

Company registration number: 04205579  
Charity number: 1090412

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2018

LONDON GRID FOR  
LEARNING TRUST  
(A company limited by  
guarantee)

**MENZIES**  
BRIGHTER THINKING

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# LONDON GRID FOR LEARNING TRUST

## (A company limited by guarantee)

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2018

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### **Directors**

Mr P Robinson  
Mr G Hipple  
Mr N Mitchell  
Ms H Warner  
Mr S Green  
Ms Y Stanley (resigned 1 February 2018)  
Mr M Robinson (resigned 1 December 2017)  
Ms J McSherry (appointed 23 March 2018)  
Ms S Williams (appointed 19 March 2018)

### **Company registered number**

04205579

### **Charity registered number**

1090412

### **Registered office**

9th Floor, 10 Exchange Square, Primrose Street, London, EC2A 2EN

### **Company secretary**

Mr J Jackson

### **Chief executive officer**

Mr J Jackson

### **Independent auditor**

Menzies LLP, Lynton House, 7-12 Tavistock Square, London, WC1H 9LT

### **Bankers**

Lloyds Bank Plc, 83 Clarence Street, Kingston upon Thames, Surrey, KT1 1RE

### **Solicitors**

Ashfords LLP, 1 New Fetter Lane, London, EC4A 1AN

### **Procurement Services**

Harrow Shared Procurement Services, Harrow Council Civic Centre, Station Road, Harrow, HA1 2XF

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

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The Directors set out the audited financial statements of the group and the company for the 1 April 2017 to 31 March 2018. The Directors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the 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 (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The directors have set out in a separate document the Annual Report.

### DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors (who are also directors of London Grid for Learning Trust for the purposes of company law) are responsible for preparing the Directors' 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 Directors to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 charitable group will continue in operation.

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

### DISCLOSURE OF INFORMATION TO AUDITOR

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

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

### AUDITOR

The auditor, Menzies LLP, has indicated its willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditor at a meeting of the Directors.

This report was approved by the Directors, on \_\_\_\_\_ and signed on their behalf by:

**Mr P Robinson**

**Mr J Jackson**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON  
GRID FOR LEARNING TRUST

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**OPINION**

We have audited the financial statements of London Grid for Learning Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2018 set out on pages 6 to 33. 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 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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**

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 group's or the parent charitable 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON  
GRID FOR LEARNING TRUST

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**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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report and the Group strategic report have 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 Directors' report.

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

- 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**RESPONSIBILITIES OF TRUSTEES**

As explained more fully in the Directors' responsibilities statement, the Directors (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 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 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 Directors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

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

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

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LONDON GRID FOR LEARNING TRUST

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### USE OF OUR REPORT

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

Malcolm Lucas FCA (Senior statutory auditor)

for and on behalf of

**Menzies LLP**

Chartered Accountants  
Statutory Auditor

Lynton House  
7-12 Tavistock Square  
London  
WC1H 9LT  
Date:

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

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	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
<b>INCOME FROM:</b>					
Charitable activities	2	21,856	-	21,856	21,359
Other trading activities		5,071	-	5,071	4,475
Investments		11	-	11	7
<b>TOTAL INCOME</b>		<b>26,938</b>	<b>-</b>	<b>26,938</b>	<b>25,841</b>
<b>EXPENDITURE ON:</b>					
Raising funds		4,799	-	4,799	4,065
Charitable activities	4,5,6	20,634	2	20,636	19,203
<b>TOTAL EXPENDITURE</b>	6	<b>25,433</b>	<b>2</b>	<b>25,435</b>	<b>23,268</b>
<b>NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>					
		1,505	(2)	1,503	2,573
Actuarial gains/(losses) on defined benefit pension schemes	23	222	-	222	(662)
<b>NET MOVEMENT IN FUNDS</b>		<b>1,727</b>	<b>(2)</b>	<b>1,725</b>	<b>1,911</b>
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward		5,126	2	5,128	3,217
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>6,853</b>	<b>-</b>	<b>6,853</b>	<b>5,128</b>

The notes on pages 12 to 33 form part of these financial statements.

