

BESA ANNUAL REPORT 2020



Contents

Chair's Introduction	2
Director General's Introduction	5
Treasurer's Report – Annual Accounts 2019/20	7
Minutes of the 2019 Annual General Meeting of the British Educational Suppliers Association	9
BESA Annual General Meeting 2020 – Proposed Ordinary Resolutions	10
BESA Annual Report and Financial Statements for Year Ended 31 March 2020	11

Chair's introduction – Annual Report 2019/20

By Chris Ratcliffe, Chair of the British Educational Suppliers Association

This is my last report as Chair of the British Educational Suppliers Association and what a challenging year it has been to end on. I'll go through the policy and events highlights in a moment, but before we go any further there is no avoiding the effect that the COVID-19 Coronavirus has had on BESA and our members.

Little did we know that when we met last November what was in store for us. It has affected us all, personally and professionally. 19 BESA members who were with us last year are not today as a direct result of COVID-19 on their businesses. We are five BESA staff members fewer in number, in part where we have had to make the very hard decision to make roles redundant so that that we can continue to represent our membership in the best possible way, and in part where staff have reached the end of contracts.

I'd like to very publicly thank Maxine Hoffland, Nanette Nathan-Wilson, Mina Patel, William Prieto-Parra, and Mark Rosser. Arianna Franculacci and Alexander Shea have also been offered opportunities elsewhere that they can't turn down. All of this has been done in the middle of the office move that has been ably orchestrated by the team. As Chair of BESA I would like to make it very clear to all BESA staff, past and present, how proud your members are for all of the hard work that you put in under extremely challenging circumstances. You have our thanks and respect.

This year we've faced incredible intervention from the government in all walks of life. Some of it has been welcome and necessary, some less so. I have seen first-hand how valuable the lobbying work that BESA does on behalf of all of its members is. The time and effort that I've witnessed from Caroline and Alex has been incredible. The attention to detail, huge patience and negotiation skill they possess is a credit to them both and by association to BESA as a whole.

It almost goes without saying that schools are in a very different place this year than they have been in any of our lifetimes. We are all very familiar with the language of bubbles and lockdowns, we are working with teachers who are having to deal with changing circumstances on a termly, weekly and daily basis. The take-up of education technology is almost like we've leapt forward ten years (or leapt back to a time when BECTA existed!)

We know that resource spend in schools is less than 5p out of every £1 in school at the best of times, but when schools are spending on average £8000 on making their schools COVID-secure we know that there is going to be less budget to spend on resources, just at the time when pupils need it most. I started my time as BESA Chair in 2016 asking for BESA to start what now is Resourceourschools.org.uk, and the situation with resource budgets in schools today reinforces the need for the Department for Education to ensure that every pupil has the chair, book and pencil they need to learn effectively.

Right, to some stats! Let's take a look at lobbying and policy first then turn to events:

There have been:

- 165 meetings with UK MPs, Civil Servants, Ministers and Public Sector Bodies;
- 36 different international governments or intergovernmental organisations (i.e. Unicef) that BESA has met with;

- 23 UK conferences/roundtables Caroline has spoken at;
- 13 international conferences/events Caroline and Alex have spoken at.

BESA has advised the UK Department for International Trade and the Welsh Devolved Administration on preferential export terms for educational suppliers in trade deals after Brexit. BESA also advised the UK Government on education terms in trade deals with Japan, South Korea, Australia, New Zealand and the US.

BESA successfully lobbied the DfE to adopt more rigorous testing standards with regard to the fire safety of school notice boards, with new tests now outlawing materials created from firelighter materials. This will help further protect the 90,000 children in England affected by school fires each year.

Alongside Universities UK, and on behalf of the DfE/DIT Education Sector Advisory Group, whose chairs include Ministers Graham Stuart MP and Michelle Donelan MP, BESA has put forward to HM Treasury a proposal for a new package of support for international education exporters. In line with the Government's 2019 International Education Strategy, which aims to increase the value of UK education exports to over £36 billion by 2020, the proposal calls for an expansion to the Tradeshow Access Programme, DIT support for education suppliers in targeting new markets, and a renewal of the Education is Great campaign highlight the strengths of the UK education offering worldwide;

Following the first schools' closures in modern British history, BESA worked with the DfE to promote suppliers' special lockdown trials and offerings. BESA also successfully lobbied the DfE to ensure that, in publishing a home learning list of recommended resources, the Department included as wide a range of resources possible. Following the reopening of schools in September, BESA has successfully lobbied for the home learning resource list to be archived so that suppliers no longer bear the expectation that they must offer their goods and services for free.

