundation, included within the Governance Committee's work is the review of the Code of Governance, Code of Conduct Policy, Conflict of Interest Policy, and other annual policy reviews. The committee undertakes the annual Trustee skills audit, and reviews and recommends the Foundation's senior management pay and remuneration, and the pay of the Directors in the trading subsidiary.

Programme Committee

| | Meetings attended (Four meetings held in 2022) |
|--|---|
| Elizabeth J King (Chair) | 4 |
| Toni E Fazaeli | 4 |
| David Hughes | 2 |
| Daria Kuznetsova | 3 |
| Louise McLaughlin (Up to 31 December 2022) | 2 |

The Programme Committee provides challenge and support to the staff on the strategic planning and 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.

Employees

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. All employees have access to an Employee Assistance Programme providing support from a range of services and the Foundation has trained Mental Health First Aiders and Mental Health First Aid Champions throughout the organisation to support colleagues.

The Foundation aims to be a fully inclusive organisation and is committed to an active equal opportunities policy promoting an environment free from discrimination, harassment, and victimisation, where everyone will receive equal treatment.

The Foundation is committed to the provision of equal opportunity regarding the employment and development of all staff regardless of gender, race, ethnic or national origin, disability, age, marital and civil partnership status, sexual orientation, gender reassignment, pregnancy and maternity, or religion. 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 which may include retraining and role rearrangement, whenever reasonable and practicable.

Statement of Trustees' responsibilities and corporate governance

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

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

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP (FRS102).
- Make judgements and accounting estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 28 June 2023 and signed on its behalf by



Radha Chakraborty, Chair of Trustees

Independent Auditor's Report and Financial Statements

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 2022 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 2022, 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. 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 requires 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:

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.

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

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: 28 June 2023

Consolidated Statement of Financial Activities, 31 December 2022

Including the income and expenditure account

| | Note | Restricted funds 2022 £'000 | Unrestricted funds 2022 £'000 | Total funds 2022 £'000 | Restricted funds 2021 £'000 | Unrestricted funds 2021 £'000 | Total funds 2021 £'000 |
|--|------|--------------------------------------|--|---------------------------------|--------------------------------------|--|---------------------------------|
| Income from: | | | | | | | |
| Donations | | - | - | - | - | 2 | 2 |
| Charitable activities | 4 | - | 61 | 61 | - | 43 | 43 |
| Language schools' trading activities | 3 | - | 9,550 | 9,550 | - | 4,901 | 4,901 |
| Other income | 3 | - | - | - | 242 | 105 | 347 |
| Investments | 10 | - | 472 | 472 | - | 417 | 417 |
| Total income | | - | 10,083 | 10,083 | 242 | 5,468 | 5,710 |
| Expenditure on raising funds: | | | | | | | |
| Language schools' trading activities | 6a | - | 9,337 | 9,337 | 242 | 6,182 | 6,424 |
| Investment management fees | 9a | - | 122 | 122 | - | 127 | 127 |
| Total expenditure on raising funds | | - | 9,459 | 9,459 | 242 | 6,309 | 6,551 |
| Charitable expenditure: | | | | | | | |
| EAL Programme | 6b | - | 816 | 816 | 18 | 832 | 850 |
| Criminal Justice Programme | | - | 554 | 554 | - | 419 | 419 |
| ESOL Programme | | - | 250 | 250 | 8 | 477 | 485 |
| Total charitable expenditure | | - | 1,620 | 1,620 | 26 | 1,728 | 1,754 |
| Total expenditure | | - | 11,079 | 11,079 | 268 | 8,037 | 8,305 |
| Net (expenditure)/income before tax | | - | (996) | (996) | (26) | (2,569) | (2,595) |
| Tax | 7 | - | 159 | 159 | - | 146 | 146 |
| Net (expenditure)/income before (losses)/gains on investments | | - | (837) | (837) | (26) | (2,423) | (2,449) |
| Net (losses)/gains on investments | 9c | - | (3,258) | (3,258) | - | 3,542 | 3,542 |
| Net (expenditure)/income before other recognised gains/(losses) | | - | (4,095) | (4,095) | (26) | 1,119 | 1,093 |
| Other recognised gains/(losses): Effect of movement in exchange rates | | - | 53 | 53 | - | (7) | (7) |
| Net movement in funds | | - | (4,042) | (4,042) | (26) | 1,112 | 1,086 |
| Reconciliation of funds: | | | | | | | |
| Total funds brought forward | 15 | - | 43,851 | 43,851 | 26 | 42,739 | 42,765 |
| Total funds carried forward | 15 | - | 39,809 | 39,809 | - | 43,851 | 43,851 |

There were no recognised gains or losses other than those included above. All income and expenditure derived from continuing activities. The notes on pages 37 to 58 form part of these financial statements.