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 04205579

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## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

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	Note	£000	2018 £000	£000	2017 £000
<b>FIXED ASSETS</b>					
Intangible assets	12		1,685		773
Tangible assets	13		5,717		7,862
			<u>7,402</u>		<u>8,635</u>
<b>CURRENT ASSETS</b>					
Debtors	15	3,403		2,496	
Cash at bank and in hand		6,680		3,775	
		<u>10,083</u>		<u>6,271</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(8,946)		(8,842)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>1,137</u>		<u>(2,571)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,539</u>		<u>6,064</u>
<b>CREDITORS:</b> amounts falling due after more than one year	17		(688)		(51)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>7,851</u>		<u>6,013</u>
Defined benefit pension scheme liability	23		(998)		(885)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>6,853</u></u>		<u><u>5,128</u></u>

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# LONDON GRID FOR LEARNING TRUST

## (A company limited by guarantee)

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### CONSOLIDATED BALANCE SHEET (continued)

#### AS AT 31 MARCH 2018

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	Note	£000	2018 £000	£000	2017 £000
<b>CHARITY FUNDS</b>					
Restricted funds	19		-		2
Unrestricted funds:	19				
Unrestricted funds excluding pension liability		7,851		6,011	
Pension reserve		(998)		(885)	
Total unrestricted funds			<u>6,853</u>	<u>6,011</u>	<u>5,126</u>
<b>TOTAL FUNDS</b>			<u><u>6,853</u></u>	<u><u>6,011</u></u>	<u><u>5,128</u></u>

The financial statements were approved and authorised for issue by the Directors on their behalf, by:

and signed on

**Mr P Robinson**

**Mr J Jackson**

The notes on pages 12 to 33 form part of these financial statements.

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

REGISTERED NUMBER: 04205579

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## COMPANY BALANCE SHEET AS AT 31 MARCH 2018

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	Note	£000	2018 £000	£000	2017 £000
<b>FIXED ASSETS</b>					
Intangible assets	12		1,684		770
Tangible assets	13		5,695		7,818
Investments	14		-		-
			<u>7,379</u>		<u>8,588</u>
<b>CURRENT ASSETS</b>					
Debtors	15	2,989		2,171	
Cash at bank		6,302		3,145	
		<u>9,291</u>		<u>5,316</u>	
<b>CREDITORS:</b> amounts falling due within one year	16	(8,446)		(7,886)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>845</u>		<u>(2,570)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>8,224</u>		<u>6,018</u>
<b>CREDITORS:</b> amounts falling due after more than one year	17		(688)		(51)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>7,536</u>		<u>5,967</u>
Defined benefit pension scheme liability	23		(998)		(885)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>6,538</u></u>		<u><u>5,082</u></u>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## COMPANY BALANCE SHEET (continued) AS AT 31 MARCH 2018

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	Note	£000	2018 £000	£000	2017 £000
<b>CHARITY FUNDS</b>					
Restricted funds	19		-		2
Unrestricted funds:	19				
Unrestricted funds excluding pension liability		7,536		5,965	
Pension reserve		(998)		(885)	
Total unrestricted funds			6,538		5,080
<b>TOTAL FUNDS</b>			6,538		5,082

The financial statements were approved and authorised for issue by the Directors on their behalf, by:

and signed on

**Mr P Robinson**

**Mr J Jackson**

The notes on pages 12 to 33 form part of these financial statements.

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# LONDON GRID FOR LEARNING TRUST

## (A company limited by guarantee)

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### CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

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	Note	2018 £000	2017 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	<u>3,818</u>	<u>2,668</u>
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		11	6
Purchase of tangible fixed assets		(394)	(529)
Purchase of intangible assets		(1,321)	(329)
<b>Net cash used in investing activities</b>		<u>(1,704)</u>	<u>(852)</u>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		(100)	(311)
Introduction of new finance leases		891	-
<b>Net cash provided by/(used in) financing activities</b>		<u>791</u>	<u>(311)</u>
<b>Change in cash and cash equivalents in the year</b>		<u>2,905</u>	<u>1,505</u>
Cash and cash equivalents brought forward		<u>3,775</u>	<u>2,270</u>
<b>Cash and cash equivalents carried forward</b>		<u><u>6,680</u></u>	<u><u>3,775</u></u>

The notes on pages 12 to 33 form part of these financial statements.

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1. ACCOUNTING POLICIES

#### General information

London Grid for Learning Trust (04205579) is a charitable company limited by guarantee, incorporated and domiciled in England and Wales. The address of its registered office and principal place of business is disclosed on page 1 and its principal activities described in the Strategic and Directors' Reports.

