

Registered number: 05120951
Charity number: 1108792

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

ENGLISH UK LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Charity, its Trustees and advisers	1
Chairman's statement	2
Trustees' report	3 - 14
Independent auditor's report on the financial statements	15 - 18
Consolidated statement of financial activities	19
Consolidated balance sheet	20
Charity balance sheet	21
Consolidated statement of cash flows	22
Notes to the financial statements	23 - 47

ENGLISH UK LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Trustees	S Phillips, Chair until 22 May 2021 M Rendell, Vice Chair until 22 May 2021, Chair from 22 May 2021 S Doherty, Vice Chair from 22 May 2021 J Brinkmann J Brown T Cooke J Dancaster F Davis C Diamantino S Etchells S Fordham C Moonie N Paramor F Quaraishi S Roussounis P Zhang
Company registered number	05120951
Charity registered number	1108792
Registered office	Flag House 47 Brunswick Court London SE1 3LH
Company secretary	Nuria Felip-Puignou
Chief Executive Officer	J Gray
Director of Membership	H Japes
Marketing Communications Director	A Wright
Finance Manager	N Felip Puignou
Independent auditor	Buzzacott LLP Statutory Auditor 130 Wood Street London EC2V 6DL
Bankers	National Westminster Bank plc PO Box 2354 65 Picadilly London W1A 2PP

ENGLISH UK LIMITED
(A company limited by guarantee)

CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Chairman presents his statement for the year.

Pre-Covid-19, the UK was the dominant player in the global ELT industry, attracting almost twice as many international students as any of our English-speaking competitors. UK ELT injected £1.4bn into the national economy annually, supported 35,000 jobs, underpinned our £20bn international education sector, and built positive relations between the UK and the rest of the world.

We welcomed 550,000 students annually, the majority teenagers and children and around half from Europe. A VisitBritain survey published in 2019 put those numbers even higher, discovering our students spent twice as much and stayed three times as long as other inbound travellers.

Our students are keen to learn English, to advance their education and careers, to experience all the UK has to offer. Pre-pandemic, our ELT centre members were thriving, profitable businesses. They have shown immense resilience over the past two years: 85% have survived despite having little income since the summer peak of 2019.

However, the pandemic is not over yet for English UK and the UK ELT sector. ELT centres, predominantly SMEs, are running on empty because Covid-19 has had such a severe impact on our sector. It prevented our students from reaching us for most of 2020 and 2021, leaving our classrooms empty and slashing income by over 80%.

Our latest market intelligence indicates that the impact of the pandemic was even greater in 2021 than in 2020 with a 75% reduction in student volume compared to 2019.

Additionally, the immigration system has changed for our biggest markets during the pandemic, and many travellers may instead choose competitor destinations offering work rights and no need for passports.

English UK is an association of members, run by its members and for its members. The financial performance of English UK is pegged to student volume and the fate of the sector. We have taken all the necessary management actions to safeguard the future of our association. The trustees and executive work for the members. They share in their heartbreak at the plight of UK ELT. They also share in their determination to survive and recover.

Throughout the pandemic, English UK and the UK ELT sector has been planning and working for recovery. Our aim is to not just survive but thrive and build our industry back better. We have strategic plans for recovery and growth and are embracing partnerships with government departments and others to help us maximise every opportunity.

At this critical juncture for English UK and the sector, we are proud to have published UK ELT's first antiracism and environmental action plans. We are also heartened to know that so many members feel passionately about the association and stepped forward as candidates in the hotly contested 2021 board election.

Demand to study English in the UK remains high and we expect our students to return now that travel restrictions have eased, and confidence rises.

To those who have served on our boards, committees and advisory groups, and to the English UK executive team: thank you for your work, generous support and advice in these most challenging of times.

We feel certain that with so much enthusiasm for this association, for this community that is English UK, we can come out of this crisis changed for the better.

Chairman

Date: 27 April 2022

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The Trustees present their annual report together with the audited financial statements of the Group and Charity for the year 1 January 2021 to 31 December 2021. English UK wholly owns the £1 issued share capital of English UK Enterprises Limited (Company No. 05200973), which carries out the charity's commercial operations.

The Annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

The reference and administrative information set out on page 1 forms part of this report.

Structure, governance and management

Constitution

English UK is a company limited by guarantee (Company No. 05120951) and a registered charity (Charity No. 1108792). The company was incorporated on 6 May 2004 and its governing documents are the Memorandum and Articles of Association. The company registered as a charity with the Charity Commission on 1 April 2005.

Trustees

The Trustees of the charity constitute directors of the company for the purposes of company law. This report is also a directors' report as required by Section 234 of the Companies Act 2006. The Articles provide for a maximum of 12 directors, elected by the representatives of member centres in a postal ballot.

The following Trustees have served throughout the year to 31 December 2021, and to the date of signing this report, except as shown:

Trustees	Appointed/resigned
S Phillips (Chair until 22 May 2021)	
M Rendell (Vice Chair until 22 May 2021, Chair from 22 May 2021)	
S Doherty (Vice Chair from 22 May 2021)	
J Brinkmann	Resigned 21 May 2021
J Brown	Appointed 21 May 2021
T Cooke	Appointed 21 May 2021
J Dancaster	
F Davis	Resigned 21 May 2021
C Diamantino	
S Etchells	
S Fordham	
N Paramor	
F Quraishi	Appointed 10 November 2021
S Roussounis	Appointed 21 May 2021
E Tyler	Resigned 8 February 2021
P Zhang	Appointed 21 May 2021

The Board of Trustees is recruited from the representatives of member centres by open election. The Chair and the Vice-Chair are appointed by the Board from among its number. Since board members have almost always been the representatives of member centres for a significant number of years and are therefore familiar with the sector and current issues, induction after a board election focuses on their role and responsibilities as trustees and directors, and an update on the charity's strategy, policies and current issues.

Trustees are elected by the member centres. Trustees' terms of appointment are for a period of three years at the end of which they may offer themselves for re-election. A maximum term of six years (save for the Chair which is nine years) is stipulated in the governing documents. The board consists of a maximum of 12 members.

The Board of Trustees met four times in 2021 (2020 - four).

Subsidiary companies

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Structure, governance and management (continued)

English UK wholly owns the £1 issued share capital of English UK Enterprises Limited (Company No. 05200973), which carries out the charity's commercial operations. The Board of English UK Enterprises Limited is appointed by the Board of Trustees of the charity and gives guidance to staff on commercial activities, primarily through the CEO.

National and Regional Sub-Groups and Special Interest Groups

These operate under a short constitution approved by the Board and their activities are controlled by their local committee, which is elected from among the members in that part of the UK. The activities range from marketing initiatives to local training and professional development sessions for centre staff, in response to perceived needs among members of the sub-group. There are also two special interest groups, one for Business English and one for Young Learners, which consider matters specific to those client groups.

The activities and assets of the sub-groups and special interest groups are not consolidated within the charity's financial statements as English UK does not control them. The total transactions of the sub-groups would not be material in the context of the charity's accounts, and there are systems in place to minimise the risk of any contingent liability from the sub-groups falling to the national association and charity.

Pay policy for key management personnel

The key management personnel of the charity are the Trustees and the members of the Executive Team referred to on page 1. Trustees are not remunerated for their services to the charity. When setting staff remuneration levels terms agreed are in consultation with the Chair (and/or Chief Executive) and have regard to pay and employment conditions across the group, by obtaining reliable, up-to-date information about remuneration in other companies of comparable scale and complexity from the relevant HR consultants that we work with including reports and surveys produced by them. The charity has a performance measurement system in place to provide key performance indicators, as well as to motivate and develop staff.

Organisation

There is a full scheme of delegation of powers, covering both policy and financial responsibilities, agreed by the main Board.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the 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 Group and the Charity and of their income and expenditure 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 of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group and the Charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Charity 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 Group and the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of financial information included on the charity's website.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Statement of Trustees' responsibilities (CONTINUED)

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Objectives and activities

Our mission and aims

English UK is the national membership association of accredited English language teaching centres in the UK. We are a registered charity with a clearly defined purpose documented in the association's charitable objects.

