

Company registration number: 04205579
Charity number: 1090412

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

LONDON GRID FOR
LEARNING TRUST

MENZIES
BRIGHTER THINKING

LONDON GRID FOR LEARNING TRUST

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

Trustees	Mr P Robinson Mr G Hipple Ms J McSherry Mr N Mitchell Ms H Warner Mr S Green
Company registered number	04205579
Charity registered number	1090412
Registered office	9th Floor 10 Exchange Square Primrose Street London EC2A 2BR
Company secretary	Mr J Jackson
Chief executive officer	Mr J Jackson
Independent auditors	Menzies LLP Chartered Accountants 36 Station Road Egham Surrey TW20 9LF
Bankers	Lloyds Bank Plc 83 Clarence Street Kingston upon Thames Surrey KT1 1RE
Solicitors	Ashfords LLP 1 New Fetter Lane London EC4A 1AN

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MARCH 2021

CHAIRMAN'S STATEMENT 2020 - 2021

When scholars ask whether the Renaissance - a cultural, artistic, political and economic rebirth following the Middle Ages and the Black Death ever actually existed it sounds like a typically academic University examination question. Whatever the answer there is something appealing about the concept of innovation, creativity and growth emerging from a period of adversity. For schools, councils and all our other customers the last 12 months has again been dominated by the pandemic yet for all the challenge and difficulty it has caused, 2021/22 has also been a good year for the Trust.

Turnover has increased with large numbers of devices being provided to schools together with enhanced bandwidth and new services coming online including those in the cloud. The national reach of LGfL/NGfL continues to expand whilst the depth and maturity of our partnerships large and small, existing and new continues to deliver real benefits to all our customers. To the uninformed and looking back from the 21st century the Renaissance may have seemed dominated by the giants such as Michelangelo and Leonardo da Vinci but the reality was that it was a time when the achievements of many helped to fuel a flourishing of talent and the harnessing of new technologies and ways of working.

So it is now. The Trust has found itself in the fortunate position of being able to shape the latest advances in cyber technology and apply them to children's learning and the needs of schools and the rest of the public sector. The last 2 years characterised by more remote learning has liberated our thinking about how best to support pedagogy and the demands faced by schools and councils in a complex world including dealing with security and safeguarding.

On a personal level it has not been easy for staff and pupils in any organisation or school to navigate the last 12 months. As the chairman of a charity, I feel proud of our staff and those in schools and councils who have worked so hard to maintain vital services and I give my word that I and my fellow Trustees will continue to work around the clock to support you and your organisations in the months and years to come.

Paul Robinson - Chairman, London Grid for Learning Trust

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

CEO STATEMENT 2020 - 2021

2020/21 was an incredible year for LGfL underlining its importance to Education in the UK. Despite a global pandemic, LGfL delivered its most significant impact ever in pursuit of its mission to advance education.

Gross turnover rose to almost £50M as LGfL led one of the largest ever device rollouts to UK Schools with LGfL helping schools to recycle or buy over 140,000 devices which is a larger programme than Scotland's device initiative.

LGfL was the lead party in a consortia with the University of Sheffield Hallam and the Education Foundation which was created to support teachers harness cloud platforms and remote learning. This was a national programme that was commissioned by the DfE. Over 4000 schools participated in the programme.

By the end of FYE 2021 thousands of schools had received a bandwidth boost to their LGfL broadband enabling them to support cloud based learning, whilst still remaining secure due to the installation of the latest hardware and protection systems in schools and LGfL's Ignite National Network.

LGfL reacted positively to the COVID-19 pandemic and scaled up new products such as Home Filtering and Remote Access platforms to enable schools to function efficiently and support remote learning for pupils. HomeProtect (LGfL's home filtering system), at its peak, was protecting over 250,000 children and, along with LGfL's curriculum resources, was made freely available to any school in the UK.

Over 1 million licences were freely distributed to schools enabling a range of positive outcomes including an estimated added value of £10M per annum.

The free school meal checker identified over £30M of potential pupil premium funding for schools. Pupil premium is funding to improve education outcomes for disadvantaged pupils in schools in England. By next year, we anticipate that the eligibility checker will have identified over £100M of funding since its inception in 2014.

After years of growth and innovation, some of LGfL's product deployments now rank amongst the biggest in the world providing protection and security to nearly 2 million children and teachers every day. What is remarkable is that all of this has been achieved without increasing prices to schools.

This year, whilst being one of the most difficult in our history, has brought out the best of LGfL and its partners. I am incredibly proud of the Trustees, LGfL Officers, our Partners and Schools for their support and trust in us at a time of national emergency. Together we have provided a lifeline to schools during the pandemic and provided an essential foundation that has enabled the continuation of education for close to 2 million teachers and children.

John Jackson - CEO, London Grid for Learning Trust

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

LGfL'S OBJECTIVES AND ACTIVITIES

LGfL was founded in 2001 to advance education, in particular by providing and assisting in the provision of information and communications technology to London schools for the benefit of the children attending those schools.

In 2019/20, our shareholders approved a widening of LGfL's Objects, following approval by the Charities Commission: -

- to advance health by assisting in the provision of broadband and other communications technology to allow integrated services between local authorities and health authorities in the provision of social and other care; and
- to advance community development by assisting local authorities to integrate services through broadband and other communications technology to provide services more efficiently and at lower cost to the recipients of services particularly the elderly, vulnerable individuals and the disabled.

LGfL delivers its Objects by focusing on: -

- Saving schools money;
- Energising teaching and learning;
- Keeping children safe;
- Tackling inequality; and
- Promoting wellbeing.