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

London Grid for Learning Trust 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 Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

#### 1.2 Company status

The company is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

#### 1.3 Fund accounting

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

Designated funds comprise unrestricted funds that have been set aside by the Directors 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 company 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.

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1. ACCOUNTING POLICIES (continued)

#### 1.4 Income

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Income received from Local Authorities and schools for subscriptions and contributions to core activities is recognised in the period to which it relates. Income invoiced in respect of future periods is deferred to that period.

Income received from Local Authorities and schools in respect of Edge connections and services is in respect of the set up and provision of broadband services. Set up charges are recognised as incurred and annual charges are recognised in the period to which they relate. Annual charges in respect of future periods are deferred to that period. Income received in respect of Edge connections and services is expended on infrastructure.

Other project income is recognised as receivable. Commissions receivable are recognised as invoiced.

#### 1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs represent the trading costs of the company's trading subsidiary. Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's charitable operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Installation fees for broadband lines are recognised as a liability at the date when each installation is completed. The cost is deferred and recognised on a straight line basis over the five year period of each individual contract.

Audit and accountancy costs have been allocated to governance costs, staff costs are allocated to the appropriate activity on the basis of time spent on that activity.

#### 1.6 Going concern

The Trustees consider that the company and group remain a going concern for at least twelve months from the date of approval of these financial statements and for the foreseeable future. The financial statements are accordingly prepared on the Going Concern basis.

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1. ACCOUNTING POLICIES (continued)

#### 1.7 Basis of consolidation

The financial statements consolidate the accounts of London Grid for Learning Trust and its subsidiary undertakings.

The results of subsidiaries acquired during the year are included from the effective date of acquisition.

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

The income and expenditure account for the year dealt with in the accounts of the company was £1,427,419 (2017 - £1,863,312).

#### 1.8 Intangible fixed assets and amortisation

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset, less their estimated residual value, over their expected useful lives on the following bases:

Content and software	-	25% straight line
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#### 1.9 Tangible fixed assets and depreciation

All assets which are expected to have a useful life in excess of one year are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	-	20% straight line
Office equipment	-	33.3% straight line
Computer equipment	-	20-33.3% straight line

#### 1.10 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

#### 1.11 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1. ACCOUNTING POLICIES (continued)

#### 1.12 Operating leases

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

#### 1.13 Deferred income

Income received for activities that will be carried out in future periods is carried forwards as deferred income.

#### 1.14 Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 March 2016.

#### 1.15 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In the opinion of the Trustees the main estimate and assumption that may have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the useful life of fixed assets, which are written off in accordance with the amortisation and depreciation policies set out in note 1.8 and 1.9.

The valuation of the pension scheme assets and liabilities is carried out by the scheme actuary based on various assumptions and estimates. Details are given in Note 23.

#### 1.16 Change in Accounts Treatment

In preparing these financial statements the company has adopted the amendments to FRS102 as set out in the Triennial review 2017 published in December 2017; accordingly, the treatment of Gift Aid payments from London Grid Limited to its parent charity, London Grid for Learning Trust, has been changed in these accounts.

Previously, Gift Aid payments were recorded as costs in the year to which the payment related; the Gift Aid payment in respect of the year to 31 March 2017 was therefore included as a cost in the accounts for that year and shown as an amount owing to the parent company at 31 March 2017, even though the amount was paid after the year end. For the year ended 31 March 2018 and future years the treatment will change. Such amounts will be accounted for as a distribution of profit rather than as a cost in the year in which the distribution is made. Therefore, any amounts unpaid at 31 March 2018 are not included in these accounts.

No provision is included for any potential tax liability arising on the company's profits for the year because the directors propose that a Gift Aid donation to the parent charity will be paid within 9 months of the balance sheet date at an amount sufficient to reduce any such potential tax liability to Nil.

The comparative amount for the year ended 31 March 2017 has been re-categorised as a distribution although the year in which it was recognised has not changed as this was based on the information available and accounting best practice at the date of preparing these accounts.

# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 2. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Main LGfL Income	20,198	-	20,198	19,184
Other LGfL Income	419	-	419	1,023
LGfL Managed Services\Projects Income	565	-	565	1,152
LGL Income	674	-	674	-
	<u>21,856</u>	<u>-</u>	<u>21,856</u>	<u>21,359</u>
<i>Total 2017</i>	<u>21,351</u>	<u>8</u>	<u>21,359</u>	

### 3. DIRECT COSTS

	Main LGfL expenditure £000	Other LGfL expenditure £000	LGfL Managed Services\ Projects expenditure £000	LGL expenditure £000	Total 2018 £000	Total 2017 £000
Main Operational Expenditure	12,958	-	-	649	13,607	12,387
Content	-	235	-	-	235	297
Promotions	-	160	-	-	160	56
Frontier MLE Expenditure	-	-	-	-	-	581
Pan London Expenditure	-	-	504	-	504	507
Free School Meals	-	-	-	-	-	138
RBC Joint Activities	-	-	2	-	2	32
Other direct costs	-	1,010	-	-	1,010	59
Depreciation	2,606	332	-	-	2,938	3,129
	<u>15,564</u>	<u>1,737</u>	<u>506</u>	<u>649</u>	<u>18,456</u>	<u>17,186</u>
<i>Total 2017</i>	<u>15,244</u>	<u>685</u>	<u>581</u>	<u>-</u>	<u>16,510</u>	

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 4. SUPPORT COSTS

	LGL expenditure £000	Main LGfL expenditure £000	Total 2018 £000	Total 2017 £000
Net pension scheme finance costs/income	-	27	27	6
RBC Joint Activities	-	5	5	-
Rent, Electricity and Rates	-	59	59	140
Other professional fees	-	111	111	344
Repairs and maintenance	-	-	-	5
Other office costs	-	39	39	48
Insurance	-	15	15	15
Irrecoverable debts and sundry write-offs	-	44	44	-
Wages and salaries	212	1,201	1,413	1,177
National insurance	20	132	152	116
Pension cost	26	485	511	278
Depreciation	23	3	26	25
	<u>281</u>	<u>2,121</u>	<u>2,402</u>	<u>2,154</u>
<i>Total 2017</i>	<u>-</u>	<u>2,154</u>	<u>2,154</u>	

### 5. GOVERNANCE COSTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Governance Auditors' remuneration	25	-	25	20
Governance Auditors' non audit costs	11	-	11	29
Governance expense - wages and salaries	23	-	23	13
	<u>59</u>	<u>-</u>	<u>59</u>	<u>62</u>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 6. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 2018 £000	Depreciation 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Expenditure on fundraising trading	258	23	4,518	4,799	4,065
<b>Costs of raising funds</b>	<b>258</b>	<b>23</b>	<b>4,518</b>	<b>4,799</b>	<b>4,065</b>
Main LGfL expenditure	1,818	2,609	13,258	17,685	17,199
Other LGfL expenditure	-	332	1,405	1,737	684
LGfL Managed Services/Projects expenditure	-	-	506	506	581
Funded Projects expenditure	-	-	-	-	677
LGL expenditure	-	-	649	649	-
<b>Charitable activities</b>	<b>1,818</b>	<b>2,941</b>	<b>15,818</b>	<b>20,577</b>	<b>19,141</b>
<b>Expenditure on governance</b>	<b>23</b>	<b>-</b>	<b>36</b>	<b>59</b>	<b>62</b>
	<b>2,099</b>	<b>2,964</b>	<b>20,372</b>	<b>25,435</b>	<b>23,268</b>
<i>Total 2017</i>	<i>1,584</i>	<i>3,154</i>	<i>18,530</i>	<i>23,268</i>	

### 7. TURNOVER

The whole of the turnover is attributable to the provision of services.

All turnover arose within the United Kingdom.

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charitable group	2,361	2,542
- held under finance leases	195	312
Amortisation of intangible fixed assets	409	301
Operating lease rentals	54	53
	<u>          </u>	<u>          </u>

Permission has been obtained from the Charity Commission in order to pay for the professional services of the Chairman (P Robinson). During the year £7,748 including expenses were paid for these services (2017: £3,000).

No emoluments or expenses were paid to any other director during the current or preceding year.

The Trust has indemnity insurance and insurance to indemnify the directors and employees of the trust costing £14,300 (2017 - £14,000) for the period.