Following the BBC's announcement in late March 2020 that it would expand its BBC Bitesize programme, BESA secured written assurances from the Corporation's senior leadership that this expansion will be time limited. The BESA's engagement with the BBC has also led to a step change in the latter's approach towards working with commercial suppliers, with the BBC now looking to contract BESA members to provide Bitesize content.

Perhaps most prominently, following the provision of £4.8 million in grant funding to the Oak National Academy (Reach Foundation), BESA's sustained lobbying has resulted in a written assurance from the Schools Minister Nick Gibb MP that neither Oak nor any other third party will ever be able to commercialise the 10,000 video lessons or lesson materials produced under the grant. The Reach Foundation is also barred from disposing of its intellectual property rights in the Oak National Academy business name, trademark, copyright or assets to any third party to exploit for commercial purposes.

BESA is working with the Department for International Trade to organise a series of virtual trade missions to regions including Russia, Kazakhstan, Uzbekistan, France, India and China.

BESA has been successful in its bid under a new UK/China Joint Prosperity Fund, meaning the Association will now operate an 18-month development programme where British companies can pair with their counterparts in Chinese Tier 2 and Tier 3 regions.

The number of events we have run, helped run and attended this year has been:

- 39 seminar and webinar CPD events delivered by BESA

- 31 webinar CPD sessions organised since March lockdown
- 37 Executive Council, Special Interest Group and Working Group meetings.

Prior to lockdown, BESA conducted the first four of its second series of LearnED Roadshow events: LearnED Newcastle, Nottingham, Exeter and Chelmsford. BESA, as part of the organising committee of the Education World Forum played host to 112 ministers from 107 countries and Caroline participated in the UK-Africa Investment Summit 2020.

The BETT Awards in January were a huge success, and BESA held the first digital-only ERA awards in March. Alex and Caroline spoke at GET China and CEEIA China Qingdao, and BESA took member companies to XcitED Helsinki and to L&T Expo Hong Kong.

It has been a huge pleasure and privilege to be your Chair for the last four years, and I would like to say thank you to every member of the Executive Council and the Finance and Resources committee in that time. Your advice, wisdom and kindness will not be forgotten. This year, I am the only member of Council leaving BESA as my nine years are up. Congratulations to whoever it is that replaces me on the Council, and good luck to the next Chair of BESA.

I have said before, but it bears repeating: BESA wouldn't be BESA without the time that all of our members give to the organisation, so thank you to you all too.

Director General's introduction – Annual Report 2019/20

By Caroline Wright, Director General of the British Educational Suppliers Association

I would like to extend my thanks to both the Chairman and the Treasurer for their tireless work on behalf of BESA members as they each step down after their maximum four years of office at this year's Annual General Meeting.

I would also like to extend my gratitude to all members of the Executive Council, for their expert insights and support driving forward the strategic direction of BESA.

The Chairman and Treasurer have reflected on BESA's work over the past year so I would like to take the opportunity to look instead at BESA's priorities and forward programme of work over the coming 12 months.

The past year has taught us that it is impossible to reliably predict the future, after all it was during the week of our 2019 AGM that a 55-year-old man was admitted to hospital in Wuhan to be diagnosed with what would become the first official case of COVID-19. However, despite the uncertainty what is clear is that our sector, as well as the wider economy, is set to face an extended period of challenging trading conditions. Given this BESA will divert our efforts to put an added focus on delivering targeted support and activities in a range of areas where BESA members are likely to face potential trade barriers and blockers during 2021.

A challenging home-market

Members are likely to continue to experience difficulty accessing and engaging with schools and colleges due to national and local social-distancing restrictions. Schools, and by implication educational suppliers, will face disruption from ongoing periods of year-group school self-isolation closures and online schooling due to COVID cases within school year 'bubbles'. Educational establishments are also enduring additional budget pressures as a result of the need to finance unfunded pressures of providing additional COVID-safe hygiene equipment and supply staff.

To help amplify members' brand-awareness with educators BESA will continue to champion and promote our BESA suppliers' work via our school and college facing LendED and LearnED platforms. We will build on our early work engaging educators online with our successful CPD training and peer-to-peer focussed LearnED online, which received 450 unique registrations for the first LearnED digital event, as well as continuing to build the effectiveness of BESA's LendED member marketing portal. We have seen a 350% increase in visitors and trials over the past year and we will look to continue to build on that solid start over the coming months.