In furtherance of our Objects, we: -

- Provide high speed and secure broadband and a range of digital services to public sector bodies including schools;
- Cooperate and work with schools, academies and colleges of further education, other charities, voluntary bodies and statutory authorities; operating in furtherance of the Objects or similar charitable purposes and assisting them to exchange information and advice;
- Procure and enter into contracts to provide services to or on behalf of other bodies, establish or acquire subsidiary undertakings, and establish or take part in joint procurements, ventures and undertakings;
- Set aside funds for special purposes with a view to meeting long-term commitments or requirements;
- Share safeguarding best-practice in terms of online safety and beyond, working with stakeholders to train and equip school staff with the technologies and human expertise that best keep children safe in education; and
- Provide high-quality Continuous Professional Development for school staff at no additional cost that fosters the innovative use of cutting-edge technologies in the classroom and complements teaching & learning best-practice.

STRATEGIC REPORT

Today, LGfL serves an estimated 1.6 million children as well as 250,000 teachers and support staff across thousands of UK schools and public sector bodies. Our combined group, including LGL extends to the vast majority of London schools, libraries and community centres as well as hundreds of additional sites across the UK.

As such, LGfL is one of the largest providers of connectivity to schools in the UK providing a suite of digital services and infrastructure that is feature rich and capable of supporting an educational system that is changing fundamentally in response to the pandemic.

At the heart of LGfL's service is a world class network. Built almost exclusively on symmetrical, uncontended fibre to the premise, LGfL's fibre connectivity provides almost infinite capacity to deliver exciting and engaging learning opportunities for children – both now and into the future.

LGfL's massive scale, which continues to grow nationally, means that it secures very competitive pricing from its supply chain enabling LGfL to deliver value for money to the schools it serves.

Alongside its education portfolio of products, LGfL provides a number of pan London and regional services alongside a wider public sector infrastructure to enable efficient and cost-effective service delivering in London. They are: -

1. Pan London Admissions Service;
2. London Public Services Network (including gateways to health); and
3. Free School Meals Eligibility Checker.

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

ACHIEVEMENTS AND PERFORMANCE

The global pandemic has placed extraordinary and unprecedented pressure on the UK with severe and negative impacts on the economy, public institutions and society more generally. Children and educational services have been disrupted by repeated lockdowns and the consequent shift to remote and blended learning pedagogies. The wellbeing of teachers and children has been negatively impacted and the level of inequality has unfortunately worsened in parts of the country.

These developments have impacted many Educational Technology companies over the course of 2020/21 with some reporting unprecedented financial difficulties and disruption. In short this has been a year of global emergency and repeated crisis.

Despite the challenges, LGfL entered the pandemic with a mission to emerge stronger from it and deliver innovation and critical support to schools. Looking back at the year, LGfL played a fundamental and award-winning role in supporting schools at a time of national crisis. The following sections set out in more detail the achievements of LGfL over the course of the pandemic with outcomes summarised in the table below:-

KEY OUTCOMES

Outcome	By March 31 2021	By March 31 2020
Pledge 2020 Outcomes		
Schools receiving free bandwidth upgrades as part of Pledge 2020 programme	1523	975
General Connection Speed of Secondary Schools to the Internet	1 Gbps	200 – 500 Mbps
General Connection Speed of Primary Schools to the Internet	100 – 300 Mbps	40 – 100 Mbps
Bridge The Divide Outcomes		
Approximate New Laptops Delivered to Schools / Ordered by Schools by 31st March 21	110,000	
Estimated Number of Laptops Enabled for Recycling	30,000	
Estimated Saving to Schools of Delivered and Ordered Laptops	In excess of £7M	
National Demonstrator Programme		
Schools supported by the National Demonstrator Programme	Over 4000	
Estimated Teachers impacted by the National Demonstrator Programme	200,000	
Estimated Children impacted by the National Demonstrator Programme	2,000,000	
Free School Meals		
Pupil Premium Funding identified for Schools	£33.5 M	£15.8 M
Applications for School Places		
Applications for Secondary School Places Processed	108701	107161
Applications for Reception School Places	109124	114272
Total Number of Applications Processed for School Places (all phases)	237353	241108
Smartbuy - Value for Money		
Estimated Licences Freely Distributed to Schools by LGfL as part of Let's Get Digital Broadband Offer	1.3 M	1.3 M
Estimated Saving / Additional Value to Schools Per Annum	In excess of £12 M	In excess of £12 M

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

PLEDGE 2020 – FUTURE PROOFED FIBRE BROADBAND

In 2018 LGfL anticipated the move to Cloud Computing in Education and the need for greater security in schools. Consequently, the LGfL Pledge 2020 programme was pulled together to ensure that schools had the broadband speeds and technology necessary for transition to the Cloud. The rollout of Pledge 2020 commenced in April 2019 and the programme was completed in December 2020.

To ensure its success, Pledge 2020 required an anticipated cyclical investment by LGfL in the equipment and services necessary to support the upgrade of connectivity across thousands of schools during the pandemic. This upgrade became particularly challenging due to access and movement restrictions.

The net result of the Pledge 2020 programme was to increase available bandwidth capacity by an average of over 200% with migrated primary schools generally moving to a minimum of 100 Mbps and secondary schools to 1 Gbps.

This additional capacity enabled schools to support cloud-based learning with minimum disruption to the Education of children. The foresight of Pledge 2020 by LGfL proved to be invaluable as during the pandemic the government accelerated the migration to Office 365 and Google G Suite into schools such that cloud computing replaced an environment that prior to COVID-19 was based on infrastructure and systems that were largely school based.

As part of Pledge 2020, LGfL also invested in the security and protection of its schools. New firewalls were deployed, on the latest operating systems, and connected into centralised management platforms that enable efficient and effective security oversight over thousands of schools and public sector organisations. This investment has proven very timely as the number of cyberthreats, and their sophistication, is unfortunately on the increase.

The scale of this undertaking was vast and complicated by site access restrictions resulting from the pandemic. Nevertheless, nearly all LGfL customers were upgraded during the pandemic.

The resulting fibre network is one the biggest landmark achievements ever delivered by LGfL and ensured that the disruption to schools of moving from on premise solutions to cloud was minimised.

BRIDGE THE DIVIDE – EQUIPPING CHILDREN WITH LAPTOPS

LGfL recognised the educational emergency faced by schools who lacked sufficient equipment to support children learning from home which potentially would have damaging consequences on the education of those children.