### 9. AUDITOR'S REMUNERATION

	2018 £000	2017 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	21	20
Fees payable to the company's auditor and its associates in respect of:		
The auditing of accounts other group companies	5	4
All other non-audit services not included above	11	12
	<u>          </u>	<u>          </u>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 10. STAFF COSTS

Staff costs were as follows:

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>1,436</b>	<i>1,190</i>
Social security costs	<b>152</b>	<i>116</i>
Other pension costs (Note 23)	<b>511</b>	<i>278</i>
	<b>2,099</b>	<i>1,584</i>

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

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
Administrative staff	<b>32</b>	<i>25</i>

The number of higher paid employees was:

	<b>2018</b>	<i>2017</i>
	<b>No.</b>	<i>No.</i>
In the band £ 60,001 - £ 70,000	<b>4</b>	<i>2</i>
In the band £ 70,001 - £ 80,000	<b>2</b>	<i>1</i>
In the band £100,001 - £130,000	<b>1</b>	<i>1</i>

Remuneration and benefits received by key management personnel was £596,000 (2017: £452,000).

### 11. OTHER FINANCE INCOME

	<b>2018</b>	<i>2017</i>
	<b>£000</b>	<i>£000</i>
Interest income on pension scheme assets	<b>164</b>	<i>186</i>
Interest expense on pension scheme liabilities	<b>(191)</b>	<i>(192)</i>
	<b>(27)</b>	<i>(6)</i>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 12. INTANGIBLE FIXED ASSETS

	Content & Software £000
<b>Group</b>	
<b>Cost</b>	
At 1 April 2017	4,122
Additions	1,321
Disposals	(2,190)
At 31 March 2018	<u>3,253</u>
<b>Amortisation</b>	
At 1 April 2017	3,349
Charge for the year	409
On disposals	(2,190)
At 31 March 2018	<u>1,568</u>
<b>Carrying amount</b>	
At 31 March 2018	<u>1,685</u>
<i>At 31 March 2017</i>	<u>773</u>
	<b>Content &amp; Software £000</b>
<b>Company</b>	
<b>Cost</b>	
At 1 April 2017	4,118
Additions	1,321
Disposals	(2,190)
At 31 March 2018	<u>3,249</u>
<b>Amortisation</b>	
At 1 April 2017	3,348
Charge for the year	407
On disposals	(2,190)
At 31 March 2018	<u>1,565</u>
<b>Carrying amount</b>	
At 31 March 2018	<u>1,684</u>
<i>At 31 March 2017</i>	<u>770</u>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 13. TANGIBLE FIXED ASSETS

<b>Group</b>	<b>Fixtures and fittings £000</b>	<b>Office equipment £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 April 2017	24	66	19,506	19,596
Additions	-	-	410	410
At 31 March 2018	<u>24</u>	<u>66</u>	<u>19,916</u>	<u>20,006</u>
<b>Depreciation</b>				
At 1 April 2017	21	22	11,691	11,734
Charge for the year	1	22	2,532	2,555
At 31 March 2018	<u>22</u>	<u>44</u>	<u>14,223</u>	<u>14,289</u>
<b>Net book value</b>				
At 31 March 2018	<u>2</u>	<u>22</u>	<u>5,693</u>	<u>5,717</u>
<i>At 31 March 2017</i>	<u>3</u>	<u>44</u>	<u>7,815</u>	<u>7,862</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2018 £000</b>	<b>2017 £000</b>
Computer equipment	<u>934</u>	<u>195</u>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 13. TANGIBLE FIXED ASSETS (continued)

<b>Company</b>	<b>Fixtures and fittings £000</b>	<b>Computer equipment £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 April 2017	24	19,506	19,530
Additions	-	410	410
At 31 March 2018	<u>24</u>	<u>19,916</u>	<u>19,940</u>
<b>Depreciation</b>			
At 1 April 2017	21	11,691	11,712
Charge for the year	1	2,532	2,533
At 31 March 2018	<u>22</u>	<u>14,223</u>	<u>14,245</u>
<b>Net book value</b>			
At 31 March 2018	<u>2</u>	<u>5,693</u>	<u>5,695</u>
At 31 March 2017	<u>3</u>	<u>7,815</u>	<u>7,818</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Company</b>	<b>2018 £000</b>	<b>2017 £000</b>
Computer equipment	<u>934</u>	<u>195</u>

### 14. FIXED ASSET INVESTMENTS

<b>Company</b>	<b>Shares in group undertakings £</b>
<b>Market Value</b>	
At 1 April 2017	1
Additions	1
At 31 March 2018	<u>2</u>
<b>Historical Cost</b>	<u>2</u>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 16. FIXED ASSET INVESTMENTS (Continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Holding
London Grid Limited	100%
Let's Get Digital Limited	100%

The aggregate of the share capital and reserves as at 31 March 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
London Grid Limited	314,000	267,000
Let's Get Digital Limited	1	-

#### Company investments at market value comprise:

	2018 £	2017 £
Group	2	1

All the fixed asset investments are held in the United Kingdom.