The Bell Educational Trust Limited, Company Number 1048465
Consolidated and Charity Balance Sheets 31 December 2022

| | Note | Group | | Charity | |
|--|-------|----------------|----------------|----------------|---------------|
| | | 31 December | | 31 December | |
| | | 2022 | 2021 | 2022 | 2021 |
| | | £'000 | £'000 | £'000 | £'000 |
| Fixed Assets | | | | | |
| Intangible assets | 8a | 85 | 123 | 80 | 108 |
| Tangible assets | 8b | 11,125 | 11,226 | 10,583 | 10,730 |
| Investments | 9a,9b | 23,562 | 26,944 | 25,562 | 28,944 |
| Total fixed assets | | 34,772 | 38,293 | 36,225 | 39,782 |
| Current assets | | | | | |
| Debtors | 11 | 1,751 | 1,009 | 1,634 | 979 |
| Cash at bank and in hand | 18 | 8,977 | 8,827 | 5,546 | 6,141 |
| Total current assets | | 10,728 | 9,836 | 7,180 | 7,120 |
| Creditors: amounts falling due within one year | 12 | (5,615) | (4,201) | (1,006) | (639) |
| Net current assets | | 5,113 | 5,635 | 6,174 | 6,481 |
| Total assets less current liabilities | | 39,885 | 43,928 | 42,399 | 46,263 |
| Creditors: amounts falling due after more than one year | 13 | (76) | (77) | (76) | (77) |
| Provisions for liabilities | 14 | - | - | - | - |
| Net assets | | 39,809 | 43,851 | 42,323 | 46,186 |
| The funds of the charity | | | | | |
| Unrestricted funds | 15 | 39,809 | 43,851 | 42,323 | 46,186 |
| Restricted funds | 15 | - | - | - | - |
| Total funds | | 39,809 | 43,851 | 42,323 | 46,186 |

The financial statements on pages 34 to 58 were approved by the Board of Trustees and authorised for issue on 28 June 2023.



Radha Chakraborty

The notes on pages 37 to 58 form part of these financial statements.

Consolidated Statement of Cash Flows for the year ended 31 December 2022

| | Note | 2022 £'000 | 2021 £'000 |
|--|------|---------------|---------------|
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | 17 | <u>(169)</u> | <u>(688)</u> |
| Cash flows from investing activities: | | | |
| Investment income | | 472 | 417 |
| Purchase of tangible fixed assets | | (153) | (18) |
| Purchases of intangible fixed assets | | - | - |
| Net cash provided by investing activities | | <u>319</u> | <u>399</u> |
| Change in cash and cash equivalents in the year | | <u>150</u> | <u>(289)</u> |
| Cash and cash equivalents at 1 January | | <u>8,827</u> | <u>9,116</u> |
| Cash and cash equivalents at 31 December | 18 | <u>8,977</u> | <u>8,827</u> |

The notes on pages 37 to 58 form part of these financial statements.

Notes forming part of the Financial Statements

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 trading subsidiary, 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 22 has been provided. Based on the Trustees’ review of the latest available plans, budgets, and cashflow projections for the Foundation and the Group, together with the underlying net asset position of the Foundation, the Trustees are satisfied that it is reasonable to prepare the Foundation and Group financial statements on a going concern basis.

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.

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 schools' 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.

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 per cent 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 per cent 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:

| Property | Annual rate |
|----------------------|-------------|
| • 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 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.

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 wholly-owned 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 | 2022 £'000 | 2021 £'000 |
|------------------------------------|------|----------------------|----------------|
| Income | | 1,370 | 1,090 |
| Expenditure | | (1,975) | (2,114) |
| Tax | | - | 5 |
| | | <u>(605)</u> | <u>(1,019)</u> |
| Net investment (losses)/gains | 9c | <u>(3,258)</u> | <u>3,542</u> |
| Net (expenditure)/income | | (3,863) | 2,523 |
| Total funds brought forward | | 46,186 | 43,663 |
| | | <u>42,323</u> | <u>46,186</u> |
| Represented by: | | | |
| - Unrestricted income fund | | 1 | 6 |
| - Unrestricted designated fund | | 3,400 | - |
| - Unrestricted capital fund | | <u>38,922</u> | <u>46,180</u> |
| Total | | 42,323 | 46,186 |

3. Income from language schools

a) Activities for generating funds: language schools

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

| | Restricted 2022 £'000 | Unrestricted 2022 £'000 | Total 2022 £'000 | Total 2021 £'000 |
|----------------|-----------------------------|-------------------------------|------------------------|------------------------|
| United Kingdom | - | 5,927 | 5,927 | 1,527 |
| Europe | - | 3,468 | 3,468 | 3,242 |
| Far East | - | 155 | 155 | 132 |
| Total | - | 9,550 | 9,550 | 4,901 |

Fees receivable in the UK relate to educational services delivered in the UK to students, primarily from overseas, who in 2022 represented 90 (2021: 70) different nationalities from around the world.

All income in the prior year was unrestricted.

b) Other income: language schools

Other income recognised in the year related to:

| | Restricted 2022 £'000 | Unrestricted 2022 £'000 | Total 2022 £'000 | Total 2021 £'000 |
|--|-----------------------------|-------------------------------|------------------------|------------------------|
| Government Coronavirus Job Retention Scheme grant income | - | - | - | 242 |
| Insurance claim | - | - | - | 105 |
| Total | - | - | - | 347 |

£242,000 of income in the prior year was restricted. £105,000 of income in the prior year was unrestricted.