From a policy perspective we will continue to challenge and hold Ministers and Government policy-makers to account to ensure that they fully consider the impact of emerging policies on the commercial market place. We will build out our engagement within Government from the core departments of Department for Education (DFE), Department for International Trade (DIT) and the Department for Business, Energy and Industrial Strategy (BEIS) to engage further with Cabinet Office, Department for Digital, Cultural, Media and Sport (DCMS) and the devolved administrations as well as opposition parties and parliamentarians to ensure that we hold Government to account on behalf of our industry.

Testing times for international education trading

Lengthy quarantine periods and travel bans are likely to continue during 2021, with the additional potential burden of a move to a WTO rules-based trading system in the event that an agreement is

not reached with the European Union before the 1st January 2021. We are also likely to see a continued reduction in fee-paying international students travelling to the UK for study, which will negatively impact on UK education suppliers and future interest in British curriculum resources internationally.

BESA has a range of projects underway to support members through these testing times including collaboration with DIT on a range of international online trade missions to help companies continue to engage in emerging export opportunities.

We will work with international partners to facilitate online introductions for BESA members to connect with potential partners and international distributors to help UK suppliers find agents on the ground in key international markets should international travel continue to be challenging over the longer term.

BESA will engage with key organisations across the wider education export sector such as Universities UK, English UK and the UK Skills Partnership to build a more strategic and joined up 'Education UK' approach and offer to an international audience.

Connecting our community

Whilst delivering these targeted activities both in the UK and Internationally BESA will not forget to continue to do what we have done best over many years. That is, providing the opportunities for members to network, engage and collaborate. Whilst we can't be together in the splendour of the House of Lords for our Annual Reception this year, we can bring some laughter and light to lockdown through our innovative and engaged special interest groups and a series of online social activities that we will also run throughout the year ahead.

So whilst trading optics will undoubtedly remain challenging during the coming year BESA members have my commitment that BESA will continue to do our utmost to help support members during the coming period to help you connect with partners, suppliers, and customers and on behalf of the entire BESA team we look forward to working with you all during the year ahead until we can meet again, hopefully in person, at our next Annual General Meeting in 2021.

Treasurer's Report - Annual Accounts 2019/20

By Stuart Abrahams, Treasurer of the British Educational Suppliers Association

This is my last year delivering the annual treasurers report and what a year it's been.

Fortunately, the period I need to cover is for the fiscal year ending the 31st March, which is when we'd only just started hearing about COVID-19 and we all thought it'll be over in a few weeks and we could get back to normal.

Well, it didn't quite turn out like that did it?

But, let's go back the accounts, a copy of which you'll find in the info pack.

The 12 months up to the end of March saw a number of personnel changes, but I'm delighted to say that the organisation continues to be run with managerial and fiscal prudence, concentrating on continually reducing costs whilst ensuring ever increasing membership benefits.

Ankita and Julia have done an excellent job under Caroline's, The Finance and Recourse Committee and the Executive Council's stewardship in ensuring BESA has robust finances in place, whilst making sure there are sufficient reserves in case something unexpected comes long!

Over the years we've had many internal conversations about reserves and what sort of level should be maintained for that 'rainy day' we hoped would never be needed. How glad we are for taking that cautious approach now that it's not just raining, but pouring!

Over the past few months, a number of detailed budgets have been set and agreed with the board, robust checks have been put in place to ensure that the Association's money continues to be spent wisely. I am pleased to be able to report that the performance we see in these annual accounts remain largely healthy.

Whilst overall income is slightly down on the previous year, (by £ 112k at £ 2.04m) - our cost of sales are considerably lower by £ 350k at £ 787k meaning our gross surplus had increased by £237.5k to £ 1.25m

Some of this movement is down to changes in our accounting processes, moving some costs of sales into administrative expenses. We also acquired the remaining 50% of EdTech Exchange, which is now a 100% owned BESA brand.

Our overall surplus for the year was £ 95.5k, up from £ 50.5k on last year. Those all-important reserves increased by just under £ 100k to £ 987,482

You might also have noticed that our accounts now show operating lease commitments over doubling to £ 479k. This is mainly down to a minimum 3-year agreement for our new offices. Albert House is a serviced office, providing the maximum flexibility, but also including, heat, light, rates, Internet & telephony, all which will reduce costs considerably further over the 3 year period.