The charity's objects (the Objects) are to advance the education of international students in the English language, in particular by:

1. Promoting the teaching of the English language.
2. Promoting the pursuit of excellence in professional standards in all aspects of the provision of courses in English Language.
3. Maintaining a rigorous system of accreditation of courses in English language, based upon independent inspection and consistent standards.
4. Promoting the accredited courses in the English language provided by members of the charity as the preferred choice of students.

Our mission is to harness the collective energy of our membership to champion and advance UK ELT.

Our vision is for a UK English language teaching sector that transforms lives through learning and intercultural understanding.

Our values: community, inclusivity, integrity, responsibility, sustainability.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance

Main achievements of the Charity

From early 2020, the impact of Covid-19 on English UK and UK ELT was unexpected and unprecedented. Our impact report, published in March 2021, found an estimated £590m overall loss in gross revenue in 2020 for the English UK membership with 91% of UK ELT jobs affected.

Our most recent Student Statistics report, published in May 2021, covers the first year of the pandemic and found an 83.6% drop in student numbers and a 71.1% drop in student weeks. Our latest data indicates that student numbers and student weeks in 2021 were equally if not further reduced.

English UK's fate as a charity and association is inextricably linked to that of our members and UK ELT. English UK is an association of members, run by its members and for its members.

We pivoted English UK's focus and adapted the association's strategy in response to the impact of the pandemic. Our aim was and continues to be to support English UK members through the crisis and to maximise the recovery of the UK ELT sector.

Our Covid-19 response and recovery strategy has been guided by six principles:

1. Agility: listen, understand and respond to the sectors' needs
2. Knowledge: provide expert advice and information sharing
3. Representation: lobby for fiscal and regulatory support from the UK Government in response to the crisis and through recovery
4. Community of peers: facilitate peer-to-peer networking and support
5. Global engagement: support the international market to maximise recovery
6. Balance: manage financial risk for the association while continuing to offer a critical service to members.

We have applied these principles across our five pillars of activity – quality, membership, intelligence, promotion and public affairs.

Quality

To support, develop and promote the quality of UK ELT to maximise the student experience and sustain our reputation.

- We will ensure the accreditation of UK ELT is fit for purpose in the Covid-19 context.
- We will support the industry with expert guidance and consultancy.
- We will support members through the development and sharing of guidance on how to operate safely in the context of Covid-19.
- We will provide Student Emergency Support in the event of the permanent closure of a British Council accredited ELT centre.
- We will operate the student complaints procedure, presided over by an independent Ombudsman, upholding the highest possible ethical and legal standards.

In English UK's role as partner with the British Council in the Accreditation UK scheme, and through the governance mechanisms of the Accreditation UK Executive Board and Accreditation Scheme Advisory Committee, we continued to ensure that the scheme adapted in response to Covid-19. These responses included reducing annual fees, increasing flexibility within the scheme for centres with low student numbers, developing a voluntary Code of Practice for online teaching, progressing with remote inspections, developing the concept of provisional accreditation and reviewing the status of centres undergoing financial restructuring/liquidation.

We provided critical updates to members on Covid-19 via the Covid-19 hub on our website, email bulletins, social media posts and regular (bi-weekly) membership updates and Q&A webinars. In 2021, we circulated 23 Covid-19 e-bulletins and held 32 'Friday Q&As' attended by 1,400+ members.

The low number of students studying English in the UK in 2021 limited calls on the Student Emergency Support scheme to just eight students, with no significant financial impact on the fund.

The executive team handled 23 complaints through the English UK student complaints process, of which nine went to the Ombudsman for final judgement in 2021.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Membership

To serve all our members by building a proactive, responsive and sustainable membership association.

- We will offer support and advice to members and listen to their needs through informal 1:1 consultations, townhall style Q&A webinars and advisory groups.
- We will reflect the financial hardship of members by offering the highest possible value membership fees and flexible payment plans wherever possible.
- We will maximise the association's role as a community of peers by facilitating networking and discussion between members through digital, hybrid and face-to-face channels when safe to do so.
- We will support and amplify the work of the English UK subgroups.

Despite losing 70-80% of their customers in 2020 and 2021, so far less than 15% of English UK member centres have closed their doors permanently due to the pandemic. While each of these closures is heart-breaking, the fact that this number is not higher is testament to the strength of the market before the pandemic – 2019 was a growth year for UK ELT - and the dedication of all members to the future of their organisations and international education.

We ended 2021 with 345 member centres and 37 corporate members. These numbers include 10 new member centres and two new corporate members whom we welcomed to the association in 2021.

Considering the extraordinary pressure that the Covid-19 pandemic has placed on the UK ELT industry, the English UK Board of Trustees carefully reviewed membership fees for 2021, freezing basic subscriptions at 2019 levels, recognising that supplementary subscriptions (pegged to 2020 student volume) would be very much reduced. The English UK executive team continued to work with individual members, offering flexible payment plans over ten months or more wherever possible.

We continued to hold regular online membership updates and Q&As (weekly moving to bi-weekly later in the year) for members with English UK's executive team, attracting 50 – 100 participants each week. These included virtual, informal 'coffee mornings' immediately after the webinars, allowing members to share experiences with each other.

We posted 93 news stories on our website, sharing association updates with members. We engaged further with members and the wider sector via 733 posts to our 52,000 social media followers.

In May 2021, we were proud to hold our first hybrid Members' Conference and AGM, with 80% of our 223 delegates joining from their desks across the UK. For those in the venue, it was the first opportunity for members to meet face-to-face as an association since the start of the pandemic.

We are grateful to the 35+ members who volunteer their time to serve on our subsidiary boards and advisory panels that met regularly through 2021 to discuss critical issues, devise key strategies and advise the executive team: the Enterprises Board, Finance Panel, Professional Development Advisory Group, External Relations Advisory Group and Governance Task & Finish Group. We are also grateful to the many members who lead the vital network of our ten English UK subgroups: Young Learners, Scotland, Northern Ireland, Wales, Central, East, London, North, South and South West.

To ensure the strength and sustainability of our association and community for the future, we have embarked on several transformative projects in 2021: a root and branch governance review and our antiracism and environmental action plans.

We established a governance task & finish group in autumn 2021 to undertake a thorough review of the association's constitution and make recommendations to the board and wider membership ahead of the 2022 AGM. The association and membership have changed significantly since the establishment of English UK in 2004. The impact of Covid-19 has accelerated some existing trends and introduced new challenges. The scope of the review includes questions of where power, authority and responsibility sit in the relationship between the membership and the Board of Trustees.

English UK's antiracism plan 'Becoming antiracist: promoting a fairer, more inclusive and equitable UK ELT sector', published in July 2021, is part of our commitment to creating a fairer, safer and better industry for everyone. The plan outlines our antiracist commitment, approach, vision and strategic aims. Following the publication of this plan, our two initial actions included the setting up of an antiracism action group and English UK's first diversity and inclusion survey.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Membership (continued)

'Turning green: an environmental action plan for the UK ELT sector', published right on the cusp of 2022, is English UK's first environmental action plan. The plan acknowledges that English UK and the UK ELT sector can and must join the international movement for climate action and help protect our planet and our future.

The plan looks both at the direct action we can take, like reducing English UK's emissions, and how we can use our platform to encourage and support environmental action across the UK ELT sector.

Intelligence

To build a comprehensive knowledge base which helps us and our members to make evidence-informed decisions backed by robust insight and data.

- We will own the most authoritative data on the UK ELT industry, conducting snapshot and longitudinal studies of the impact of Covid-19 and post-pandemic recovery trends (including annual student statistics and QUIC).
- We will research specific markets to investigate business opportunities for members and how these have been impacted by Covid-19.
- We will provide expert advice, information sharing and training through digital, hybrid and face-to-face channels.
- We will innovate and reflect the financial hardship of members by offering high value training and conferences focussing on essential content for the Covid-19 operating environment and mandatory qualifications (i.e. safeguarding).
- We will leverage our position as a thought leader by commercialising our training for non-members (i.e. international DELTM).