LGfL was concerned that there was exploitation of market conditions occurring with device prices rising rapidly due to the ever increasing levels of demand because of the global pandemic. The impact of this being that other countries would consume the available devices leaving a shortage for the UK and extended delays in receiving equipment.

In order to counter these challenges to education and the UK economy as a whole LGfL, at its own risk, went to market to purchase up to 1 million devices. By doing so, LGfL secured supply for the UK and generated economies of scale in the market.

Rather than seek advantage from securing devices at low prices, LGfL then offered these devices to schools and Councils at pricing, LGfL believe, had never been achieved before in the marketplace for the quality of equipment being provided to schools. The savings, per device, have been estimated at between £40 – £90 compared with the market at the time.

Given the exceptional pricing, schools and Councils quickly embraced the initiative purchasing vast quantities of devices from LGfL which collectively saved them more than £7million and dramatically increased the number of devices available for children, including those most in need.

Over the course of the initiative many schools commented positively on the work undertaken by LGfL and the incredible impact it had on children by enabling an acceleration of 1:1 device ratios across all year groups which, without the advantageous pricing secured by LGfL would otherwise have been impossible. Many of the devices purchased went to schools in some of the most deprived areas of the country.

The government scheme cost £240 million to provision 1 million laptops. The cost of LGfL's laptop provisioning was significantly lower with profits from sales being reinvested back into the upgrade of infrastructure and services for schools which was needed during the pandemic to cope with the additional pressures placed on it.

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

BRIDGE THE DIVIDE - EQUIPPING CHILDREN THROUGH RECYCLING

Many schools during the pandemic could not afford to purchase new devices and, particularly in areas of social and economic deprivation.

LGfL implemented #BridgeTheDivide to save schools money on new devices but a parallel initiative was needed where money was not available in schools to fund new devices for children. As a result, recycling of old devices was an area that LGfL chose to invest in for schools and over the course of the pandemic.

A key focus was finding a cost-effective means of converting devices, that were no longer deemed powerful enough to support children and teachers, into fully functioning chrome devices that accessed data and programmes in the cloud.

LGfL partnered with Neverware and purchased licences for subscribing schools that enabled devices to become fully functioning chrome devices within a few minutes.

LGfL, at the request of London Councils, also established a temporary shared support service, to support the rollout of devices to vulnerable children and to support recycling of equipment used in public sector bodies.

Over 1,000 schools have now engaged with LGfL and converted old devices into ones that could provide efficient and secure internet access at virtually no additional cost. As part of this initiative, tens of thousands of licences were delivered to schools.

The subsequent savings to schools of recycling computers are estimated at many millions of pounds with many using a combination of new laptops and recycled devices to achieve 1:1 device ratios.

Recycling is also a powerful way of helping the environment as it postpones sending large volumes of equipment to landfill sites.

SAFEGUARDING CHILDREN AT HOME – HOME PROTECT

Due to school closures children were learning at home and there was an urgent need to safeguard children who would, ordinarily, be protected by filtering and security systems provided by schools.

In response to this fundamental change, LGfL developed and deployed a free filtering package called HomeProtect. This platform allowed schools to apply filtering policies to school equipment used at home. The product was made available in a matter of weeks from a standing start. LGfL made the service free to any school in the UK, as well as to schools that subscribed to its broadband service, thus saving participating schools the expense of having to provide an alternative solution.

A key feature of the home filtering platform was ease of use and the ability for policies to be applied across multiple operating systems given that children may be using Chromebooks, iPads and windows devices.

Over the course of the year, hundreds of schools signed up for this initiative, and an estimated 250,000 devices were covered by the filtering platform at its peak during the pandemic. Without HomeProtect, children could have been exposed to inappropriate content.

LGfL has now mainstreamed HomeProtect and offers it as a key part of its broadband subscription

NATIONAL DEMONSTRATOR PROGRAMME - HELPING SCHOOLS HARNESS CLOUD TECHNOLOGY

As part of the government's response to COVID in schools, the DfE announced the move to cloud based Managed Learning Environments provided by Microsoft and Google. Funding was set aside to support a technical migration to the new cloud platform alongside a National Demonstrator Programme to develop skills and confidence in technology.

The objectives of the Demonstrator Programme were to create a national support network focused on supporting schools and teachers migrate to the Cloud as well as sharing best practices with respect to cloud and remote learning with other schools.

This was an unprecedented undertaking given that more than 10,000 schools in the UK were estimated not to have an adequate cloud platform or Managed Learning Environment in place as the pandemic unfolded. Moreover, progress needed to be made urgently given the need to help children from home on new platforms.

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

The DfE selected a cohort of schools nationally to deliver the support and, in tandem, awarded a contract to LGfL and its partners the University of Sheffield Hallam and the EdTech Foundation to:-

- Create a central repository of content and learning resources that was available to all schools nationally;
- Recruit a high-quality team to co-ordinate developments and oversee the implementation of the programme nationally and within the regions;
- Co-ordinate, support and challenge the exemplar schools to deliver a high quality programme;
- Connect those schools who most needed support with exemplar schools as a priority; and
- Channel funding for the programme into the exemplar schools.

From a standing start the National Demonstrator Programme was up and running on time and within a few weeks a national support network was created for schools. Subsequently over the course of the following months, just over 4,000 schools engaged with the programme with over 2,000,000 children benefiting as a result.

The success of the initial programme led to unplanned extensions and additional funding and the Consortia's management and oversight of the programme was well regarded by schools.

CURRICULUM AND TEACHER DEVELOPMENT

LGfL provided support for teachers and children, in part, through its stewardship and leadership role in the National Demonstrator Programme.

Alongside this initiative, LGfL made a fundamental shift from physical delivery of its training programme to virtual events delivered via cloud platforms including Zoom, Teams and Google Hangouts.

The shift to virtual was a powerful change enabling LGfL to schedule more training, at lower cost, to more teachers and organisations than ever before with an approximate trebling of CPD over the course of the pandemic.