The Trust holds one ordinary share being 100% of the issued share capital of London Grid Limited (05122783), a company with the principal activity of providing the group's surplus broadband capacity to the public sector. In the year ended 31 March 2018, the company generated turnover of £5,071,000 (2017 - £4,475,000) and generated a profit of £267,000 (2017 - £47,000). The company had net assets of £314,000 (2017 - £47,000).

The Trust also holds one ordinary share being 100% of the issues share capital of Lets Get Digital Limited (11158329), a company incorporated on 9th January 2018. The company has not yet begun trading and as such has no principal activity.

### 15. DEBTORS

	Group		Company	
	2018 £000	2017 £000	2018 £000	2017 £000
Trade debtors	1,500	1,778	1,191	1,183
Amounts owed by group undertakings	-	-	105	596
Other debtors	438	362	374	272
Prepayments and accrued income	1,465	356	1,319	120
	<b>3,403</b>	<b>2,496</b>	<b>2,989</b>	<b>2,171</b>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 16. CREDITORS: Amounts falling due within one year

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
Net obligations under finance leases and hire purchase contracts	306	140	306	140
Trade creditors	2,500	2,967	2,070	2,140
Other creditors	22	22	22	22
Accruals and deferred income	6,118	5,713	6,048	5,584
	<u>8,946</u>	<u>8,842</u>	<u>8,446</u>	<u>7,886</u>

Included within creditors is deferred income relating to fees for services relating to future periods.

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
<b>Deferred income</b>				
Deferred income at 1 April 2017	5,343	6,580	5,263	6,580
Resources deferred during the year	6,084	5,343	6,028	5,263
Amounts released from previous years	(5,343)	(6,580)	(5,263)	(6,580)
Deferred income at 31 March 2018	<u>6,084</u>	<u>5,343</u>	<u>6,028</u>	<u>5,263</u>

### 17. CREDITORS: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
Net obligations under finance leases and hire purchase contracts	<u>688</u>	<u>51</u>	<u>688</u>	<u>51</u>

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£000	£000	£000	£000
Between one and five years	<u>688</u>	<u>51</u>	<u>688</u>	<u>51</u>

### 18. FINANCIAL INSTRUMENTS

	2018	2017
	£000	£000
Financial assets measured at amortised cost	<u>1,985</u>	<u>1,805</u>
Financial liabilities measured at amortised cost	<u>3,450</u>	<u>3,339</u>

# LONDON GRID FOR LEARNING TRUST

## (A company limited by guarantee)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

Financial assets measured at amortised cost comprise debtors excluding prepayments and VAT refunds due.

Financial liabilities measured at amortised cost comprise creditors excluding deferred income.

#### 19. STATEMENT OF FUNDS

##### STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2018 £000
<b>Designated funds</b>					
Pan London Admissions	232	565	(503)	-	294
<b>General funds</b>					
General Funds	5,732	21,302	(19,793)	-	7,241
Non-charitable trading funds	46	5,071	(4,802)	-	315
Pension reserve	(884)	-	(335)	222	(997)
	<b>4,894</b>	<b>26,373</b>	<b>(24,930)</b>	<b>222</b>	<b>6,559</b>
Total Unrestricted funds	<b>5,126</b>	<b>26,938</b>	<b>(25,433)</b>	<b>222</b>	<b>6,853</b>
<b>Restricted funds</b>					
RBC Joint Activities	2	-	(2)	-	-
Total of funds	<b>5,128</b>	<b>26,938</b>	<b>(25,435)</b>	<b>222</b>	<b>6,853</b>

The trustees have set aside surpluses generated from the Pan London Admissions activity for the enhancement of this service.

Monies provided for RBC Joint Activities, which were previously restricted to be used for this activity, are no longer regarded as income of the Trust and the remaining fund balance has been spent in accordance with the terms of the Fund.

# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 19. STATEMENT OF FUNDS (continued)

#### STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2016 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2017 £000
<b>Designated funds</b>					
Pan London Admissions	173	566	(507)	-	232
<b>General funds</b>					
General Funds	3,118	20,792	(18,178)	-	5,732
Non-charitable trading funds	-	4,475	(4,429)	-	46
Pension reserve	(101)	-	(121)	(662)	(884)
	3,017	25,267	(22,728)	(662)	4,894
Total Unrestricted funds	3,190	25,833	(23,235)	(662)	5,126
<b>Restricted funds</b>					
RBC Joint Activities	26	8	(32)	-	2
Total of funds	3,216	25,841	(23,267)	(662)	5,128

#### SUMMARY OF FUNDS - CURRENT YEAR

	Balance at 1 April 2017 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 March 2018 £000
Designated funds	232	565	(503)	-	294
General funds	4,894	26,373	(24,930)	222	6,559
	5,126	26,938	(25,433)	222	6,853
Restricted funds	2	-	(2)	-	-
	5,128	26,938	(25,435)	222	6,853

# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 19. STATEMENT OF FUNDS (continued)

#### SUMMARY OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2016 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2017 £000</i>
Designated funds	173	566	(507)	-	232
General funds	3,017	25,267	(22,728)	(662)	4,894
	<u>3,190</u>	<u>25,833</u>	<u>(23,235)</u>	<u>(662)</u>	<u>5,126</u>
Restricted funds	26	8	(32)	-	2
	<u>3,216</u>	<u>25,841</u>	<u>(23,267)</u>	<u>(662)</u>	<u>5,128</u>

### 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

#### ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	<b>Unrestricted funds 2018 £000</b>	<b>Restricted funds 2018 £000</b>	<b>Total funds 2018 £000</b>
Intangible fixed assets	1,685	-	1,685
Tangible fixed assets	5,717	-	5,717
Current assets	10,085	-	10,085
Creditors due within one year	(8,947)	-	(8,947)
Creditors due in more than one year	(688)	-	(688)
Provisions for liabilities and charges	(998)	-	(998)
Difference	(1)	-	(1)
	<u>6,853</u>	<u>-</u>	<u>6,853</u>

#### ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2017 £000</i>	<i>Restricted funds 2017 £000</i>	<i>Total funds 2017 £000</i>
Intangible fixed assets	773	-	773
Tangible fixed assets	7,862	-	7,862
Current assets	6,270	2	6,272
Creditors due within one year	(8,843)	-	(8,843)
Creditors due in more than one year	(51)	-	(51)
Provisions for liabilities and charges	(885)	-	(885)
	<u>5,126</u>	<u>2</u>	<u>5,128</u>

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Net income for the year (as per Statement of Financial Activities)	<b>1,503</b>	2,573
<b>Amortisation of intangible assets</b>		
Amortisation of intangible assets	<b>409</b>	301
Depreciation of tangible assets	<b>2,555</b>	2,853
Current pension service cost	<b>487</b>	253
Defined benefit pension scheme contributions paid	<b>(179)</b>	(137)
Net interest/finance cost	<b>27</b>	6
(Increase)/decrease in debtors	<b>(895)</b>	508
Decrease in creditors	<b>(78)</b>	(3,682)
Interest received	<b>(11)</b>	(7)
<b>Net cash provided by operating activities</b>	<b>3,818</b>	2,668

### 22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£000</b>	<b>£000</b>
Cash in hand	<b>6,680</b>	3,775
Total	<b>6,680</b>	3,775

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 23. PENSION COMMITMENTS

The group operates a Defined benefit pension scheme.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages) :

	2018	2017
Discount rate at 31 March	2.70 %	2.60 %
Expected return on scheme assets at 31 March	3.40 %	2.80 %
Future salary increases	2.80 %	2.80 %
Future pension increases	2.40 %	2.40 %
Mortality Current Pensioners	22.5 years	22.5 years

The trust is an admitted body to the Royal Borough of Kingston upon Thames pension fund, a multi-employer pension fund in which there are many participating employers. The disclosures relate to the funded liabilities within the Royal Borough of Kingston upon Thames Pension Fund (the 'fund') which is part of the local government pension scheme. London Grid for Learning ('LGFL') participates in the fund which provides defined benefits, based on members' final pensionable salary.

In accordance with Financial Reporting Standard no.102 disclosure of certain information concerning assets, liabilities income and expenditure relating to pension schemes is required.

The Employer's regular contributions to the Fund for the accounting period to 31 March 2019 are estimated to be £179,000. In addition, Strain on Fund Contributions may be required.

The latest actuarial valuation of LGFL's liabilities took place as at 31 March 2015. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the fund for FRS102 purposes are detailed below.

LGFL employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2016.