Events and service turnover was down by 5% (£112k), and you'll recall that last year we increased our membership subscription by an inflationary 2% which would have added around £ 9k, but due to higher membership numbers our subscription revenue increased by some £ 99k to £ 557k, an increase of over 21%

As of the 31st March we had 355 Full, and 53 Launchpad members –

In normal years, I'd leave it there, having reported yet another successful year with robust finances in place as well a strong management team and executive council providing governance and oversight to ensure our trade association continues to support and fulfil the needs of our industry.

However, this is anything but a normal year.

As March drew to an end and we started to realise the potential enormity of the crisis, we thought it wise for Ankita and Julia to set about creating a worse-case scenario budget.

This was designed to illustrate what could happen to our finances with no event revenue, domestic or international, coupled with a dramatic reduction in membership and no governmental help. It made pretty grim reading, but helped us focus on what we might need to do.

At the end of March, we had agreed to move offices from our old home in Canary Wharf to a more central location in Old Street. We couldn't reverse this, but reduced the space, and delayed the move date by as much as possible.

We had hoped to restart physical LearnEd conferences and until recently even thought that BETT, The Education show and international conferences would go ahead.

As I just stated, we ended last year with 355 full and 53 launchpad members, which were record breaking numbers.

As of 3rd November, membership remains strong, and has even grown a little to 357 full and 58 launchpad members, and increase of 2 and 5 respectively.

Disappointedly, but not surprisingly we have had a number of non-renewals. Of the 36:

6 companies have closed, 7 site COVID-19, 3 cost cutting and another 3 are no longer in the education industry. The rest didn't give specific reasons.

A small number are yet to pay their membership subscriptions.

Your finance team looked at all costs and set about reducing as much as possible whilst maintaining member services. We furloughed some staff and had to lose a few which is desperately sad.

We moved as much as we could on-line and launched a series of events for members and non-members alike that have proved very popular and allowed us to bring back most of our events team, albeit not all of the full time - YET.

Fortunately, amongst all the current gloom, I'm pleased to tell you that those years of generating a surplus have left BESA secure of the future and in a good position to bounce back, when things get back to whatever the new normal is.

I would like to thank Gerald Edelman Chartered Accountants for their work in auditing

BESA's accounts for this 3rd year, and Ankita Patel, who has returned from maternity leave to ensure our finances are carefully and professionally managed during this crucial period.

It's been an absolute pleasure being your treasurer for the past few years, and I hope whoever your new treasurer is has a slightly smoother ride in less turbulent times!

My last action as Treasurer is to put these accounts to the AGM for formal approval.

Stuart Abrahams, Treasurer of BESA

Minutes of the 2019 Annual General Meeting of the British Educational Suppliers Association

Date 21 November 2019

Venue Queen Elizabeth II Centre, London

Minutes

1. **Start** – The meeting commenced at 2.00pm.

2. **Minutes** – Minutes of the 2018 AGM were approved.

3. **Introduction** – The Chair, Chris Ratcliffe, opened the AGM and gave his Chair's report.

4. **Treasurer's Report** – The Treasurer Stuart Abrahams introduced Treasurer's report and Annual Report and Accounts 2018/19

4. Approval of resolutions

- The Chair introduced resolution A 'That the Annual Report and Accounts for 2018/19 are approved'. Resolution A was agreed nem. con.
- The Chair introduced resolution B 'That Gerald Edelman, Chartered Accountants, be appointed auditors for 2018/19'. Resolution B was agreed nem. con.
- The Chair introduced resolution C 'That Association subscriptions for 2019/20 be increased by 2%.' Resolution C was agreed nem. con.

5. **New Council members** – The Director General, Caroline Wright, announced the results of the voting for the Executive Council elections. Anthony Coxon, Chris Mahady, Chris Ratcliffe, Dan Sandhu, Jane Harley, Jane Mann, Joanne Finnan, Nick Madhavji, Simon Hill were duly elected.

6. **Close** – The meeting closed at 2.20pm.

BESA Annual General Meeting 2020 – Proposed Ordinary Resolutions

Resolution A “That the Annual Report and Accounts for 2019/20 are approved.”

Resolution B “That Gerald Edelman, Chartered Accountants, be appointed auditors for 2020/21.”