A rich curriculum of activity was organised for schools to provide teachers with the skills and confidence to harness the potential of cloud.

LGfL championed teacher certification and training in Google products and services enabling it to become one of the largest enablers of training for schools in GSuite in Europe. A parallel programme of work for Windows was delivered with the support of Microsoft.

FREE SCHOOL MEALS ELIGIBILITY CHECKER

In 2014 LGfL launched an on line application that enables schools to check on whether pupils are eligible for free school meals and a pupil premium payment. From a standing start this system is now used in over 100 Local Authorities across and by thousands of schools.

The nature of the eligibility checking service means that significantly higher amounts of money are being channelled into areas where there is poverty and economic deprivation. As such it is an invaluable stream of funding for those schools, children and families who most need it. The growth of the eligibility checker has been very significant in recent years as more schools have opted into the service and the barriers to its use have been removed. Indeed, there has been significant year on year growth since its launch. The number of children being eligible for free school meals now stands at 20.8%, this represents 1.74 million pupils. This has risen from 17.3% in January 2020.

In 2020/21 LGfL team up with Marcus Rashford's Food Poverty Action Group to promote the use of the checker nationally. This partnership, coupled with the devastating economic impact on many families, led to use of the eligibility checker exploding over the course of 2020/21 with over £30M being identified for schools and children who most need economic investment and support.

Over 420,000 pupils have become eligible for free school meals since the first lockdown on 23 March 2020. This compares to 292,000 for the same period (March 2019 to Jan 2020) before the pandemic. This increase demonstrates the importance of this free service to schools.

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

SAVING SCHOOLS MONEY

LGfL's growing community of schools who subscribe and consume its services gives LGfL aggregated buying power in the market. Over the last few years LGfL has harnessed that buying power to deliver purposeful market interventions which have delivered significant new products and innovation to schools at no additional cost.

During the pandemic, LGfL undertook a number of major procurements for schools across England that delivered savings and added value to schools amounting to millions of pounds per annum. This included, for example, providing free filtering at home for any school that applied for it.

LGfL continued to provide free licences to schools, bundled as part of its broadband subscription. Over 100 products and services are now bundled into LGfL's 'subscription which now has a market proposition that schools subscribing to its broadband service can save more than they spend.

In total, the estimated number of licences requested and delivered to schools is now well over 1 million per annum which is an incredible achievement with the majority being added in recent years. These licences, apart from the positive outcomes they bring, also deliver savings and cost avoidance of more than £10M per annum.

EDUCATIONAL RESOURCES

LGfL has invested over many years to create a significant portfolio of teaching and learning resources that has been made freely available to schools during the pandemic, wherever that has been possible.

In developing its portfolio of content, LGfL has a long history of working in partnership with charities, academic institutions and small to medium sized enterprises (SME's) to produce ground-breaking resources alongside important specialist packages which are generally uneconomic to be developed by a commercial operator.

In 2020/21 LGfL partnered up with Child Bereavement UK to update our online resources to support children and families cope with the loss of a close relative and loved one. The resources have been one of LGfL's most used resources during the pandemic and have received critical recognition within the sector.

LGfL also reviewed and improved the resources it provides for schools and children with Special Educational Needs, including a refresh of its well-being resources. These resources have also been well received by schools as demonstrated by the usage of these products.

LGfL continues to develop its engagement with the SEND community and was, for the first time in its history, the headline sponsor of the UK's largest Special Educational Needs event, the TES (Time Educational Supplement) SEND Show. LGfL's SEND Newsletter continues to expand its subscriber base.

LGfL has expanded its contribution to policy discussion and is now represented on the All Party Parliamentary Group for Assistive Technology (APPG), the UK Council for Internet Safety (UKCCIS) and the Vulnerable People Working Party. The All Party Parliamentary Group for Special Educational Needs has only recently commenced meetings, of which LGfL attends.

The IncludED service continues to develop its role as thought leaders in the field of using mainstream technologies to support inclusion and remove barriers to learning.

SAFEGUARDING CHILDREN

LGfL continues to focus on safeguarding children through its internal centre of excellence. In response to the pandemic a range of resources and policies were commissioned and delivered to both schools and parents to provide practical help and support with respect to appropriate and safe use of the internet whilst learning from home.

This year there has been a significant increase and diversification of content and materials for schools including significant work on county lines, gangs and community safety alongside continuing work on child safety and prevent.

As in previous years, LGfL continues to remain actively involved in the development and shaping of policy in this area through its direct engagement with the DfE and key bodies such as the Internet Watch Foundation (IWF). LGfL's guidance has also been referenced by the DfE in briefings to schools.

LGfL's Safeguarding News Bulletin continues to grow in terms of popularity and reach and this has ensured that key resources have been harnessed by schools. This includes LGfL's translation into multiple languages of the DfE's guidance into Keeping Children Safe in Education.

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

LGfL's national profile continued to rise in 2020/21 culminating in the award of a contract by the DfE to provide specialist safeguarding resources and support.

KEEPING SCHOOLS SAFE - CYBERSECURITY

LGfL is investing in the long term security and safety of schools and children. LGfL's current broadband service is unique in the market offering multiple layers of defence against cyber attacks, including:-

- Distributed Denial of Service (DDoS) protection.
- Antivirus protection.
- Spam Protection.
- Firewalls.
- Rootkit protection.
- Ransomware protection.
- Vulnerability assessments.
- Cloud backup and Disaster Recovery Services.
- Multi factor authentication.

In 2020/21 investment was made in additional protections and infrastructure, building on the foundations provided by the equipment installed as part of the Pledge 2020 initiative. This included extending free backup storage and recovery software to all primary schools.

These measures have been particularly important given the increasing threats facing LGfL and its schools.

PAN LONDON ADMISSIONS SERVICE

LGfL works in partnership with Local Authorities to coordinate school places across London. This is a significant and critical task, involving hundreds of thousands of annual applications across the capital each year. By collaborating together and delivering these services centrally, local authorities save significant amounts of money by avoiding duplication and by delivering services efficiently through shared IT systems.