4. Income from charitable activities

| | Restricted 2022 £'000 | Unrestricted 2022 £'000 | Total 2022 £'000 | Total 2021 £'000 |
|--------------------------------|-----------------------------|-------------------------------|------------------------|------------------------|
| Fees for charitable activities | - | 61 | 61 | 43 |
| Grants | - | - | - | - |
| Total | - | 61 | 61 | 43 |

All income from charitable activities arose within the United Kingdom.

All income in the prior year was unrestricted.

5. Staff and Trustee costs

| | Group | | Charity | |
|-------------------------|---------------|---------------|---------------|---------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Staff costs consist of: | | | | |
| - Wages and salaries | 5,016 | 4,415 | 813 | 743 |
| - Social security costs | 563 | 466 | 85 | 70 |
| - Other pension costs | 116 | 114 | 40 | 34 |
| Total | 5,695 | 4,995 | 938 | 847 |

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 £3,311 (2021: £731) were outstanding at the year end and are included in creditors.

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

| | 2022 No. | 2021 No. |
|---|-------------|-------------|
| Commercial language schools' operations | | |
| - Tutorial and academic support | 83 | 65 |
| - Office, management, and ancillary | 48 | 45 |
| Charitable activities | 21 | 15 |
| Total | 152 | 125 |

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 | |
|---------------------|-------------|-------------|-------------|-------------|
| | 2022 No. | 2021 No. | 2022 No. | 2021 No. |
| £60,000 – £69,999 | 2 | 4 | - | - |
| £70,000 – £79,999 | 4 | 2 | 1 | 1 |
| £80,000 – £89,999 | 1 | 1 | - | - |
| £90,000 – £99,999 | 1 | 1 | 1 | 1 |
| £100,000 – £109,999 | 1 | 2 | - | - |
| £110,000 – £119,000 | 1 | - | - | - |
| £140,000 – £149,999 | - | 1 | - | - |
| £160,000 – £169,000 | 1 | - | - | - |

Pension contributions of £8,037 (2021: £7,803) were paid on behalf of the highest-paid employee in the Group. Pension contributions of £33,345 (2021: £27,094) 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, Chief Financial Officer, Head of Training and Resources, Head of Communications and, joining the senior management team (who are classed as key management personnel) on 12 September 2022, the Head of Policy and Programmes. The total employment benefits of the key management personnel of the charity for the year were £325,077 (2021: £285,659).

The key management personnel of the Group comprised the senior management team of the charity (as listed above) and the Board of five (2021: four) directors of the wholly-owned trading subsidiary, Bell Educational Services Ltd. The total employment benefits of the key management

personnel of Bell Educational Services Ltd for the year were £367,049 (2021: £323,688). The employee benefits of key management personnel of the Group were therefore £692,126 (2021: £609,347).

The highest-paid employee within the Group received emoluments of £162,317 (2021: £154,410). In 2022 and 2021, the highest-paid employee 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 £1,862 (2021: £1,251) were reimbursed during the year to six (2021: eight) Trustees.

Indemnity insurance premiums of £3,793 (2021: £5,314) 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 (2021: £0).

6. Analysis of resources expended

a) Activities for generating funds: language schools

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Direct cost of language education | 5,152 | 2,499 |
| Administrative expenditure | 4,109 | 3,849 |
| Depreciation of freehold buildings and related assets of language schools | 76 | 76 |
| Expenditure on raising funds | 9,337 | 6,424 |

Activities in 2022 included £0 of restricted expenditure (2021: £242,000).

b) Charitable activities

| | Grant funding | Programme delivery | Support costs (includes governance costs) | Total | Including restricted expenditure of |
|----------------------------|------------------|-----------------------|---|---------------|--|
| | 2022 £'000 | 2022 £'000 | 2022 £'000 | 2022 £'000 | 2022 £'000 |
| EAL Programme | - | 585 | 231 | 816 | - |
| Criminal Justice Programme | 345 | 94 | 115 | 554 | - |
| ESOL Programme | 42 | 93 | 115 | 250 | - |
| Total | 387 | 772 | 461 | 1,620 | - |

| | Grant funding | Programme delivery | Support costs (includes governance costs) | Total | Including restricted expenditure of |
|----------------------------|----------------------|---------------------------|---|--------------|--|
| | 2021 | 2021 | 2021 | 2021 | 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| EAL Programme | - | 576 | 274 | 850 | 18 |
| Criminal Justice Programme | 206 | 76 | 137 | 419 | - |
| ESOL Programme | 262 | 85 | 138 | 485 | 8 |
| Total | 468 | 737 | 549 | 1,754 | 26 |

c) Grants

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

| | Grant to institution | Grant to institution |
|--|-----------------------------|----------------------|
| | 2022 | 2021 |
| | £'000 | £'000 |
| Criminal Justice Programme | | |
| Harrow Law | 39 | 47 |
| Hibiscus Initiatives | 100 | 50 |
| Why me? | - | 113 |
| Greater Manchester Law Centre | 57 | 25 |
| Prison Advice and Care Trust | 137 | - |
| The Law Centre Network | 11 | - |
| The Institute for Criminal Policy Research (ICPR), Birkbeck College, University of London ¹⁸ | 1 | - |
| | 345 | 235 |
| Grants previously awarded not utilised: Victim Support | - | (29) |
| Criminal Justice Programme total grant commitments | 345 | 206 |
| ESOL Programme | | |
| East of England Local Government Association's Strategic Migration Partnership | 34 | 43 |
| Kent Refugee Action Network | - | 21 |
| Refugee Action | - | 110 |
| Refugee Education | 9 | 88 |
| | 43 | 262 |
| Grants previously awarded not utilised: Institute of Education (IoE), University College London | (1) | - |
| ESOL Programme total grant commitments | 42 | 262 |
| Total grant commitments | 387 | 468 |