Resolution C “That Association subscriptions for 2020/21 be held at the current rate – as an extraordinary measure in response to COVID-19 pandemic”

Company Registration No. 01097059 (England and Wales)

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

COMPANY INFORMATION

Directors	S J Abrahams L E Burton J E Doherty S C Hill M J Koster-Marcon C D Mahady C Major J K Mann C P Ratcliffe S W Winfield K Blainey C Chell D Jones S Omogbehin G Coleman Mr A S J Coxon Ms J Finnan N N Madhavji D S Sandhu J E Williamson
Secretary	C J P Wright
Company number	01097059
Registered office	Albert House 256-260 Old Street London EC1V 9DD
Auditors	Gerald Edelman 73 Cornhill London EC3V 3QQ

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Income and expenditure account	6
Balance sheet	7
Notes to the financial statements	8 - 15

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of activities of business and employers membership organisations.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S J Abrahams	
L E Burton	
J E Doherty	
M J Forshaw	(Resigned 21 November 2019)
T J Hall	(Resigned 21 November 2019)
S C Hill	
M M Hudson	(Resigned 21 November 2019)
J G C Kershaw	(Resigned 21 November 2019)
M J Koster-Marcon	
C D Mahady	
C Major	
J K Mann	
C P Ratcliffe	
S W Winfield	
K Blainey	
C Chell	
D Jones	
S Omogbehin	
G Coleman	
Mr A S J Coxon	(Appointed 21 November 2019)
Ms J Finnan	(Appointed 21 November 2019)
N N Madhavji	(Appointed 21 November 2019)
D S Sandhu	(Appointed 21 November 2019)
J E Williamson	(Appointed 21 November 2019)

Auditor

In accordance with the company's articles, a resolution proposing that Gerald Edelman be reappointed as auditor of the company will be put at a General Meeting.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors 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 company and of the surplus or deficit of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going concern

Having reviewed the company's financial forecasts and expected future cash flows. The directors have a reasonable expectation that the company has adequate resources available to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of approval of these financial statements.

In light of the recent Coronavirus outbreak in the UK and the likely economic disruption that this will cause, the directors have considered the impact that this could have on the company's future prospects. Like many companies the result of the company is impacted by the health of the economy. Therefore, a potential downturn in the economy is likely to have an impact upon the company's turnover. Having considered this, and taking into account government support, the directors expects the impact on turnover to be limited to the short-term and therefore does not believe it to pose a significant risk to the long-term trading and surplus of the business.

Accordingly, the directors continues to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



.....
C P Ratcliffe

Director

Date:

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

Opinion

We have audited the financial statements of British Educational Suppliers Association (the 'company') for the year ended 31 March 2020 which comprise the income and expenditure account, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 March 2020 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the 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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

Use of our report

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

Hiten Patel FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

.....

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Income	2	2,041,256	2,153,150
Cost of sales		(787,035)	(1,136,278)
Gross surplus		1,254,221	1,016,872
Administrative expenses		(1,138,825)	(967,009)
Operating surplus		115,396	49,863
Interest receivable and similar income	4	8,723	762
Amounts written off investments		(25,050)	-
Surplus before taxation		99,069	50,625
Tax on surplus		(541)	9
Surplus for the financial year		98,528	50,634

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION


BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	5		50,117		18,992
Investments	6		-		50
			<u>50,117</u>		<u>19,042</u>
Current assets					
Debtors	8	1,165,663		950,528	
Cash at bank and in hand		1,203,830		1,127,927	
		<u>2,369,493</u>		<u>2,078,455</u>	
Creditors: amounts falling due within one year	9	(1,234,522)		(996,353)	
Net current assets			1,134,971		1,082,102
Total assets less current liabilities			1,185,088		1,101,144
Provisions for liabilities	10		(197,606)		(212,190)
Net assets			<u>987,482</u>		<u>888,954</u>
Reserves					
Income and expenditure account			987,482		888,954
Members' funds			<u>987,482</u>		<u>888,954</u>

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

The financial statements were approved by the board of directors and authorised for issue on and are signed on its behalf by:



.....
C P Ratcliffe
Director

Company Registration No. 01097059

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

British Educational Suppliers Association is a private company limited by guarantee incorporated in England and Wales. The registered office is Albert House, 256-260 Old Street, London, EC1V 9DD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on the going concern basis.