Our Quarterly Intelligence Cohort (QUIC) provides in-depth analysis of the UK ELT industry's source markets on a quarterly basis. Due to the continued impact of Covid-19 on the sector, we ran a modified edition of the QUIC scheme for 2021 at a reduced subscription rate. QUIC participants declared their Q1, Q2 and Q3 2021 data in November and their Q4 data in January 2022. In addition to the datasets, participants received a tutorial on how to make effective use of the pivot tables and benefitted from new research exploring the extent to which standalone online products have developed.

To support our members with robust and sophisticated market intelligence, we produce an annual report looking at trends in UK ELT by student weeks, numbers and world source markets. All English UK members submit their data annually. We published the 2021 edition of this report in May 2021.

In June 2021, we published a market report on Europe: 'Europe Future Outlook - Europe as a source market for UK ELT in 2021 and beyond'. Europe Future Outlook was a joint research initiative, produced in collaboration with the British Council and published exclusively for British Council accredited ELT providers. The research was conducted by our insight partner BONARD.

BONARD was commissioned to assess the emerging needs of European students and study travel agents to outline a range of practical recommendations for increased engagement in the post-Brexit and post-pandemic world.

We ran a successful international DELTM course for 18 participants in China via online channels in 2021 and are about to kick off with another cohort in 2022.

Through online and face-to-face means, we held three successful conferences in 2021: the ELT Conference (online) attracting 500+ registrations; the Get Ready for Summer festival (online) for 205 delegates; the English UK Marketing Conference (face-to-face) for 140 delegates.

With the return of students to our classrooms, our vital safeguarding training recommenced for staff responsible for the welfare of young learners at English UK member centres. Now offered conveniently online, 24 sessions attracted 280 trainees in 2021.

Over the course of 2021, we continued our programme of free webinars and Q&As, offering 52 sessions to 2,300+ delegates.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Promotion

To maximise business opportunities for our members and the wider UK ELT sector through targeted promotional activity, led by intelligence.

- We will adapt StudyWorld to an online event, hosting international agents and influencers from around the world and promoting positive messages about the UK student experience in the context of Covid-19.
- We will engage with international agents and buyers through digital channels, global networks, agent associations and the partner agency scheme.
- We will develop an innovative programme of high value, low risk/cost in-market activities when travel restrictions allow, prioritising those markets likely to return first.
- We will work with the Department for International Trade and the British Council to support the promotion of UK ELT.
- We will focus messaging on reassurance and re-building market confidence.

We held three successful online StudyWorld events in January, March and September 2021, priced to be accessible and affordable for as many member centres as possible. Across these three events, 285 education providers met with 570 international agencies and partners from 60+ countries in thousands of pre-scheduled appointments. Each event included a programme of information briefings and insightful webinars. The average net promoter score for our online StudyWorld events in 2021 was a very positive 77.

In summer 2021, we launched the English with Confidence campaign, an international-facing campaign to support market recovery for the UK's English language teaching sector.

English UK is working together with the British Council and the Department for International Trade to run a responsive and coordinated campaign under the globally-recognised GREAT Britain brand. The campaign informs and reassures our international partners and stakeholders, giving them the information they need to support the return of international students.

The new English with Confidence website (study.englishuk.com) provides a single reference point for all partners working with accredited ELT centres in the UK. Messages promote the UK as a safe and supportive environment for English language students, highlighting high standards in course quality and safeguarding, and simplifying information about Covid-19 travel and visa requirements.

Other campaign tactics deployed in 2021 include: a dedicated agent email campaign; posts to social media channels; a promotional toolkit and social media assets shared with campaign partners and stakeholders; revised ELT content on the Study UK and British Council websites; use of the hashtag #EnglishWithConfidence; a briefing for the DIT Europe team; webinars for study abroad agents in Europe, Turkey, the Gulf, Brazil, Thailand and Vietnam; pre-recorded briefings for agents attending ICEF Latin America, ICEF China and ICEF Berlin.

From the launch of the campaign in July to December 2021, the study.englishuk.com website received 6.1K users, of whom one third returned with Saudi Arabia, China, Italy and Mexico being among the top source countries. The agent webinars reached 402 agents and partners. The hashtag #EnglishWithConfidence has been used in 348 social media posts and six emails have been sent as part of the agent email campaign, reaching 4.8K contacts per send with an average unique open rate of 24.5%.

We're proud to have worked in partnership with the British Council and IATEFL to run PRELIM I and launch PRELIM II in 2021. The Partnered Remote Language Improvement project (PRELIM) supports the development of thousands of English language teachers across the world.

Funded by the British Council and run jointly by the British Council, IATEFL and English UK, with NILE as managing consultants, the project funds the delivery of tailor-made online courses which seek to raise English teachers' language confidence in countries from Guinea-Bissau to Palestine, from India to Nicaragua.

All projects are delivered by an English UK member or accredited centre who works with IATEFL-associated English Teaching Associations (ETA) in each participating nation.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Promotion (continued)

PRELIM I, delivered in February and March 2021, saw 17 English UK member centres including universities and small family-run institutions, deliver 20 bespoke, innovative online courses to different teaching associations around the world. The project: reached around 3,000 overseas teachers; increased teachers language proficiency and professional confidence; created and supported partnerships between teachers, ETAs and English UK members; created the opportunity for increased global contextual awareness and teacher training capacity of English UK members; and built a sustainable community of practice.

After the success of PRELIM I, the British Council secured a further £500,000 of funding for PRELIM II, launched in the winter 2021, enabling twice as many countries and accredited centres to take part.

Public Affairs

To optimise the operating environment for UK ELT by further influencing policymakers, raising the industry's profile and developing relationships.

We are looking to access further government support to counter the devastation wrought by the pandemic while securing an operating environment to maximise recovery.

- Influence: influence government policies to create opportunities
- Promote: raise ELT'S profile and promote the English UK brand
- Collaborate: extend our network and nurture existing relationships

In 2021, our public affairs activities successfully influenced government policies to achieve: students being able to extend the validity period of their original course under the 11-month visa; progress towards the recognition of the Accreditation UK scheme as an educational oversight body; enhanced partnership with the Department for International Trade and the British Council through PRELIM and support for English with Confidence; CARF (Covid Additional Relief Fund) likely being available for those yet to receive business rates relief (2021/22); and language schools being explicitly referenced in the Additional Restrictions Grant (ARG) guidance.

We raised the profile of UK ELT and promoted the English UK brand through the enhanced involvement of our External Relations Advisory Group and the wider membership in campaigning and lobbying activities. We achieved enhanced contact with MPs, Lords and ministers via parliamentary questions, an adjournment debates, countless MP letters, a letter to Boris Johnson signed by 36 Conservative MPs, an MP roundtable and several helpful interventions by parliamentarians in the Rating Bill amendment and debate.

We achieved national media coverage on several occasions with articles by the Financial Times, Guardian, Telegraph and the BBC.

We extended our network and nurtured our existing relationships through regular formal and informal meetings with UK Visas and Immigration and Home Office officials and representation via the All-Party Parliamentary Group for International Students, Education Sector Advisory Group, London First and the Tourism Alliance.

Public benefit

The trustees are mindful that they need to consider and explain how the charity fulfils its charitable objects and confers an appreciable public benefit. They have given careful consideration to the Charity Commission's general guidance on public benefit and consider that effectively all the operations of the charity tend towards that end, for example:

The partnership with the British Council in the Accreditation UK scheme gives international students a guarantee of quality which they have no other practicable way of obtaining, since by its nature international education is an 'experience good', meaning that one has no way of judging its quality and appropriateness before actually going on a course, so some surrogate indicator such as accreditation is an important safeguard for students.

The information, marketing and promotional work undertaken ensures that international students and their counsellors are aware of the range of accredited centres and courses and have all the data they require to help them make an informed decision in easily accessible and searchable formats.