Underpinning this service are two central IT systems provided by LGfL, which processes parental applications for school places. Using the centralised system, Local Authorities aim to give every child a single offer of a school place on National Offer Day, which previously was not the case when local systems were run by individual Authorities.

The Pan London Coordinated Admissions systems have been a success for London. As a result, this service covers all phases - nursery, reception, junior, secondary and 14/19 placements.

2020/21 was the sixteenth year of operation of the Pan-London register for school admissions, which has been successfully handling over 220,000 applications for school places.

Due to lockdown this was the first time that the system had been run with all staff working remotely. A number of priority enhancements were also made to the system to mitigate the effect of COVID-19, with email reminders advising parents that they hadn't accepted the placement offer.

The new systems introduced in 2019/20 to improve and streamline the processing of admissions have delivered significant channel shift with a major decline in the number of telephone and general enquiries to the support teams with parents able to successfully apply without having to call for help or advice. This reduction underlining the importance of improved website design and efficient processes.

KEEPING THE LIGHTS ON

LGfL's existing broadband services and products such as filtering, email, spam protection and other central services were placed under incredible stress by the pandemic with huge increases in demand for private cloud services including Remote Access, Spam Filtering, Premium Content and shared applications.

Email use, for example, soared during the pandemic, particularly in the 3rd lockdown, where traffic peaked at over 3 million emails per day which is the highest it has ever been as children and teachers routinely shared assignments and work via email for the first time.

Similarly, there was a significant rise in support calls and requests for support as schools moved their services on line and needed help and advice to reconfigure their IT systems for remote learning.

LONDON GRID FOR LEARNING TRUST

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

With a shift to home and remote learning there was a significant rise in the use of remote access services with teachers, children and support staff requiring secure access to on site systems including schools Management Information Systems and on site content servers. LGfL introduced a secure product called freedom2roam as part of that service at the very start of the pandemic and demand for this service rose by around tenfold during the pandemic.

In order to meet unprecedented demand, LGfL made a number of targeted investments, supported by its partners, to ensure that the additional stress on systems was addressed and unplanned outages avoided. Those investments included infrastructure, platforms, software and related services. These upgrades were not funded by government grants or support but resourced from the reinvestment of surpluses and revenues generated from the supply of new services including devices. This is an incredible achievement for LGfL and its partners.

LONDON PUBLIC SERVICE NETWORK

London Grid Limited (LGL), was a wholly owned trading company of LGfL, providing network and digital service for local government and a range of other public bodies. Prior to 2200/21 surpluses from LGL were gift-aided to LGfL to enable the furtherance of its Objects. In 2020/21, the accounts for LGL are merged with LGfL following approval by the shareholders to widen the objects of the Council as set out in the introduction to this report.

A core part of LGL's continuing activities, within LGfL, relate to 'The London Public Services Network' (LPSN). LPSN is a separate logical network which employs the same physical infrastructure as schools, generating savings for the public purse. LGfL, through its contracts and purchasing power, is able to secure better value for money than Councils and other local bodies operating individually.

The LPSN infrastructure also facilitates the integration of local and central government services through secure gateways which enable the digital delivery of services, ranging from benefit claims to blue-badge applications.

Joining up different networks also fulfils the requirements of the Children's Act for public bodies to share appropriate information. This is particularly significant given the focus on the further integration of health and social care at national and regional level.

The provision of the LPSN network requires a high degree of security. LGfL has ensured that a gateway and agreed codes of connection are in place to provide connectivity to the 'Government Connect' gateway for central government services, as well as to the 'Health Service Network'.

As with previous years, LGfL continued to focus on expanding the GovRoam service across London which provides an important overlay to public networks in London. Well over half of the Councils now subscribe to that service.

Essentially GovRoam allows LGfL to connect its fibre infrastructure to wireless services provided by public bodies. This means that public sector staff can access their systems and information wherever there is a wireless network supporting GovRoam. This flexibility is particularly useful for peripatetic staff working in multi-agency teams that frequently have to work from multiple locations including schools, councils, and health settings. More than half of the Local Authorities in London are now using this service.

A focus during 2020/21 was the migration of Local Authorities from the existing LGfL 2.0 network which is now reaching the end of its useful operating life. Only one Local Authority now has a significant presence on this network and this will be migrated over the course of 2021/22.

This means Councils have now been migrated onto a new national infrastructure that will enable access to new features, different access technologies and improvements in monitoring and performance management.

LGfL also boosted Council internet capacity significantly during the pandemic to enable Local Authorities to support remote working for their Officers at massive scale.

LONDON GRID FOR LEARNING TRUST

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

FIT FOR THE FUTURE - TRANSFORMING AND RESHAPING LGfL

LGfL was founded as a procurement aggregator for the London region which commissioned technology partners to deliver connectivity, managed services and content to schools. As a key pillar of government policy, LGfL received funding from central government through the harnessing technology grant. The coalition government scrapped this funding requiring LGfL to either dissolve or contract directly with schools for the services provided. LGfL chose the latter path. Over subsequent years, LGfL has evolved its role such that it is now much more engaged in the direct provision of value-added services that complement the strategic partnerships that are in place for connectivity and managed services. LGfL's ability to adapt to government policy has enabled it to grow in stark contrast to learning grids generally which are in decline or have ceased to exist.

Reshaping LGfL requires a continuing investment in the internal transformation that is required to enable LGfL to adapt to the changing strategic landscape it finds itself in. The transformation of LGfL is being co-ordinated through a programme called Fit for the Future which has a number of workstreams associated that are set out in the following sections.

WORKFORCE TRANSFORMATION

LGfL needs a modern workforce that has the skills and capacity to meet the changing and growing demands of a national provider. Key areas of focus including the modernisation of accommodation (including the move to a new HQ), the introduction of new employment contracts that support flexible working and a review of HR policies.