In light of the recent Coronavirus outbreak in the UK and the likely economic disruption that this will cause, the directors have considered the impact that this could have on the company's future prospects. Like many companies the result of the company is impacted by the health of the economy. Therefore, a potential downturn in the economy is likely to have an impact upon the company's turnover. Having considered this, and taking into account government support, the directors expects the impact on turnover to be limited to the short-term and therefore does not believe it to pose a significant risk to the long-term trading and surplus of the business.

Accordingly, the directors continues to adopt the going concern basis in preparing the financial statements for the year ended 31 March 2020.

1.3 Income and expenditure

Event/service turnover includes charges (excluding VAT) invoiced to participating members for space and services at exhibitions, missions, seminars and other non-subscription services and is included within the financial statements for the period in which the event has been concluded.

Event/service turnover also consists of grants provided by the Department for International Trade (DIT). Participating members apply to British Educational Suppliers Association (BESA) for support and then BESA makes these applications to the DIT. The DIT provides BESA with the grants to be issued to participating members in addition to a mark-up, meaning that a small surplus is made on each grant application. Turnover and expenses are included within the financial statements for the period in which the event to which the grants relate has been concluded.

Membership subscriptions are recognised in the year to which they relate. Admission fees are charged at a time a member joins the Association and are recognised in the year of admission.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	Straight line over 10 years
Office equipment	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in surplus or deficit.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities. The jointly controlled entity is accounted for at cost less impairment.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Taxation

The company is exempt from corporation tax, it being a company not carrying on a business for the purposes of making a profit. However, corporation tax is payable on investment income or bank interest receivable during the year at the normal UK corporation tax rates.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in surplus or deficit in the period in which it arises.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in income or expenditure.

2 Turnover

An analysis of the company's turnover is as follows:

	2020 £	2019 £
Subscriptions	557,124	458,261
Admission fees	5,600	6,500
Event/service turnover	1,478,532	1,688,389
	<u>2,041,256</u>	<u>2,153,150</u>

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	14	13

4 Interest receivable and similar income

	2020 £	2019 £
Interest receivable and similar income includes the following:		
Interest receivable	2,086	762
Income from shares in group undertakings	6,637	-

5 Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2019	34,306	99,334	133,640
Additions	14,471	25,033	39,504
At 31 March 2020	48,777	124,367	173,144
Depreciation and impairment			
At 1 April 2019	32,510	82,138	114,648
Depreciation charged in the year	977	7,402	8,379
At 31 March 2020	33,487	89,540	123,027
Carrying amount			
At 31 March 2020	15,290	34,827	50,117
At 31 March 2019	1,796	17,196	18,992

6 Fixed asset investments

	Notes	2020 £	2019 £
Investments in joint ventures	7	-	50

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

6 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in participating interests £
Cost	
At 1 April 2019	50
Additions	25,000
At 31 March 2020	25,050
Impairment	
At 1 April 2019	-
Impairment losses	25,050
At 31 March 2020	25,050
Carrying amount	
At 31 March 2020	-
At 31 March 2019	50

7 Joint ventures

On 19 January 2018 the Association formed a joint venture, EdTech Exchange Limited, with Founders Exchange Limited (FEL). British Educational Suppliers Association (BESA) and FEL have created the joint venture to create an unparalleled, international network of EdTech founders with BESA taking on responsibility for the operational running and expansion of EdTech Exchange Limited.

EdTech Exchange Limited has submitted a proposal to strike off form on 6 April 2020.

8 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	872,335	100,048
Other debtors	293,328	850,480
	1,165,663	950,528

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

9 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	170,620	234,317
Corporation tax	396	-
Other taxation and social security	158,701	76,419
Deferred income	651,712	470,541
Other creditors	136,237	161,765
Accruals	116,856	53,311
	<u>1,234,522</u>	<u>996,353</u>

10 Provisions for liabilities

	2020 £	2019 £
Refund provision	<u>197,606</u>	<u>212,190</u>

Event commission income is determined in reference to the historic agreement with the event organiser. The above provision is in relation to the previous years where the event organiser informed BESA of the amount of its share of the income from the show. This commission income is based on the exhibition square meterage. The event organiser informed BESA in August 2018 that the amount they had told BESA to invoice them for over the past six years had been overstated. Since the year end an agreement has been reached with the event organiser that BESA will make good the overpayment by reducing the future income received from the event organiser in relation to the event by 50%. It is estimated that the amount will be cleared within 5-6 years.