StudyWorld and other overseas fairs for agents are low-cost ways of familiarising agents with what is on offer and so helping them to counsel students fairly and accurately, leading again to better choices by international students.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Achievements and performance (continued)

Public benefit (continued)

The professional development and training events run for the staff of member centres enable them to give an enhanced experience to international students, both in terms of the quality of education and in terms of other customer services.

The Student Emergency Support scheme allows the charity to offer to international students an assurance that if a centre closes, they will be able to complete their course.

The complaints process, including an independent Ombudsman, offers international students a free, speedy and impartial process for resolving disputes with member centres.

The public affairs and government relations work in the UK and in student source countries which the charity's senior staff carry out is directed to the objective of increasing international student mobility, without which the charity could not deliver its object since students would not be able to travel to the UK.

Overall the Trustees are of the opinion that English UK's key operations, both on its own account and with partner organisations, are planned and directed to fulfil its key charitable objective of the advancement of the education of international students in the English language.

Financial review

Results for the year

A summary of the year's results can be found on page 19 of the financial statements. Total income for the group for the year ended 31 December 2021 amounted to £936,234 (2020 - £1,104,115). The income is principally derived from the subscriptions payable by member centres and the revenues earned from the events and fairs hosted by the group.

The group's expenditure for the year ended 31 December 2021 totalled £1,009,183 (2020 - £1,166,767). As shown in the financial statements, the great majority of expenditure was directed towards the main objective of English UK Limited of advancing the education of international students in the English language.

The net expenditure for the year was therefore £72,949 (2020 – net expenditure of £62,652).

Financial position

A summary of the charity's financial position as at the year-end can be found on page 20 of the financial statements. At 31 December 2021, the group held net assets totalling £1,802,512 (2020 - £1,875,461).

Of the total funds of £1,802,512 (2020 - £1,875,461) of the group at 31 December 2021, £106,688 (2020 - £85,779) is attributable to the assets of the Student Emergency Support Fund, a designated fund which steps in if a centre closes to allow the students to complete their course (at other member centres) and to return home (see note 20). The fund was originally established in 1992 and has been built up by contributions through an additional subscription and transfers from the general fund. It gives international students at English UK member centres a degree of assurance and therefore contributes to the overall charitable objective. During the year, £499 was utilised from the fund and an additional £21,408 was designated in the year. This fund will continue to be utilised as and when required.

A further £15,212 (2020 - £11,291) of the total fund balances at 31 December 2021 is in relation to the Eddie Byers Scholarship fund. This is an unrestricted designated fund which will be used to provide financial support to aspiring students seeking to study English in the UK (see note 20).

Following the sale of the St John Street property and purchase of the new property in Bermondsey in 2018, management considered it appropriate to designate the fixed assets of the group as they are expected to be used in the long term to assist in meeting the Group's charitable objects and are not considered to be liquid free reserves. The balance on this fund amounted to £1,452,542 (2020 - £1,507,585) at 31 December 2021.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Reserves policy

The Trustees believe the free reserves should cover 3 months of the operational costs of association rather than half of the total of expenditure of group (target level should be around £200,000). One of the reason of holding a higher level of free reserves in the past was to cope with StudyWorld timing seasonal cash flow but due to Covid-19, StudyWorld liabilities have significantly reduced due to its temporary new format, as an online event rather than a face-to-face event. The running costs of the event have decreased and so has the need to have such a large amount of free reserves to cope with any StudyWorld seasonal cashflow. It is also expected that the association will maintain a low level of expenditure at least for the next couple of years, while the sector is recovering from the Covid-19 impact.

The free reserves of the group at 31 December 2021, which the charity defines as net current assets held within the general fund (see note 20), were £228,070 (2020 - £270,604).

The reserves currently held are in line with the policy and are deemed by the Trustees as sufficient.

Impact of COVID-19 and going concern

From early 2020, the coronavirus (Covid-19) outbreak had spread worldwide and caused extensive disruptions to businesses as well as economic activities globally including the UK. Whilst in 2021 restrictions in the UK and the rest of the world have begun to ease, there are still circumstances such as travel restrictions, local lockdowns and access to vaccinations which may impact the charity's operations into the future.

We have considered the effects of the Covid-19 pandemic on the charity's operations and have concluded that the impact is significant, but manageable. Following the advice issued by the UK Government regarding employees working from home and other social distancing measures, we enacted procedures to facilitate this and have a detailed plan that enabled effective operation to continue whilst employees are not physically present in the charity's offices. As restrictions have eased our employees have adopted a hybrid working policy.

Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. As well as the personal risk to the health of its staff, the charity will lose planned income as the result of the cancellation of events, loss of member centres and/or the absence of key personnel although there will be some expenditure savings also. It is not anticipated at the current time that the financial solvency of the charity will be threatened.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the charity and the group are exposed, in particular those relating to the specific operational areas of the charity and the group and its finances.

The principal risks which the charity is exposed to are:

- Loss of membership subscription income through members withdrawing from or losing their accreditation and/or permanent closure.
- Loss of revenue from other activities, including training, conferences and events.
- Members permanently closing their centres and needing to activate the Student Emergency Support scheme.
- Loss of staff resulting in a shortage of resources.

The Trustees believe that by monitoring reserves levels, ensuring controls exist over key financial systems and examining the operational and business risks faced by the charity and the group, they have established effective systems to mitigate those risks. A summary of the major risks is formally considered and updated by the Board each year.

Future plans

English UK is the national membership association of accredited English language teaching centres in the UK. We lead, represent and support our membership community to achieve its full potential.

With Covid-19 travel restrictions having eased, we are anticipating a nascent recovery for the UK ELT sector in 2022. However, while student numbers and forward bookings are moving in a positive direction for some parts of our industry, other markets are less hopeful for any significant recovery until 2023 at the earliest.

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

Future plans (continued)

We are yet to fully understand the negative impact of the end of Freedom of Movement at the beginning of 2021 on student behaviour and market trends. We are concerned about the sector's capacity to sustain market recovery and growth given both the impact of the pandemic and Brexit on the supply of staff and accommodation.

To ensure that we continue to best support English UK members through this crisis and maximise the recovery of UK ELT, the board of trustees and executive are undertaking a review to prioritise ambitions and identify key strategies and measures of success.

As part of this review, we have published our new mission statement for 2022 and beyond.

Our mission is to harness the collective energy of our membership to champion and advance UK ELT.

Our vision is for a UK English language teaching sector that transforms lives through learning and intercultural understanding.

Our values:

Community

We can do more together than we can alone. We celebrate and support each other.

Inclusivity

Everybody belongs in UK ELT. We embrace diversity and value everyone's perspectives and contributions to our community.

Integrity

We are accountable for our actions and inactions. We treat everyone with respect, honesty, professionalism and understanding.

Responsibility

We prioritise the safety and wellbeing of our students, staff, colleagues, partners, peers and communities.

Sustainability

We believe in turning UK ELT green to help protect our planet, build hope and secure our future.

Fundraising activities

English UK does not actively solicit donations directly from the public and does not use third parties for fundraising. Therefore it is not registered with the Fundraising Regulator and does not subscribe to any fundraising codes of practice. Were donations from individuals or trusts and foundations to be received, English UK would ensure personal data is appropriately protected. English UK received no complaints within the year regarding fundraising.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be 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 s418 of the Companies Act 2006.

Approved by order of the Trustees and signed on their behalf by:

ENGLISH UK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

M Rendell
(Chair of Trustees)

S Doherty
(Trustee)

Date: 27 April 2022

ENGLISH UK LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH UK LIMITED

Opinion

We have audited the financial statements of English UK Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 December 2021 and of the Group's 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 and the Charities Act 2011.

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 Auditor's 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 and charitable parent 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 Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

ENGLISH UK LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH UK LIMITED (CONTINUED)

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, which is also the directors' report for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report, which is also the directors' report for the purposes of company law, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the 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 Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees 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.

ENGLISH UK LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH UK LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- We obtained an understanding of the legal and regulatory frameworks applicable to the charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: 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 (FRS 102), the Companies Act 2006, and the Charities Act 2011.
- We understood how the charitable company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of Board minutes and papers provided to the Audit Committee.
- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process such as authorisation of expenditure;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
 - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the relevant financial statement item to which they relate.