¹⁸ This was an additional (and final) amount to the original grant commitment made in 2018.

Grant making support costs are included within the support costs detailed under 6b and are as summarised below:

| | Grants to institutions | Support costs | Total grant making costs | Grants to institutions | Support costs | Total grant making costs |
|------------------|------------------------|---------------|--------------------------|------------------------|---------------|--------------------------|
| | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Programme | | | | | | |
| Criminal Justice | 345 | 29 | 374 | 206 | 34 | 240 |
| ESOL | 42 | 29 | 71 | 262 | 34 | 296 |
| Total | 387 | 58 | 445 | 468 | 68 | 536 |

A correction has been made to the prior year support costs. In 2021 the support costs were stated as totalling £468,000 for 2021. This was a report pickup error with the note disclosing the total for grant commitments rather than support costs. The 2021 support cost figure in the table above has thus been corrected.

d) Analysis of governance and support costs

The charity initially identifies the costs of its support functions. These costs include the costs associated with governance. The total costs are then apportioned between the three charitable programmes. The table below sets out the basis for apportionment and the analysis of the support costs.

| | Programme | | | Total | Total | Basis of apportionment |
|----------------------|------------|------------------|------------|------------|-------|--------------------------|
| | EAL | Criminal Justice | ESOL | | | |
| | 2022 | 2022 | 2022 | 2022 | 2021 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | |
| Support costs | | | | | | |
| Salaries | 70 | 35 | 35 | 140 | 121 | Staff time |
| Governance | 97 | 49 | 48 | 194 | 322 | Staff time, actual costs |
| General office costs | 64 | 31 | 32 | 127 | 106 | Actual costs |
| Total | 231 | 115 | 115 | 461 | 549 | |

In 2021 and 2022, governance costs included the professional advice for the Trustees in support of amendments to the loan facility for the trading subsidiary, Bell Educational Services Ltd.

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

| | 2022 | 2021 |
|---|-------|-------|
| | £'000 | £'000 |
| Depreciation of tangible assets: owned | 255 | 270 |
| Amortisation of intangible fixed assets | 38 | 38 |
| Operating lease rentals: | | |
| - Other assets | 687 | 738 |
| External auditor's remuneration: | | |
| - Audit of the charity's financial statements | 29 | 28 |
| - Audit of the trading subsidiaries' financial statements | 26 | 25 |
| - Tax compliance services | 8 | 3 |

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 £0 (2021: £276,000) 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 | 2022 £'000 | 2021 £'000 |
|--|------|---------------------|---------------------|
| Analysis of tax charge in the year | | | |
| Current tax | | | |
| Corporate taxes on profit for the year | | 65 | 57 |
| Adjustment in respect of previous periods | | <u>(224)</u> | <u>(198)</u> |
| Total current tax | | (159) | (141) |
| Deferred tax: language schools | 14 | <u>-</u> | <u>-</u> |
| | | (159) | (141) |
| Deferred tax: charity | 14 | <u>-</u> | <u>(5)</u> |
| Total taxation on profit on ordinary activities | | <u>(159)</u> | <u>(146)</u> |

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

| | 2022 £'000 | 2021 £'000 |
|---|---------------------|---------------------|
| Profit from commercial activities before tax but after Gift Aid: | <u>(114)</u> | <u>(1,502)</u> |
| (Loss)/profit on ordinary activities at the standard rate of Corporation Tax in the UK of 19% (2021: 19%) | (22) | (285) |
| Effect of: | | |
| Expenses not deductible for tax purposes | 4 | 1 |
| Fixed asset timing differences | (9) | 36 |
| Group income | (72) | (49) |
| Adjustment from previous periods | (224) | (198) |
| Differences in overseas taxation rates | (13) | (23) |
| Short-term timing difference | 1 | - |
| Deferred tax asset not recognised | <u>176</u> | <u>372</u> |
| Total taxation on profit on ordinary activities | <u>(159)</u> | <u>(146)</u> |