11 Members' liability

The association is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the association on winding up such amounts as may be required not exceeding £10.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020 £	2019 £
	<u>478,920</u>	<u>210,208</u>

The operating leases above are currently within a break notice period, the lease can be terminated by serving a break notice not less than six months.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Events after the reporting date

EdTech Exchange Limited filed a proposal to strike off the company on 6th April 2020. As a result, the investment has been written off during the reporting period.

14 Related party transactions

The Association had been part of a joint venture, EdTech Exchange Limited, with Founders Exchange Limited to create an unparalleled, international network of EdTech founders. The Association has taken on responsibility for the operational running and expansion of EdTech Exchange Limited, providing the support and services of the Association's employees, with no costs transferred.

During the year, the Association provided support totalling to a value of £nil (2019: £12,530) and received management fees of £nil (2019: £14,397). At the year end an amount of £nil (2019: £12,000) was owed to the Association by EdTech Exchange Limited. The Association received dividends totalling £6,637 (2019: £nil) during the year.

During the year the Association purchased the remaining 50% share capital of Edtech Exchange Limited for a consideration of £25,000. Following strike off of the subsidiary, the association has written off the entire investment in the year.

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

DETAILED TRADING AND INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2020

		2020		2019
	£	£	£	£
Income				
Subscriptions		557,124		458,262
Admission fees		5,600		6,500
Event/service turnover		1,478,532		1,688,388
		<u>2,041,256</u>		<u>2,153,150</u>
Cost of sales				
Travelling expenses	39,854		107,588	
Professional subscriptions	17,938		12,762	
Political Advisory Services	24,452		32,024	
Printing and stationery	23,153		15,229	
Advertising	4,598		-	
Events and Exhibitions	579,082		862,894	
Website costs	4,269		8,919	
Telecommunications	11,739		14,542	
Research and development costs	81,950		82,320	
		<u>(787,035)</u>		<u>(1,136,278)</u>
Gross surplus	61.44%	1,254,221	47.23%	1,016,872
Administrative expenses		<u>(1,138,825)</u>		<u>(967,009)</u>
Operating surplus		115,396		49,863
Interest receivable and similar income				
Bank interest received	2,086		762	
Dividends receivable from group companies	6,637		-	
		<u>8,723</u>		<u>762</u>
Other gains and losses				
Amounts written off joint ventures		<u>(25,050)</u>		<u>-</u>
Surplus before taxation	4.85%	<u>99,069</u>	(13.23)%	<u>50,625</u>

BRITISH EDUCATIONAL SUPPLIERS ASSOCIATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 MARCH 2020

	2020	2019
	£	£
Administrative expenses		
Wages and salaries	660,847	604,983
Social security costs	64,469	62,871
Staff recruitment costs	8,147	5,850
Staff training	18,827	855
Pension costs defined contribution	41,516	38,555
Other staff costs	2,955	5,153
Rent re operating leases	47,500	45,720
Service charge payable	13,426	13,218
Rates	26,960	23,062
Cleaning	10,738	7,283
Power, light and heat	4,743	3,861
Equipment repairs	25,264	7,243
Computer running costs	15,161	13,011
Legal and professional fees	38,035	24,142
Consultancy fees	97,006	68,548
Accountancy fees	17,836	11,422
Audit fees	9,051	8,000
Bank charges	2,341	1,724
Bad and doubtful debts	5,085	-
Insurances (not premises)	13,641	13,133
Entertaining	1,227	5,597
Sundry expenses	8,183	4,397
Depreciation	8,379	5,371
(Profit) or loss on foreign exchange	(2,512)	(6,990)
	<hr/>	<hr/>
	1,138,825	967,009
	<hr/>	<hr/>



Caroline Wright,
Director General



Julia Garvey,
Operations Director



Ankita Patel,
Financial Controller



Nina Iles,
Head of EdTech



Yasmin Barnett,
Acting Head of Events



Alexander Shea,
Senior Policy Analyst



Hayley Baptist,
Membership
Coordinator



Lois Mills,
Events Coordinator



Arianna Franculacci,
Events Coordinator



Tel: +44 (0)20 7537 4997 • Email: besa@besa.org.uk • besa.org.uk

@besatweet [besa.org.uk](https://www.facebook.com/besa.org.uk)

[linkedin.com/company/british-educational-suppliers-association](https://www.linkedin.com/company/british-educational-suppliers-association)

Albert House, 256-260 Old Street, London EC1V 9DD