We did not identify any irregularities, including fraud.

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 trustees 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 Auditor's report.

Use of our report

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

ENGLISH UK LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENGLISH UK LIMITED (CONTINUED)

Katharine Patel (Senior Statutory Auditor)

for and on behalf of

Buzzacott LLP

Statutory Auditor

130 Wood Street

London

EC2V 6DL

29 April 2022

ENGLISH UK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:				
Donations	2	74,091	74,091	128,174
Charitable activities	3	588,287	588,287	731,269
Other trading activities	4	244,384	244,384	230,136
Investments	5	59	59	449
Other income	6	29,413	29,413	14,087
Total income		<u>936,234</u>	<u>936,234</u>	<u>1,104,115</u>
Expenditure on:				
Raising funds		92,102	92,102	87,245
Charitable activities	8	917,081	917,081	1,079,522
Total expenditure		<u>1,009,183</u>	<u>1,009,183</u>	<u>1,166,767</u>
Net movement in funds		<u>(72,949)</u>	<u>(72,949)</u>	<u>(62,652)</u>
Reconciliation of funds:				
Total funds brought forward		1,875,461	1,875,461	1,938,113
Net movement in funds		(72,949)	(72,949)	(62,652)
Total funds carried forward		<u>1,802,512</u>	<u>1,802,512</u>	<u>1,875,461</u>

The consolidated statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 23 to 47 form part of these financial statements.

ENGLISH UK LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05120951

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	17,475	19,758
Tangible assets	15	1,435,067	1,488,029
		1,452,542	1,507,787
Current assets			
Debtors	17	112,062	191,596
Cash at bank and in hand		679,418	631,929
		791,480	823,525
Creditors: amounts falling due within one year	18	(301,510)	(455,851)
Net current assets		489,970	367,674
Creditors: amounts falling due after more than one year	19	(140,000)	-
Total net assets		1,802,512	1,875,461
Group funds			
Restricted funds	20	-	-
Unrestricted funds			
. Designated funds	20	1,574,442	1,604,857
. General funds	20	228,070	270,604
Total funds		1,802,512	1,875,461

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

M Rendell
(Chair of Trustees)

S Doherty
(Trustee)

Date: 27 April 2022

The notes on pages 23 to 47 form part of these financial statements.

ENGLISH UK LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 05120951

CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	14	17,475	19,758
Tangible assets	15	1,435,067	1,488,029
Investments	16	1	1
		1,452,543	1,507,788
Current assets			
Debtors	17	124,324	177,122
Cash at bank and in hand		608,093	587,891
		732,417	765,013
Creditors: amounts falling due within one year	18	(260,917)	(415,809)
Net current assets		471,500	349,204
Creditors: amounts falling due after more than one year	19	(140,000)	-
Total net assets		1,784,043	1,856,992
Charity funds			
Restricted funds	20	-	-
Unrestricted funds			
. Designated funds	20	1,574,442	1,604,857
. General funds	20	209,601	252,135
Total funds		1,784,043	1,856,992

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

M Rendell
(Chair of Trustees)

S Doherty
(Trustee)

Date: 27 April 2022

The notes on pages 23 to 47 form part of these financial statements.

ENGLISH UK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Net cash provided/(used in) by operating activities (note 23)	(77,570)	(251,062)
	<hr/>	<hr/>
Cash flows from investing activities		
Purchase of tangible fixed assets	-	(4,418)
Interest received	59	449
	<hr/>	<hr/>
Net cash provided by/(used in) investing activities	59	(3,969)
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	175,000	50,000
Repayments of borrowing	(50,000)	-
	<hr/>	<hr/>
Net cash provided by financing activities	125,000	50,000
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	47,489	(205,031)
Cash and cash equivalents at 1 January 2021	631,929	836,960
	<hr/>	<hr/>
Cash and cash equivalents at 31 December 2021	679,418	631,929
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 23 to 47 form part of these financial statements

ENGLISH UK LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

English UK Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The financial statements are presented in sterling and are rounded to the nearest pound.

1.2 Income

Income is recognised in the period in which the charity and group have entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received. Income comprises revenues from the charity's trading activities, subscriptions fees from members, investment income and sundry income including any surplus on the disposal of tangible fixed assets. The income excludes VAT wherever charged.

1.3 Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is stated inclusive of irrecoverable VAT.

All expenditure is accounted for on an accruals basis. Expenditure comprises direct costs and support costs. All expenses, including support and governance costs, are allocated or apportioned to the applicable expenditure headings. The classification between activities is as follows:

- Expenditure on raising funds includes all expenditure associated with the charity's trading activities, principally the direct costs of hosting fairs and exhibitions, the costs of its missions and an allocation of support and governance costs.
- Expenditure on charitable activities includes the costs associated with servicing the members of English UK and includes premises and administrative costs, and an allocation of support and governance costs.

Allocation of support and governance costs

The majority of costs are directly attributable to the above headings. Governance costs (which comprise the costs associated with the public accountability of the charity (including audit costs and costs in respect to its compliance with regulation and good practice) are split across the above expenditure headings. The major part of the support costs are attributed to the cost of charitable activities as this is the principal reason for the charity's existence. Certain specific costs have been attributed to the cost of raising funds.

ENGLISH UK LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.4 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated statement of financial activities.

1.5 Intangible assets and amortisation

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

The estimated useful lives range as follows:

Amortisation is provided on the following basis:

Computer software	- 10 - 20 % reducing balance
-------------------	------------------------------

1.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives.

The estimated useful lives range as follows:

Buildings	2 % straight line
Building improvements	10 % straight line
Fixtures and fittings	25 % reducing balance
Computer equipment	10 - 33 % reducing balance

1.7 Investments

Investments in the subsidiary company is valued at cost.

1.8 Debtors

Debtors are recognised at the settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

1.9 Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

ENGLISH UK LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.10 Liabilities and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

1.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.12 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

1.13 Pensions

Contributions in respect of employees' personal pension plans are charged to the statement of financial activities in the year in which they fall due.

1.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.15 Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the trustees to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- the useful economic life attributed to the various components of tangible and intangible fixed assets;
- the provision made in respect of bad and doubtful debts; and
- the basis for determining the management charge payable by English UK Enterprises Limited to the charity.

ENGLISH UK LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.16 Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect to a period of one year from the date of approval of these financial statements.

In a typical year, 40% of English UK's turnover is derived from membership subscriptions and 60% from other revenue-generating activities including events and training (professional development and market development) and corporate partnerships.

Due to ongoing Covid-19 restrictions, our revenue-generating activities have been curtailed in 2021, and we anticipate this to continue into 2022, albeit to a lesser extent. Revenue from membership subscriptions is significantly reduced due to the inevitable insolvency of several member centres and unprecedentedly low student volume in 2020 (70% reduction of student weeks in 2020 compared to 2019).

We have pivoted English UK's focus and adapted the association's strategy in response. Our aim is to support English UK members through the crisis and to maximise the recovery of the UK ELT sector.

- Agility: listen, understand and respond to the sectors' needs
- Knowledge: provide expert advice and information sharing
- Representation: lobby for fiscal and regulatory support from the UK Government in response to the crisis and through recovery
- Community of peers: facilitate peer-to-peer networking and support
- Global engagement: support the international market to maximise recovery
- Balance: manage financial risk for the association while continuing to offer a critical service to members

The engagement of members in our activities has been higher than ever before during this period. It is our expectation that the sector will see a 40-60% recovery in 2022 and 80% by 2023. This will lead to subscriptions being collected at close to pre-Covid-19 levels from 2024. We have also developed plans to adapt our face-to-face events to profitable hybrid and online activities.

The staff restructure completed in 2021 has reduced salary costs and made the organisation more flexible, agile and responsive.