DIGITAL TRANSFORMATION

LGfL must have efficient and flexible technology to support its growth and diversification. As a result of its investment in systems, telephony and infrastructure throughout the Lockdown LGfL staff were able to work at home and continued to deliver its services with no detrimental impact to the service provision.

Multiple developments are also underway including the move to a new website, the migration to a modern finance system as well as the introduction of Customer Relationship Management (CRM) system to manage LGfL's activities productively and efficiently. These changes in systems are being accompanied by improvements in process as well as the workforce changes set out above.

BUSINESS MODEL TRANSFORMATION

LGfL's growth nationally coupled with the growth in direct service provision are contributing to a reshaping of LGfL to ensure that the organisation has the structure and coherence to deliver and sustain long term change. Changes in the Group Structure and governance are needed to ensure the long-term sustainability of LGfL.

SUPPLY CHAIN TRANSFORMATION

One of LGfL's key strengths in recent years has been the broadening of its partner base to introduce world class companies such as Adobe which have opened up new possibilities to supply schools with exciting and impactful products such as Creative Cloud.

Alongside the development of strategic partnerships with global technology companies, LGfL has nurtured the Digital Transformation Partnership. This is a network of Small to Medium Sized Enterprises (SME's) who receive regular updates and newsletters from LGfL. This network also provides an invaluable support network for schools.

Effective oversight and management of incumbent partners remains a key focus as LGfL's national footprint continues to grow and develop across the UK. This is enabling LGfL to control costs and ensure positive alignment between suppliers and LGfL's Objects and priorities.

A diversified supply chain has also delivered greater resilience and choice for LGfL and its customers which has been a fundamental building block in delivering additional value to schools.

RISK MANAGEMENT

The management and mitigation of risk is a key priority for LGfL. LGfL maintains a strong focus on risk management and mitigation in all aspects of its work and key areas of concern are reported to the Board along with proposed mitigating actions. The following sections consider the major challenges and risks that LGfL faces currently. Financial risk is addressed in the finance section which is later in this report.

LONDON GRID FOR LEARNING TRUST

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

COVID-19

The worldwide pandemic has severely disrupted the global economy, negatively affected the supply of goods and services as well as resulting in the closure of schools. Many companies, including UK technology companies, have struggled to adapt to the changed environment.

As set out in this report, LGfL has delivered a comprehensive and effective response for its beneficiaries through initiatives such as Pledge 2020 and BridgeTheDivide as well as "Lights On" investments to ensure that schools and Councils continued to operate successfully despite huge changes in demand and the shift to remote working.

LGfL recognises that our ability to respond flexibly and innovatively to COVID-19 or any future unexpected events will remain a priority for the foreseeable future. Our adaptable approach has proven invaluable in the continuation of service provision and the continuing advancement of cloud services.

The impact of COVID-19 on the global supply chain will continue to disrupt the market as there is likely to be a substantial rise in the consumption of electronics and technology with the introductions of lockdowns across the world. In addition, suppliers may find delays in shipping and port congestion a problem due to unexpected shortages of available staff. In response, LGfL is taking steps to increase resilience by diversifying its partners and broadening the range of products available to meet service needs.

Massive public borrowing and spending is also likely to negatively impact the economic outlook over the longer term with inflationary pressures likely to drive up costs for all suppliers and companies potentially squeezing surpluses. LGfL's focus on efficiency, contract controls and generating value for money from its supplier base are important mitigations to inflationary pressures.

BREXIT

The continuing uncertainty with respect to the UK's trading arrangements with the rest of the world remains a concern with no obvious resolution in sight.

LGfL's supply chain is strong with our major supply partners already well advanced in terms of contingency planning.

Nevertheless, there are likely to be continuing swings in currency exchange rates that will adversely affect prices and drive-up costs to schools. LGfL is mitigating this impact by purchasing at scale and ensuring that there is an effective procurement capacity at the heart of the organisation.

MANAGING GROWTH

LGfL is growing its customers and diversifying its products which is inevitably bringing pressures including the urgent and continuing need to modernise LGfL. This underlines the importance of the LGfL Fit for the Future programme. These pressures require LGfL to drive up productivity, automate processes and harness digital innovation.

Growth in LGfL's coverage and widening of LGfL's direct services and products requires LGfL to recruit additional staff to meet needs in those areas that require focus including enabling functions such as finance alongside business development and sales.

MANAGING ORGANISATIONAL TRANSFORMATION

The process and wider changes being introduced by LGfL to support growth include significant changes in working practices and contracts which have been refreshed and updated for all employees. The move to a modern HQ has benefited LGfL enabling a number of key benefits, including closer ties with schools, Councils and partner organisations.

KEEPING PACE WITH MARKET CHANGE

LGfL is in a technology market where innovation and change is constant. As such it is vital to ensure that products and services remain current and relevant in a highly competitive area.

As LGfL's response to COVID-19 demonstrates, LGfL has continued to innovate and expand the services and products it provides to schools reinforcing the value of its subscription and the positive impact on its beneficiaries.

LONDON GRID FOR LEARNING TRUST

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

There is a risk that disruptive and fast-moving changes in new technology and associated services could render services obsolescent or expensive. Work is already underway to ensure that LGfL can support these changes and deliver the interoperability and flexibility that schools now expect. In doing so, there will be ongoing challenges and a constant balancing act for LGfL and its delivery partners to manage between providing a secure network and the need for more flexibility.

Key priorities for 2021/22 include improvements to products that support the increased use of cloud services and help schools mitigate the impacts on learning from the global pandemic. LGfL will also invest to modernise other key platforms this year that will enhance its safeguarding credentials to schools.

Further strategic investments in safeguarding, infrastructure, cybersecurity and networks are planned enabling LGfL to continue operating at the forefront of innovation and practice in the education market.

MITIGATING CYBERTHREATS

LGfL recognises that there is continuing activity and efforts to disrupt schools and other bodies through targeted activities including spamming, distributed denial of service attacks (DDoS), ransomware attacks, malware and viruses.