The assets in the scheme and the expected rates of return were:

	Fair value at 31 March 2018 £000	Fair value at 31 March 2017 £000
Equities	708	591
Bonds	220	144
Property	50	32
Cash	20	20
Total market value of assets	<u>998</u>	<u>787</u>

The actual return on scheme assets was £164,000 (2017 - £186,000).

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# LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2018 £000	2017 £000
Current service cost	(485)	(253)
Interest on obligation	(191)	(192)
Expected return on scheme assets	164	186
Past service cost	(26)	(25)
Total	<u>(538)</u>	<u>(284)</u>
Actual return on scheme assets	<u>164</u>	<u>186</u>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £000	2017 £000
Opening defined benefit obligation	7,120	5,383
Current service cost	485	253
Interest cost	191	192
Contributions by scheme participants	103	70
Actuarial (gains)/losses	(174)	1,330
Liabilities extinguished on settlements	-	108
Benefits paid	(109)	(108)
Closing defined benefit obligation	<u>7,616</u>	<u>7,120</u>

Changes in the fair value of scheme assets were as follows:

	2018 £000	2017 £000
Opening fair value of scheme assets	6,235	5,281
Expected return on assets	164	186
Actuarial gains and (losses)	48	668
Contributions by employer	179	138
Contributions by scheme participants	103	70
Benefits paid	(109)	(108)
	<u>6,620</u>	<u>6,235</u>

The group expects to contribute £NIL to its Defined benefit pension scheme in 2019.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2018	2017
Equities	71.00 %	74.00 %
Bonds	22.00 %	18.00 %
Property	5.00 %	4.00 %
Cash	2.00 %	4.00 %

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# LONDON GRID FOR LEARNING TRUST

## (A company limited by guarantee)

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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#### 23. PENSION COMMITMENTS (continued)

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	<b>2018</b>	2017	2016	2015	2014
	<b>£000</b>	£000	£000	£000	£000
Defined benefit obligation	<b>(7,616)</b>	(7,120)	(5,383)	(5,378)	(4,576)
Scheme assets	<b>6,620</b>	6,235	5,281	4,880	4,338
Deficit	<b>(996)</b>	(885)	(102)	(498)	(238)
Experience adjustments on scheme liabilities	<b>174</b>	(1,330)	652	(803)	596
Experience adjustments on scheme assets	<b>48</b>	668	22	470	(149)

#### 24. OPERATING LEASE COMMITMENTS

At 31 March 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group and Company</b>	<b>2018</b>	2017
	<b>£000</b>	£000
<b>Payments due:</b>		
Within 1 year	<b>54</b>	54
Between 1 and 5 years	<b>54</b>	107
Total	<b>108</b>	161

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# LONDON GRID FOR LEARNING TRUST

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 25. RELATED PARTY TRANSACTIONS

Due to the nature of the Trust's operations procuring services on behalf of the Local Authorities and the composition of the Board of Directors drawn from the Local Authorities it is inevitable that transactions take place with organisations in which the directors have an interest. No specific transactions have been identified where a director has an involvement and which should be disclosed as a related party transaction.

At 31 March 2018 the Trust was owed £105,015 (2017, £596,000) by its subsidiary company London Grid Limited. Donations to the Trust by London Grid Limited in respect of the year amounted to £nil (2017, £358,000) and management charges to London Grid Limited by the Trust amounted to £251,642 (2017, £284,860).

### 26. PRINCIPAL SUBSIDIARIES

#### London Grid Limited

Subsidiary name	London Grid Limited
Company registration number	05122783
Basis of control	100% Shareholders
Equity shareholding %	100%

Total assets as at 31 March 2018	£ 921,000
Total liabilities as at 31 March 2018	£ 607,000
Total equity as at 31 March 2018	£ 314,000

Turnover for the year ended 31 March 2018	£ 5,071,000
Expenditure for the year ended 31 March 2018	£ 4,804,000
Profit for the year ended 31 March 2018	£ 267,000

#### Let's get Digital Limited

Subsidiary name	Let's Get Digital Limited
Company registration number	11158329
Basis of control	100% Shareholders
Equity shareholding %	100%

Total assets as at 31 March 2018	£ 1
Total liabilities as at 31 March 2018	£ -
Total equity as at 31 March 2018	£ 1

Turnover for the year ended 31 March 2018	£ -
Expenditure for the year ended 31 March 2018	£ -
Result for the year ended 31 March 2018	£ -