8. Intangible and tangible fixed assets

a) Intangible fixed assets

| | Group | | | Charity | | |
|--------------------------|-------------------|--------------------------------|----------------|-------------------|--------------------------------|----------------|
| | Software £'000 | Course development £'000 | Total £'000 | Software £'000 | Course development £'000 | Total £'000 |
| Cost or valuation | | | | | | |
| 1 January 2022 | 86 | 84 | 170 | 56 | 84 | 140 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| 31 December 2022 | 86 | 84 | 170 | 56 | 84 | 140 |
| Amortisation | | | | | | |
| 1 January 2022 | 30 | 17 | 47 | 15 | 17 | 32 |
| Additions | 21 | 17 | 38 | 11 | 17 | 28 |
| Disposals | - | - | - | - | - | - |
| 31 December 2022 | 51 | 34 | 85 | 26 | 34 | 60 |
| Net book value | | | | | | |
| 31 December 2021 | 56 | 67 | 123 | 41 | 67 | 108 |
| 31 December 2022 | 35 | 50 | 85 | 30 | 50 | 80 |

b) Tangible fixed assets

| | Group | | | Charity | |
|---------------------------------|--|--|----------------|--|----------------|
| | Freehold land and buildings £'000 | Fixtures, fittings, and equipment £'000 | Total £'000 | Freehold land and buildings £'000 | Total £'000 |
| Cost or valuation | | | | | |
| 1 January 2022 | 11,023 | 2,300 | 13,323 | 11,023 | 11,023 |
| Additions | - | 153 | 153 | - | - |
| Foreign exchange changes | - | 14 | 14 | - | - |
| Disposals | - | - | - | - | - |
| 31 December 2022 | 11,023 | 2,467 | 13,490 | 11,023 | 11,023 |
| Accumulated depreciation | | | | | |
| 1 January 2022 | 293 | 1,804 | 2,097 | 293 | 293 |
| Provided for the year | 147 | 108 | 255 | 147 | 147 |
| Foreign exchange changes | - | 13 | 13 | - | - |
| Disposals | - | - | - | - | - |
| 31 December 2022 | 440 | 1,925 | 2,365 | 440 | 440 |
| Net book value | | | | | |
| 31 December 2021 | 10,730 | 496 | 11,226 | 10,730 | 10,730 |
| 31 December 2022 | 10,583 | 542 | 11,125 | 10,583 | 10,583 |

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. The Trustees ordinarily seek updated valuations every five years with the next scheduled valuation of freehold buildings due at the end of 2024.

Trustees have considered, given the past disruption associated with the global pandemic, whether this might temporarily affect the ordinary operation of the market for specialist assets such as the land and educational buildings owned by the charity. Discussion with the Foundation's property advisors in 2020 and again in 2021 did not indicate that there was any reason to believe that knowledgeable, willing parties acting reasonably in an arm's length transaction, would pay materially less for this property in 2020 or 2021 than they would have paid on 31 December 2019. There have been no other external events during 2022 to reasonably believe this view would be different and accordingly Trustees have made no impairment to the asset value.

The historical cost net book value (cost less depreciation) of the freehold land and buildings is £5,551,414 (2021: £5,696,836). Depreciation is provided for on freehold buildings at valuation in accordance with FRS102.

9. Investments

a) Group and charity investments

| Group | Note | Listed investments 2022 £'000 | Listed investments 2021 £'000 |
|------------------------------------|------|--|--|
| Market value at 1 January | | 26,944 | 23,539 |
| Additions | | 4,514 | 3,272 |
| Disposals | | (5,002) | (3,747) |
| Revaluations | 9c | (2,714) | 3,367 |
| Cash movements | | (180) | 513 |
| Market value at 31 December | | 23,562 | 26,944 |

| Charity | Note | Investment in subsidiary company 2022 £'000 | Listed investments 2022 £'000 | Total investments 2022 £'000 | Total investments 2021 £'000 |
|--|------|---|--|---------------------------------------|---------------------------------------|
| Cost or market value at 1 January | | 2,000 | 26,944 | 28,944 | 25,539 |
| Additions | | - | 4,514 | 4,514 | 3,272 |
| Disposals | | - | (5,002) | (5,002) | (3,747) |
| Revaluations | 9c | - | (2,714) | (2,714) | 3,367 |
| Cash movements | | - | (180) | (180) | 513 |
| Cost or market value at 31 December | | 2,000 | 23,562 | 25,562 | 28,944 |

Listed investments at fair value comprised:

| Group | Listed investments 2022 £'000 | Listed investments 2021 £'000 |
|------------------------------------|--|--|
| Property and infrastructure | 1,305 | 1,298 |
| Equities | 19,318 | 22,985 |
| Fixed interest | 2,314 | 1,856 |
| Cash | 625 | 805 |
| Market value at 31 December | 23,562 | 26,944 |

Investment manager fees in the year totalled £122,000 (2021: £127,000).

b) Group companies

| Group company name | Country of incorporation /registration | Class of shares held | Holding | Nature of business | Year end |
|---|---|---------------------------------|----------------|-------------------------------|-----------------|
| Bell Educational Services Ltd Company number 07169627 | UK | Ordinary | 100% | Language school | 31 December |
| Bell Switzerland SA * Company number CHE 103.199.737 | Switzerland | Ordinary | 100% | Language school | 31 December |

* Owned by Bell Educational Services Ltd

The assets, liabilities, and funds at the end of the year for the subsidiary companies are as follows:

| | Assets | | Liabilities | | Net Assets/ (Liabilities) | |
|-------------------------------|-----------------------|---------------|-----------------------|---------------|--------------------------------------|---------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Bell Educational Services Ltd | 4,658 | 3,402 | 5,006 | 3,448 | (348) | (46) |
| Bell Switzerland SA | 1,977 | 1,805 | 1,343 | 1,193 | 634 | 612 |