Recognising that English UK's continued ability to deliver its programme of activities will depend on continued forward secured funding from membership subscriptions, the Trustees have considered several factors in concluding that the adoption of the going concern basis in the preparation of these financial statements is appropriate. These have included:

- Payment of membership subscriptions to date throughout 2021, despite the impact of Covid-19.
- The forward pipeline of funding from prospective membership subscriptions for a period of at least two years from the date of approval of these accounts.
- The rigour of pipeline monitoring and cost controls that are in place to ensure cash balances stay positive while still maintaining delivery of English UK's activities.
- Cash management and working capital controls in place to manage the potential risks of late payments and higher than expected rates of member insolvencies and ensure restricted and unrestricted assets and reserves are appropriately managed.

After making this assessment, the Trustees are confident the organisation has adequate resources to operate for the foreseeable future and can adopt the going concern basis in preparing its financial statements.

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Income from donations and legacies

	Unrestricted funds 2021 £	Total funds 2021 £
Donations	4,041	4,041
Local authority discretionary grant	10,357	10,357
Coronavirus Job Retention Scheme income	59,693	59,693
	74,091	74,091
	74,091	74,091
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Donations	2,111	2,111
Local authority discretionary grant	25,000	25,000
Coronavirus Job Retention Scheme income	101,063	101,063
	128,174	128,174
	128,174	128,174

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
Member subscriptions - Basic	448,662	448,662
Member subscriptions - Supplementary	72,095	72,095
Member subscriptions - Corporate	36,837	36,837
Annual conference and AGM	9,285	9,285
Student Emergency Support Fund	21,408	21,408
	588,287	588,287
	588,287	588,287

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. Income from charitable activities (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Member subscriptions - Basic	538,644	538,644
Member subscriptions - Supplementary	144,596	144,596
Member subscriptions - Corporate	40,487	40,487
Student Emergency Support Fund	7,542	7,542
	731,269	731,269
	731,269	731,269

4. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £
StudyWorld London	146,121	146,121
Professional training and qualifications	82,448	82,448
Intelligence	8,315	8,315
Promotions	7,500	7,500
	244,384	244,384
	244,384	244,384

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Professional training and qualifications	201,336	201,336
Promotions	28,800	28,800
	230,136	230,136
	230,136	230,136

5. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £
Interest received	59	59
	59	59
	59	59

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Investment income (continued)

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Interest received	449	449
	449	449

6. Other income

	Unrestricted funds 2021 £	Total funds 2021 £
VAT reclaim	27,671	27,671
Insurance commission	1,742	1,742
	29,413	29,413

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
VAT reclaim	5,238	5,238
Insurance commission	8,849	8,849
	14,087	14,087

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Expenditure on raising funds

	Unrestricted funds 2021 £	Total funds 2021 £
StudyWorld London	61,074	61,074
Intelligence	11,610	11,610
Administration costs	16,469	16,469
Support and governance (note 9)	1,474	1,474
	90,627	90,627
	90,627	90,627
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
StudyWorld London	33,605	33,605
Overseas fairs	3,453	3,453
Intelligence	7,908	7,908
Promotions	17,996	17,996
Administration costs	23,256	23,256
Support and governance (note 9)	1,027	1,027
	87,245	87,245
	87,245	87,245

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Expenditure on charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £
<i>Servicing members</i>		
Staff costs and recruitment	592,650	592,650
General promotion and intelligence	39,945	39,945
Premises	27,457	27,457
Public affairs	54,464	54,464
Administration	74,312	74,312
Depreciation and amortisation	55,245	55,245
Annual conference and AGM	11,218	11,218
Training and qualifications	38,085	38,085
Student emergency support fund costs	499	499
Eddie Byers Scholarship	120	120
Support and governance costs (note 9)	23,086	23,086
	917,081	917,081
	917,081	917,081

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Total funds 2020 £</i>
<i>Servicing members</i>			
Staff costs and recruitment	693,328	-	693,328
General promotion and intelligence	21,743	-	21,743
Premises	26,507	-	26,507
Public affairs	38,327	4,908	43,235
Administration	77,373	-	77,373
Depreciation and amortisation	58,084	-	58,084
Annual conference and AGM	958	-	958
Training and qualifications	138,171	-	138,171
Student emergency support fund costs	2,344	-	2,344
Eddie Byers Scholarship	1,686	-	1,686
Support and governance costs (note 9)	16,093	-	16,093
	1,074,614	4,908	1,079,522
	1,074,614	4,908	1,079,522

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Support and governance costs

	Unrestricted funds 2021 £	Total funds 2021 £
Auditor's remuneration		
- Statutory audit services	10,200	10,200
- Other services	6,216	6,216
Professional fees	33	33
Board and sub-committee expenses	8,111	8,111
	24,560	24,560
	24,560	24,560
Attributed to:		
Expenditure on raising funds	1,474	1,474
Expenditure on charitable activities	23,086	23,086
	24,560	24,560
	24,560	24,560
	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Auditor's remuneration		
- Statutory audit services	9,600	9,600
- Other services	5,268	5,268
Professional fees	587	587
Board and sub-committee expenses	1,665	1,665
	17,120	17,120
	17,120	17,120
Attributed to:		
Expenditure on raising funds	1,027	1,027
Expenditure on charitable activities	16,093	16,093
	17,120	17,120
	17,120	17,120

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Staff costs

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Wages and salaries	479,103	553,260	479,103	553,260
Social security costs	43,668	55,254	43,668	55,254
Contribution to defined contribution pension schemes	54,359	72,554	54,359	72,554
Other employee benefits	15,520	12,260	15,520	12,260
	592,650	693,328	592,650	693,328

The average number of persons employed by the Charity during the year was as follows:

	Group 2021 No.	<i>Group 2020 No.</i>	Charity 2021 No.	<i>Charity 2020 No.</i>
Employees	12	14	12	14

The average headcount expressed as full-time equivalents was:

	Group 2021 No.	<i>Group 2020 No.</i>	Charity 2021 No.	<i>Charity 2020 No.</i>
Employees	9.2	12.4	9.2	12.4

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	1	1

The key management personnel of the Charity in charge of directing and controlling, running and operating the charity on a day to day basis comprise the trustees and the members of the Executive Team (referred to at page 1). The total remuneration (including taxable benefits and employer's pension contributions) of the key management personnel for the year was £242,470 (2020 - £275,071).

11. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - none).

During the year ended 31 December 2021, out of pocket travelling expenses totalling £612 were reimbursed or paid directly to 7 Trustees (2020 - £1,266 to 7 Trustees).

Trustee indemnity insurance was purchased by the charity during the year to protect it from any loss arising from the neglect or defaults of its trustees, and to indemnify the trustees or other officers against the consequences of any neglect or default on their part. The total premium paid amounted to £1,866 (2020 - £1,393), providing cover up to a maximum of £1,000,000 (2020 - £1,000,000).

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

12. Taxation

English UK Limited is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13. Net expenditure

This is stated after charging:

	2021 £	2020 £
Staff costs	583,625	693,328
Auditor's remuneration - English UK		
- Statutory audit fees	10,200	9,600
- Other services	6,216	5,268
Auditor's remuneration - English UK Enterprises Limited		
- Statutory audit fees	3,690	2,460
- Other services	2,140	2,370
Depreciation	52,962	55,462
Amortisation	2,283	2,622
Operating lease charges	2,385	1,821
	583,625	693,328

14. Intangible assets

Group and Charity

	Computer software £
Cost	
At 1 January 2021	34,877
At 31 December 2021	34,877
Amortisation	
At 1 January 2021	15,119
Charge for the year	2,283
At 31 December 2021	17,402
Net book value	
At 31 December 2021	17,475
At 31 December 2020	19,758