LGfL continues to invest to improve its capacity to mitigate such threats through product improvements including the addition of new protections. As previously stated, prudent and effective investments have been made in technologies such as firewalls and alerting systems to mitigate the risk of such breaches. In recognition of the increased threat to information and systems, LGfL also undertook independent testing of its network security; this cyclical assurance will continue.

A positive development this year has been the enhanced DDoS protection enabled by the recent and significant upgrades to the firewalls that LGfL has deployed in the edge (i.e the school sites) and core (i.e. LGfL's datacentres) locations of its network.

LGfL has also focused on security process improvements and has achieved Cyber Essentials Plus accreditation.

SUPPLY CHAIN RESILIENCE

With the majority of service provision administered through contracts with substantial supply partners, there remains the risk that one of these could fail, particularly in the current climate. In mitigation, LGfL undertakes regular review meetings with suppliers. Financial checks through Dunn & Bradstreet are conducted regularly and are part of the assessment process for major new contract awards.

To maximise value in its supply chain, LGfL has expanded its commercial ecosystem. This has delivered a significant broadening of products and capabilities available to LGfL as well as reducing the exposure to one supplier. The expansion of LGfL's partnerships has proven invaluable in driving innovation into the services and subscriptions that LGfL offers. It also provides LGfL with alternative supply should partners fail to meet the standards that LGfL requires. The creation of a Digital Transformation Partner Network has been a particular success with close to 100 Small and Medium Sized Enterprises working closely with LGfL on supporting schools in London and beyond.

Atomwide (now part of Adept Plc) and VMB are critical partners for the delivery of services to schools. LGfL has developed robust improvement plans with clear actions to ensure continuous improvement.

FINANCIAL REVIEW

The results for the year and LGfL's financial position at the end of the year are shown in the attached financial statements.

LGfL does not receive any of its income from public fundraising so is not required to comply with any fundraising regulations.

The major part of LGfL's income is derived directly from schools for the provision of broadband connectivity, related services (internet filtering, e-mail hosting, e-mail filtering, anti-virus protection, web hosting, secure remote access, etc.) online educational resources and devices. However, this is likely to change as LGfL diversifies the products and services that it is sourcing on behalf of schools.

LGfL has witnessed a very substantial rise in its revenues as a result of diversifying into device provision during the pandemic and expanding the range of services and products that it offers in schools. Income was also boosted by the award of the DfE's contract to manage the National Demonstrator Programme.

Expenditure has increased this year in line with expectations due to the cyclical refresh of its network infrastructure with

LONDON GRID FOR LEARNING TRUST

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

schools, investment in new services to enable schools to function during the pandemic and the procurement of very large numbers of laptops as part of the #BridgeTheDivide.

However, the impact on the liquidity and cash position has been minimised by leasing much of the equipment to enable LGfL to maintain its working capital so that it is well positioned to respond to unexpected threats, economic changes and developments.

PENSION LIABILITY

The pension liability has increased in year from £1.526m to £2.984m due to updated actuarial assumptions due to the global pandemic. Unsurprisingly, the revised estimates are unusually pessimistic and have had a disproportionately negative impact compared with previous assessments.

The current uncertainty and the need to ensure the future sustainability of LGfL will mean that a review of LGfL's Pension Scheme will be needed to avoid the burden of maintaining the fund being too great with a likely move from a Defined Benefits Scheme to a Defined Contribution Scheme.

GOING CONCERN

Whilst Net Current Assets are negative this was anticipated as part of the cyclical refresh of the network and mirrors performance in previous refreshes over the last 20 years. As in previous cycles, Net Current Assets will move to a sustainable position, until the next cyclical upgrade of the network. However, it is also worth noting that the costs of cyclical replacements are generally falling historically and therefore the long term, structural demands on LGfL are declining.

Despite this short term challenge, the underlying financial position of LGfL remains strong with a successful strategy of focusing on growth, retention, revenue diversification, supply chain optimisation and product innovation.

Key initiatives that ensure LGfL is a going concern include:-

- (i) Achieving better value and reduced costs from suppliers through market testing, financial and commercial controls;
- (ii) Diversifying the range of products that it provides to schools and therefore the sources of its income;
- (iii) Reducing the rate of customer attrition through a range of targeted initiatives including more flexible pricing and product enrichment;
- (iv) Implementing improved investment and project management controls, including stopping initiatives that were not delivering benefit, sweating assets and improving long-term planning;
- (v) Expanding its customer base in schools and across the public sector;
- (vi) Improving financial controls and forecasts; and
- (vii) Investing to improve the competitiveness of the products LGfL provides to schools.

Improvements in LGfL's financial position include an increase in cash and strong liquidity. Process improvements in revenue and credit control functions have been central to that.

LGfL continues to grow across England with significant expansion in 2021 in the Home Counties and a healthy multi million pipeline of future sales leads and retention activity.

LGfL benefits from very high levels of customer retention and loyalty which are currently at over 95% in a very competitive market. Renewed confidence in LGfL is reflected by the fact that schools who have left LGfL are now returning which means that LGfL's share of the London market is increasing. LGfL's strategy of providing additional value through bundling additional products and services into its broadband service has been a key part of its success with increasing levels of schools taking advantage of the freely available products.

LONDON GRID FOR LEARNING TRUST

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

Given the above, LGfL has adequate resources to meet all liabilities as they fall due, and will continue in operational existence for the foreseeable future. Therefore, we have prepared our accounts and financial statements on the basis that the charity is a Going Concern.

RESERVES

At the 31 March 2021, LGfL's net assets were £4.839M (excluding pension liability) which falls to £1.855M after taking account of the defined pension scheme liability.

As reported in 2019/20, LGfL planned for a depletion of reserves and unrestricted funds in 2019/20 and 2020/21 to enable the modernisation and upgrade of the schools network as part of Pledge 2020 and the continuing investment in product and services improvements to ensure LGfL is competitive in the market it serves. The actuarial assessment and pension liability was , not unexpectedly , much worse than previous years at £2.984M but this position is expected to improve as the economy recovers from the pandemic.