Turnover, expenditure, and the (loss)/profit (2021: (loss)/profit) for the year for the subsidiary companies are as follows:

| | Turnover | | Expenditure | | (Loss)/profit for the year | |
|-------------------------------|-----------------------|---------------|-----------------------|---------------|---------------------------------------|---------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Bell Educational Services Ltd | 6,082 | 1,661 | 7190 | 4,148 | (302) | (1,699) |
| Bell Switzerland SA | 3,468 | 3,240 | 3,059 | 2,879 | 347 | 362 |

The result for the year for Bell Educational Trust Ltd includes a dividend of £378,000 (2021: £254,000) from Bell Switzerland SA.

As noted in the earlier Financial Review and Results section, the UK trading subsidiary was severely impacted by the global pandemic. Consequentially, the Trustees have considered whether the carrying value of Bell Educational Services Ltd continues to remain appropriate. The carrying value in the charity of the trading subsidiary, Bell Educational Services Ltd, is £2,000,000.

The global pandemic adversely impacted the subsidiary's trading over three years, 2020 to 2022, resulting in negative net assets of £348,000. The deterioration of the subsidiary's net asset value is reasonably considered to be temporary with evidence of a gradual return of trading in 2022 and forecasts set to further improve through 2023 and back to pre-pandemic levels in 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 of £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 per cent shareholding in Bell Switzerland SA), and future income expectations, and as such no impairment to the value has been made.

c) Net investment (losses)/gains

| | 2022 | 2021 |
|--|----------------|-------|
| | £'000 | £'000 |
| Realised (losses)/gains on investments | (544) | 161 |
| Unrealised gains/(losses) on investments | (2,714) | 3,367 |
| | (3,258) | 3,528 |
| Overage gain/(loss) | - | 14 |
| | (3,258) | 3,542 |

The 2021 overage gain of £14,000 represented the final adjustment upon completion of calculations on the receipt of overage.

10. Investment income

| | 2022 | 2021 |
|--|--------------|-------|
| | £'000 | £'000 |
| Interest receivable on interest-bearing deposit accounts | 76 | 18 |
| Dividends | 396 | 399 |
| | 472 | 417 |

11. Debtors

| | Group | | Charity | |
|-------------------------------------|--------------|-------|----------------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Fees receivable | 677 | 414 | 2 | 1 |
| Sundry debtors | 499 | 266 | 300 | 49 |
| Prepayments and accrued income | 507 | 329 | 12 | 15 |
| Corporate Tax | 68 | - | - | - |
| Amounts due from Group undertakings | - | - | 1,320 | 914 |
| | 1,751 | 1,009 | 1,634 | 979 |

Debtors for the Group include £0 (2021: £0) due in more than one year.

Debtors for the Charity include £1,300,000 (2021: £900,000) representing the loan to Bell Educational Services Ltd which is due in more than one year.

12. Creditors: amounts falling due within one year

| | Group | | Charity | |
|--|--------------|--------------|----------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Fees received in advance | 3,554 | 2,333 | - | - |
| Trade creditors | 602 | 443 | 18 | 21 |
| Amounts owed to Group undertakings | - | - | 227 | 7 |
| Taxation and social security costs | 109 | 92 | 23 | 22 |
| Corporate Tax | - | 14 | - | - |
| Other creditors | 199 | 183 | - | - |
| Grants payable (see below) | 472 | 360 | 472 | 360 |
| Accruals and deferred income (see below) | 679 | 776 | 266 | 229 |
| | 5,615 | 4,201 | 1,006 | 639 |

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

| | Note | 2022 | 2021 |
|--|-------------|--------------|--------------|
| | | £'000 | £'000 |
| Amounts outstanding at 1 January | | 437 | 311 |
| Grants approved | | 388 | 497 |
| Grants not utilised | | (1) | (29) |
| Grants paid | | (276) | (342) |
| Amounts outstanding at 31 December | | 548 | 437 |
| Split as follows: | | | |
| Amounts falling due within one year | | 472 | 360 |
| Amounts falling due after more than one year | 13 | 76 | 77 |
| | | 548 | 437 |

The following table shows the reconciliation of deferred income, including fees received in advance, during the year.

| | Group | | Charity | |
|--|----------------|--------------|----------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Deferred income and fees received in advance at 1 January | 2,374 | 2,025 | 143 | 141 |
| Foreign exchange changes | 92 | (18) | - | - |
| Resources deferred during the year | 3,418 | 2,110 | 714 | 561 |
| Amounts released from previous periods | (2,265) | (1,743) | (678) | (559) |
| Deferred income and fees received in advance at 31 December | 3,619 | 2,374 | 179 | 143 |

The charity receives lease rentals in advance of the period to which they relate; 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

| | Note | Group | | Charity | |
|----------------|------|---------------|---------------|---------------|---------------|
| | | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Grants payable | 12 | 76 | 77 | 76 | 77 |

14. Deferred taxation

As at 31 December 2022 the trading subsidiary, Bell Educational Services Ltd, had tax losses net of other taxable timing differences of circa £2,400,000 (2021: £2,800,000) available to potentially offset against future taxable profits. A deferred tax asset of £609,000 (2021: £711,000) has not been recognised in respect of these losses as at 31 December 2022 as it is not sufficiently certain that the Bell Educational Services Ltd will generate taxable profits in the foreseeable future.