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Tangible fixed assets

Group and Charity

	Long-term leasehold property £	Building improve- ments £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost or valuation</i>					
At 1 January 2021	1,373,762	174,882	28,580	36,312	1,613,536
Disposals	-	-	-	(7,904)	(7,904)
At 31 December 2021	<u>1,373,762</u>	<u>174,882</u>	<u>28,580</u>	<u>28,408</u>	<u>1,605,632</u>
<i>Depreciation</i>					
At 1 January 2021	61,820	36,154	12,884	14,649	125,507
Charge for the year	27,475	17,488	3,924	4,075	52,962
On disposals	-	-	-	(7,904)	(7,904)
At 31 December 2021	<u>89,295</u>	<u>53,642</u>	<u>16,808</u>	<u>10,820</u>	<u>170,565</u>
<i>Net book value</i>					
At 31 December 2021	<u><u>1,284,467</u></u>	<u><u>121,240</u></u>	<u><u>11,772</u></u>	<u><u>17,588</u></u>	<u><u>1,435,067</u></u>
At 31 December 2020	<u><u>1,311,942</u></u>	<u><u>138,728</u></u>	<u><u>15,696</u></u>	<u><u>21,663</u></u>	<u><u>1,488,029</u></u>

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

16. Fixed asset investments

	Investment in subsidiary company £
Charity	
Cost	
At 1 January 2021	1
At 31 December 2021	1

Principal subsidiaries

The following was a subsidiary undertaking of the Charity:

Name	Company number	Registered office or principal place of business	Class of shares	Holding
English UK Enterprises Limited	05200973	Flag House, 47 Brunswick Court, London, SE1 3LH	Ordinary	100%

The financial results of the subsidiary for the year ended 31 December 2021 were:

Name	Income £	Expenditure £	Net assets £
English UK Enterprises Limited	146,129	146,129	18,469

17. Debtors

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Due within one year				
Trade debtors	40,570	120,505	36,976	120,505
Amounts owed by group undertakings	-	-	20,681	-
Other debtors	9,000	9,000	9,000	9,000
Prepayments and accrued income	62,492	62,091	57,667	47,617
	112,062	191,596	124,324	177,122

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Creditors: Amounts falling due within one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Bank loans	35,000	<i>50,000</i>	35,000	<i>50,000</i>
Trade creditors	80,733	<i>158,530</i>	77,339	<i>158,468</i>
Amounts owed to group undertakings	-	-	-	<i>16,947</i>
Other taxation and social security	50,905	<i>57,112</i>	50,905	<i>57,112</i>
Other creditors	45,768	<i>78,692</i>	45,768	<i>78,692</i>
Accruals and deferred income	89,104	<i>111,517</i>	51,905	<i>54,590</i>
	301,510	<i>455,851</i>	260,917	<i>415,809</i>

A Bounce Back Loan of £50,000 was taken in July 2020 to use as a cash buffer to be able to cope with any unexpected reduction of income due to the impact of COVID-19.

The Bounce Back Loan Scheme (BBLs) is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy. The scheme is part of a wider package of Government support for UK business, due to the impact of COVID-19. The loan is guaranteed by the UK Government.

The interest rate agreed with the bank, Natwest plc, was 2.5% fixed rate. Under the BBLs, for the first 12 months of the loan period, interest is paid by the UK Government and there is a capital repayment holiday. This loan was fully repaid by 31 December 2021.

A Coronavirus Business Interruption Loan (CBIL) of £175,000 was taken out in May 2021 to use as a cash buffer to be able to cope with any unexpected reduction of income due to the impact of COVID-19.

The Coronavirus Business Interruption Loan Scheme (CBILs) is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy. The scheme is part of a wider package of Government support for UK business, due to the impact of COVID-19. The loan is guaranteed by the UK Government.

The interest rate agreed with the bank, Natwest plc, was 2.38% fixed rate.

Deferred income in the main includes income received in advance for the StudyWorld event and other fairs which will take place during 2022.

A reconciliation of the movement on the deferred income balance, included in creditors above, is as follows:

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Deferred income at 1 January 2021	136,460	<i>88,516</i>	62,975	<i>70,310</i>
Resources deferred during the year	48,563	<i>136,460</i>	17,865	<i>62,975</i>
Amounts released from previous periods	(136,460)	<i>(88,516)</i>	(62,975)	<i>(70,310)</i>
Deferred income at 31 December 2021	48,563	<i>136,460</i>	17,865	<i>62,975</i>

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

19. Creditors: Amounts falling due after more than one year

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
Bank loans	140,000	-	140,000	-
	140,000	-	140,000	-

A Coronavirus Business Interruption Loan (CBIL) of £175,000 was taken in May 2021 to use as a cash buffer to be able to cope with any unexpected reduction of income due to the impact of COVID-19.

The Coronavirus Business Interruption Loan Scheme (CBILS) is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy. The scheme is part of a wider package of Government support for UK business, due to the impact of COVID-19. The loan is guaranteed by the UK Government.

The interest rate agreed with the bank, Natwest plc, was 2.38% fixed rate.

Included within the above are amounts falling due as follows:

	Group 2021 £	<i>Group 2020 £</i>	Charity 2021 £	<i>Charity 2020 £</i>
<i>Between one and two years</i>				
Bank loans	35,000	-	35,000	-
<i>Between two and five years</i>				
Bank loans	105,000	-	105,000	-

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. **Statement of funds**

Group statement of funds - 2021

	Balance at 1 January 2021 £	Income £	Expenditure £	Balance at 31 December 2021 £
<i>Unrestricted funds</i>				
<i>Designated funds</i>				
Student Emergency Support Fund	85,779	21,408	(499)	106,688
Eddie Byers Scholarship	11,291	4,041	(120)	15,212
Fixed asset fund	1,507,787	-	(55,245)	1,452,542
	<u>1,604,857</u>	<u>25,449</u>	<u>(55,864)</u>	<u>1,574,442</u>
<i>General funds</i>				
General fund	270,604	910,785	(953,319)	228,070
	<u>270,604</u>	<u>910,785</u>	<u>(953,319)</u>	<u>228,070</u>
<i>Total funds</i>	<u><u>1,875,461</u></u>	<u><u>936,234</u></u>	<u><u>(1,009,183)</u></u>	<u><u>1,802,512</u></u>

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Statement of funds (continued)

Group statement of funds - 2020

	<i>Balance at 1 January 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 December 2020 £</i>
Unrestricted funds					
Designated funds					
Student Emergency Support Fund	80,581	7,542	(2,344)	-	85,779
Eddie Byers Scholarship	10,866	2,111	(1,686)	-	11,291
Fixed asset fund	1,561,451	-	(58,084)	4,420	1,507,787
	<u>1,652,898</u>	<u>9,653</u>	<u>(62,114)</u>	<u>4,420</u>	<u>1,604,857</u>
General funds					
General fund	280,307	1,094,462	(1,099,745)	(4,420)	270,604
	<u>1,933,205</u>	<u>1,104,115</u>	<u>(1,161,859)</u>	<u>-</u>	<u>1,875,461</u>
Restricted funds					
Visa review	4,908	-	(4,908)	-	-
	<u>1,938,113</u>	<u>1,104,115</u>	<u>(1,166,767)</u>	<u>-</u>	<u>1,875,461</u>

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Statement of funds (continued)

Charity statement of funds - 2021

	Balance at 1 January 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 December 2021 £
<i>Unrestricted funds</i>					
<i>Designated funds</i>					
Student Emergency Support Fund	85,779	21,408	(499)	-	106,688
Eddie Byers Scholarship Fund	11,291	4,041	(120)	-	15,212
Fixed Asset Fund	1,507,787	-	(55,245)	-	1,452,542
	<u>1,604,857</u>	<u>25,449</u>	<u>(55,864)</u>	<u>-</u>	<u>1,574,442</u>
<i>General funds</i>					
General fund	252,135	849,670	(892,204)	-	209,601
Total Unrestricted funds	<u>1,856,992</u>	<u>875,119</u>	<u>(948,068)</u>	<u>-</u>	<u>1,784,043</u>
<i>Total funds</i>	<u><u>1,856,992</u></u>	<u><u>875,119</u></u>	<u><u>(948,068)</u></u>	<u><u>-</u></u>	<u><u>1,784,043</u></u>

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Statement of funds (continued)

Charity statement of funds - 2020

	<i>Balance at 1 January 2020</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Balance at 31 December 2020</i>
	£	£	£	£	£
Unrestricted funds					
Designated funds					
Student Emergency Support Fund	80,581	7,542	(2,344)	-	85,779
Eddie Byers Scholarship Fund	10,866	2,111	(1,686)	-	11,291
Fixed Asset Fund	1,561,451	-	(58,084)	4,420	1,507,787
	<u>1,652,898</u>	<u>9,653</u>	<u>(62,114)</u>	<u>4,420</u>	<u>1,604,857</u>
General funds					
General fund	207,773	1,094,373	(1,045,591)	(4,420)	252,135
Total Unrestricted funds	<u>1,860,671</u>	<u>1,104,026</u>	<u>(1,107,705)</u>	<u>-</u>	<u>1,856,992</u>
Restricted funds					
Visa Review	4,908	-	(4,908)	-	-
Total funds	<u><u>1,865,579</u></u>	<u><u>1,104,026</u></u>	<u><u>(1,112,613)</u></u>	<u><u>-</u></u>	<u><u>1,856,992</u></u>

The Student Emergency Support Fund steps in as a guarantor if a member centre closes down to allow the students to complete their course and return home without additional expense.