15. Statement of funds

| Group | Unrestricted funds | | | | Restricted funds | Total funds |
|--|--------------------|-----------------|---------------|--------------------------|------------------|---------------|
| | Income fund | Designated fund | Capital fund | Foreign exchange reserve | | |
| | 2022 £'000 | 2022 £'000 | 2022 £'000 | 2022 £'000 | 2022 £'000 | 2022 £'000 |
| At 1 January | (1,892) | - | 45,705 | 38 | - | 43,851 |
| Incoming resources | 10,083 | - | - | - | - | 10,083 |
| Resources expended | (10,920) | - | - | - | - | (10,920) |
| Transfers between funds | 553 | 3,400 | (3,953) | - | - | - |
| Investment losses Note 9c | - | - | (3,258) | - | - | (3,258) |
| Change in net value of investment in overseas subsidiary due to the movement in exchange rates | 43 | - | - | 10 | - | 53 |
| At 31 December | (2,133) | 3,400 | 38,494 | 48 | - | 39,809 |

| Charity | Unrestricted funds | | | Restricted funds | Total funds |
|-----------------------------------|--------------------|-----------------|---------------|------------------|---------------|
| | Income fund | Designated fund | Capital fund | | |
| | 2022 £'000 | 2022 £'000 | 2022 £'000 | 2022 £'000 | 2022 £'000 |
| At 1 January | 6 | - | 46,180 | - | 46,186 |
| Incoming resources | 1,370 | - | - | - | 1,370 |
| Resources expended | (1,975) | - | - | - | (1,975) |
| Transfers between funds | 600 | 3,400 | (4,000) | - | - |
| Investment (losses)/gains Note 9c | - | - | (3,258) | - | (3,258) |
| At 31 December | 1 | 3,400 | 38,922 | - | 42,323 |

| | Unrestricted funds | | | | Restricted funds | Total funds |
|--|--------------------|-----------------|---------------|--------------------------|------------------|----------------|
| | Income fund | Designated fund | Capital fund | Foreign exchange reserve | | |
| Group comparative year | 2021 | 2021 | 2021 | 2021 | 2021 | 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January | (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 net value of investment in overseas subsidiary due to the movement in exchange rates | (11) | - | - | 4 | - | (7) |
| At 31 December | (1,892) | - | 45,705 | 38 | - | 43,851 |

| | Unrestricted funds | | | Restricted funds | Total funds |
|---------------------------------|--------------------|-----------------|---------------|------------------|----------------|
| | Income fund | Designated fund | Capital fund | | |
| Charity comparative year | 2021 | 2021 | 2021 | 2021 | 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 January | (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 |
| At 31 December | 6 | - | 46,180 | - | 46,186 |

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

As noted on page 22, the Designated Fund ensures sufficient funding to finance the Foundation's rolling five-year plans with an allowance for reasonable contingencies.

The Capital Fund represents the cost of assets held for investment purposes and the long-term sustainability of the Foundation, and includes the statutory revaluation reserve and a balance of uninvested cash.

The Restricted Funds shown in the comparative year, 2021, were funds which were held and utilised for specific purposes in connection with the EAL and ESOL Programmes.

16. Analysis of net assets between funds

Fund balances as at 31 December 2022 are represented by:

| Group | Unrestricted funds | | | | Restricted funds | Total funds |
|--|--------------------|-----------------|---------------|--------------------------|------------------|---------------|
| | Income fund | Designated fund | Capital fund | Foreign exchange reserve | | |
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Intangible assets | 85 | - | - | - | - | 85 |
| Tangible fixed assets | - | - | 11,125 | - | - | 11,125 |
| Investments | - | - | 23,562 | - | - | 23,562 |
| Net current assets | (2,142) | 3,400 | 3,807 | 48 | - | 5,113 |
| Creditors due after more than one year | (76) | - | - | - | - | (76) |
| Total net assets | (2,133) | 3,400 | 38,494 | 48 | - | 39,809 |

| Charity | Unrestricted funds | | | Restricted funds | Total funds |
|--|--------------------|-----------------|---------------|------------------|---------------|
| | Income fund | Designated fund | Capital fund | | |
| | 2022 | 2022 | 2022 | 2022 | 2022 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Intangible assets | 80 | - | - | - | 80 |
| Tangible fixed assets | - | - | 10,583 | - | 10,583 |
| Investments | - | - | 25,562 | - | 25,562 |
| Net current assets | (3) | 3,400 | 2,777 | - | 6,174 |
| Creditors due after more than one year | (76) | - | - | - | (76) |
| Total net assets | 1 | 3,400 | 38,922 | - | 42,323 |

As set out in the Reserves Policy commentary on page 22, the designated fund is represented by a portion of the Foundation's uninvested cash balances (which are recorded within net assets) and is set at a level to support the five-year financial plans of the Foundation.