The Eddie Byers Scholarship Fund has been created in memory of our late Chief Executive, Eddie Byers, to help aspiring students study English in the UK and further the associations' charitable mission of advancing the education of international students in the English language.

The Fixed Assets Fund represents the fixed assets of the group. The Trustees designated these as they are expected to be used in the long term to assist in meeting the group's charitable objectives and also to enable a clear understanding of the free reserves and underlying activities of the group.

The Visa Review Fund was set up in 2010 when the charity successfully sought a judicial review of policies adopted by the UK Border Agency (UKBA) in relation to student visas. Income was provided by membership subscriptions as well as costs awarded by the Secretary of State for the Home Office, in part, to English UK.

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Group analysis of net assets between funds

Group analysis of net assets between funds - 2021

	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,435,067	1,435,067
Intangible fixed assets	17,475	17,475
Current assets	791,480	791,480
Creditors due within one year	(301,510)	(301,510)
Creditors due in more than one year	(140,000)	(140,000)
Total	1,802,512	1,802,512

Group analysis of net assets between funds - 2020

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
Tangible fixed assets	1,488,029	1,488,029
Intangible fixed assets	19,758	19,758
Current assets	823,525	823,525
Creditors due within one year	(455,851)	(455,851)
Total	1,875,461	1,875,461

22. Charity analysis of net assets between funds

Charity analysis of net assets between funds - 2021

	Unrestricted funds 2021 £	Total funds 2021 £
Intangible assets	17,475	17,475
Tangible fixed assets	1,435,067	1,435,067
Investments	1	1
Current assets	732,417	732,417
Creditors due within one year	(260,917)	(260,917)
Creditors due after one year	(140,000)	(140,000)
	1,784,043	1,784,043

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<i>Unrestricted funds 2020 £</i>	<i>Total funds 2020 £</i>
<i>Charity analysis of net assets between funds - 2020</i>		
Intangible assets	19,758	19,758
Tangible fixed assets	1,488,029	1,488,029
Investments	1	1
Current assets	1,022,481	1,022,481
Creditors due within one year	(673,277)	(673,277)
	1,856,992	1,856,992
	1,856,992	1,856,992
23. Reconciliation of net movement in funds to net cash flow from operating activities		
	Group 2021 £	Group 2020 £
Net expenditure for the year (as per Statement of Financial Activities)	(72,949)	(62,652)
	(72,949)	(62,652)
<i>Adjustments for:</i>		
Depreciation charges	52,962	55,461
Amortisation charges	2,283	2,622
Dividends, interests and rents from investments	(59)	(449)
Decrease/(increase) in debtors	116,513	(20,445)
(Decrease) in creditors	(176,320)	(225,599)
	(77,570)	(251,062)
<i>Net cash provided/(used in) by operating activities</i>	(77,570)	(251,062)
24. Analysis of cash and cash equivalents		
	Group 2021 £	Group 2020 £
Cash at bank and in hand	679,418	631,929
	679,418	631,929
<i>Total cash and cash equivalents</i>	679,418	631,929

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Analysis of changes in net debt

	At 1 January 2021	Cash flows	At 31 December 2021
	£	£	£
Cash at bank and in hand	631,929	47,489	679,418
Loan due within one year	(50,000)	15,000	(35,000)
Loan due after one year	-	(140,000)	(140,000)
	<u>581,929</u>	<u>(77,511)</u>	<u>504,418</u>

26. Operating lease commitments

At 31 December 2021 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021	Group 2020	Charity 2021	Charity 2020
	£	£	£	£
Not later than 1 year	1,958	1,958	1,958	1,958
Later than 1 year and not later than 5 years	1,469	3,427	1,469	3,427
	<u>3,427</u>	<u>5,385</u>	<u>3,427</u>	<u>5,385</u>

27. Related party transactions

All trustees of English UK Limited are employed by organisations who are members of English UK.

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Appendix - Charity income and expenditure

	Total funds	<i>Total funds</i>
	2021	<i>2020</i>
	£	<i>£</i>
Basic subscriptions	448,662	538,644
Supplementary subscriptions	72,095	144,596
Total subscription income	520,757	683,240
Corporate member subscriptions	36,837	40,487
Net corporate membership income	36,837	40,487
Annual conference and AGM income	9,285	-
Annual conference and AGM expenditure	(11,218)	(958)
Net annual conference and AGM income	(1,933)	(958)
Tradeshaw Access Programme income	-	17,600
Tradeshaw Access Programme expenditure	-	(17,839)
Net Tradeshaw Access Programme income	-	(239)
Overseas missions (incl the China Roadshow) expenditure	-	(3,453)
Net overseas missions income	-	(3,453)
Project QUIC income	8,315	-
Project QUIC expenditure	(11,610)	(7,908)
Net Project QUIC income	(3,295)	(7,908)
Training and qualifications income	82,448	175,850
Training and qualifications expenditure	(38,434)	(118,810)
Net training and qualifications income	44,014	57,040
Student emergency support fund income	21,408	7,542
Student emergency support fund expenditure	(499)	(2,344)
Net student emergency support fund income	20,909	5,198
Eddie Byers scholarship income	4,041	2,111
Eddie Byers scholarship expenditure	(120)	(1,686)
Net Eddie Byers scholarship income	3,921	425
2020 recovery summit income	-	22,267
2020 recovery summit expenditure	-	(11,379)
Net 2020 recovery summit income	-	10,888
COVID webinar income	-	3,219
COVID webinar expenditure	-	(7,982)
Net COVID webinar income	-	(4,763)

ENGLISH UK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

Other income

English UK Enterprises Management charge	57,136	-
Interest receivable	51	360
Insurance commission	-	8,849
VAT reclaim	27,671	5,238
Coronavirus Job Recovery Scheme income	59,693	101,063
Other sundry income	9,241	11,200
Discretionary grant fund income	10,357	25,000
Gift aid income	18,878	-
	183,027	151,710

Other expenditure

Staff costs and recruitment	(592,650)	(693,328)
General promotion and intelligence	(39,945)	(21,743)
Premises	(27,457)	(26,507)
Public affairs	(54,464)	(43,235)
Included in restricted expenditure below	-	4,908
Administration	(63,947)	(67,722)
Irrecoverable VAT and Capital Goods Scheme	(12,643)	(12,515)
Depreciation and amortisation	(55,245)	(58,084)
Auditor's remuneration	(16,402)	(14,868)
Professional fees	(48)	(587)
Board and sub-committee fees	(8,111)	(1,665)
Bad debt provision	(6,274)	-
	(877,186)	(935,346)

Total income

829,281	1,063,539
(902,230)	(1,067,218)

Total expenditure

Net income/(expenditure)	(72,949)	(3,679)
Net expenditure on Visa review restricted fund	-	(4,908)
Fund balances at 1 January 2021	1,856,992	1,865,579
Fund balances at 31 December 2021	1,784,043	1,856,992