Fund balances as at 31 December 2021 were represented by:

| Group comparative year | Unrestricted funds | | | | Restricted funds | Total funds |
|--|--------------------|-----------------|---------------|--------------------------|------------------|---------------|
| | Income fund | Designated fund | Capital fund | Foreign exchange reserve | | |
| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 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 |

| | Unrestricted funds | | | Restricted funds | Total funds |
|--|--------------------|-----------------|---------------|------------------|---------------|
| | Income fund | Designated fund | Capital fund | | |
| Charity comparative year | 2021 | 2021 | 2021 | 2021 | 2021 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| 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 |

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

| | Note | 2022 | 2021 |
|--|------|----------------|---------|
| | | £'000 | £'000 |
| Net (expenditure)/income for the year | | (4,042) | 1,086 |
| Adjustments for: | | | |
| Depreciation of tangible fixed assets | | 255 | 270 |
| Amortisation of intangible fixed assets | | 38 | 38 |
| Losses/(gains) on investments | 9c | 3,258 | (3,528) |
| Interest received | | (472) | (417) |
| (Increase)/decrease in debtors | | (742) | 1,772 |
| Increase/(decrease) in creditors and deferred income | | 1,413 | 249 |
| Other non-cash changes | | 123 | (158) |
| Net cash (outflow)/inflow from operating activities | | (169) | (688) |

A correction has been made to the prior year decrease in debtors and increase in creditors. In 2021 the debtor decrease, and creditor increase, had been disclosed as being £1,631,000 and £390,000 respectively. These movements did not reflect a classification update of an underlying item between debtors and creditors prior to the accounts being finalised resulting. The 2021 figures in the table above have thus been corrected.

18. Analysis of cash and cash equivalents

| | Group | | Charity | |
|--|--------------|-------|--------------|-------|
| | 2022 | 2021 | 2022 | 2021 |
| | £'000 | £'000 | £'000 | £'000 |
| Cash at bank and in hand | 8,977 | 8,827 | 5,546 | 6,141 |
| Total cash and cash equivalents | 8,977 | 8,827 | 5,546 | 6,141 |

19. Analysis of changes in net debt

| Group | At 1 January 2022 £'000 | Cash flows 2022 £'000 | Other non- cash changes 2022 £'000 | At 31 December 2022 £'000 |
|--------------------------|--|--------------------------------------|---|--|
| Cash at bank and in hand | 8,827 | 150 | - | 8,977 |
| Total | 8,827 | 150 | - | 8,977 |

20. Commitments under operating leases

| | Land and buildings 2022 £'000 | 2021 £'000 | Other 2022 £'000 | 2021 £'000 |
|-------------------------|--|-----------------------|---------------------------------|-----------------------|
| Within one year | 1,074 | 787 | 54 | 46 |
| In two to five years | 1,597 | 395 | 97 | 54 |
| In more than five years | - | 767 | - | 2 |
| Total | 2,671 | 1,949 | 151 | 102 |

21. Capital commitments

| | Group | | Charity | |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2022 £'000 | 2021 £'000 | 2022 £'000 | 2021 £'000 |
| Capital expenditure contracted but not provided | - | 1 | - | - |

22. Related party disclosures

There were no related party transactions in 2022 or 2021 with Trustees.

In 2022, 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 £705,000 (2021: £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 £87,044 being paid to the charity (2021: £42,523).
- Drawdowns and prepayments made from and to the Revolving Credit Facility (loan) by Bell Educational Services Ltd resulted in a net drawdown in the year of £400,000 (2021: £900,000).
- Reimbursement to Bell Educational Services Ltd for the group relief of tax losses, £223,639 (2021: £0).
- Interest received by the charity from Bell Educational Services Ltd in respect of the Revolving Credit Facility (loan) £46,372 (2021: £15,220).
- Provision under an agreement of premises and other support services by Bell Educational Services Ltd to the charity £89,233 (2021: £82,228), and
- Recharge of costs incurred on behalf of Bell Educational Services Ltd by the charity £12,083 (2021: £12,439).

In respect of the above transactions, a net £1,092,580 was due to the charity at 31 December 2022 (2021: £914,012 due to the charity). The net figure includes £1,300,000 (2021: £900,000) which 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 per cent shareholding in Bell Switzerland SA. The facility is set on commercial terms and, as at 31 December 2022, carried an end date of 31 December 2023. As noted on page 21, on 30 November 2022 Trustees agreed to an extension of the facility to 31 July 2024. The documentation to record the amendments to the facility was completed on 24 February 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 above and within the Financial Review and Results section, 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 a seven-month extension to the end date of the facility from 31 December 2023 to 31 July 2024. This was agreed by Trustees on 30 November 2022 with the documentation completed on 24 February 2023.

The balance has increased slightly since the year end following a combination of prepayments and drawdowns made by Bell Educational Services Ltd against the facility. The balance on the loan facility is thus £1,350,000 at the date of signing these accounts.

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 (up to 17 May 2023)

Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London EC4M 8BU (from 17 May 2023)

Business Advisors

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

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