Additional and unplanned investment was required in 2020/21 to meet the needs for remote learning and cloud based delivery but growth in income elsewhere provided a welcome source of funding to meet unanticipated needs.

Going forward, LGfL maintains unrestricted funds and reserves consistent with anticipated commitments in regard to maintaining continuity of service, cyclically refreshing its assets, and ensuring it can :-

- (i) Survive major and unforeseen economic shocks and developments;
- (ii) Provide support to education in the event of a material change in government funding policy in respect to schools' broadband;
- (iii) Provide contingency for IT related initiatives;
- (iv) Respond purposely to technology innovation; and
- (v) Have capacity to respond to new regulatory burdens.

The operating model of LGfL means that it needs to continually reinvest a significant proportion of its surpluses into IT infrastructure to ensure the network is kept up to date and able to service the need of participating schools and other customers.

The Charity will look to boost its net assets in 2021/22, excepting pension liabilities, to £6M and will generate and retain surpluses from activities to add to this reserve figure (subject to the ongoing need to invest in the network and respond to the pandemic) to reduce the dependency on deferred income to provide working capital, and to build up funds to support growth.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The London Grid organisation consists of the following legal entities: -

Name	Status
London Grid for Learning Trust	Private, limited by guarantee, no share capital, section 30 of the Companies Act Companies House no. 4205579. Members are London's 33 Local Councils Charity Number 1090412
London Grid Limited	Private Limited Company Companies House no. 05122783. Wholly owned by London Grid for Learning Trust. This has now been merged with LGfL following approval to widen the Objects granted by the Charities Commission and London Councils.
Let's Get Digital	Private Limited Company Companies House no 11158329 Wholly owned by London Grid for Learning Trust Currently dormant.

LONDON GRID FOR LEARNING TRUST

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

APPOINTMENT OF TRUSTEES

All 33 London Local Authorities are members of the London Grid for Learning Trust Company and are responsible for appointing the Executive Board.

Trustees are nominated by the Council. Each Member that is a Council may nominate a person as a Director, who shall be appointed as a Nominated Director by a resolution of the Directors.

The Nominated Directors appoint one or more persons as Directors. Directors are chosen by reference to their relevant qualifications, skills, experience, knowledge, professional, commercial or community standing and, where possible, their contribution to making the board of Directors appropriately diverse.

No Directors are appointed unless their candidacy has been notified to the Members in sufficient detail and in sufficient time to enable any Member so minded to comment on the proposed appointment in writing to LGfL prior to the appointment being made.

The company has held Annual General Meetings annually since its inception, to appoint Directors and Auditors and receive and approve Directors' Report and Accounts.

TRUSTEE INDUCTION

LGfL recognises that poor corporate governance and decision making have been the main cause of failure in other charities, and that Trustees have not been effective in these incidences. According to research, much of this ineffectiveness is due to inadequate induction and support offered to Trustees.

LGfL recognises that a new Trustee will make a much more substantial contribution if their induction is handled effectively and they have the information and skills needed to undertake their duties effectively.

LGfL recognises that it is vital that new Trustees have all the necessary information to make an effective contribution to LGfL's affairs including:

- Ensuring that new Trustees are fully conversant with the Articles and Activities of LGfL;
- Provision of additional relevant material, including Board papers and the statement of accounts;
- Providing Trustee financial training, which is provided by the Company Auditors; and
- That Trustees are aware of their legal obligations under Charities Law, including areas such as Public Benefit and Responsibilities of Charity Trustees (CC3).

ORGANISATION

LGfL's Executive Board of eight members meets around 5 times a year to advise, review and direct strategy and investment plans, and to provide oversight of LGfL's performance.

An Audit Committee meets to review the accounting and financial management practices of LGfL. The Audit Committee is responsible for reviewing the report from the External Auditors and for providing assurance to the Board.

LGfL is also accountable to its members through the active engagement of key stakeholders in the form of Local Authority Officers and school representatives who meet regularly at the London Grid Sector Group. This work is augmented through the time and effort given by representative staff who sit on LGfL's Advisory Boards: The Editorial Board and Safeguarding Board.

The day-to-day operation of the company is the responsibility of the Chief Executive, who is accountable to the Board, and the Members.

The Chief Executive manages 7 staff. The combined staffing establishment is 38.1 full-time equivalent. In order to facilitate effective operations, the Chief Executive has delegated authority for all matters including finance, employment, technology services and commercial activity.

In 2016/17, the Articles of LGL were refreshed to ensure they reflected best practice; contracting arrangements between LGfL and LGfL were captured in an intercompany agreement between LGfL and its trading subsidiary.

In 2019/20 permission was granted by LGfL's shareholders, following authorisation from the Charities Commission, to extend the Articles to cover new Objects relating to Well-being and Community Development. This change was ratified in 2020/21 following an extraordinary vote by its shareholders.

LONDON GRID FOR LEARNING TRUST

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

REMUNERATION

The Board of Trustees is responsible for CEO remuneration and the employee salary-management and benefits framework. CEO remuneration is reviewed and set by the Human Resources subcommittee annually.

The remuneration of staff is the responsibility of the CEO. All staff are appointed under local-government terms and conditions. Pay grades for Trustee Officers are comparable with public-sector employees undertaking similar roles.

Remuneration will continue to be scrutinised to ensure value for money and alignment with the market generally.

RELATED PARTIES

LGfL has a trading subsidiary, London Grid Limited. LGfL Trust is the sole shareholder in London Grid Limited (LGL). LGL provides access to Trustnet services for the wider public sector, particularly Councils.

The LGL Board meets 5 times per year with the Chairman, CEO, LGL Officers and a representative of London CIOs on the board. An intercompany memorandum ensures that the appropriate contracting arrangements are in place between the LGfL and LGL.

REFERENCE AND ADMINISTRATIVE DETAILS

Name of the Charity: London Grid for Learning Trust

Charity Registration Number: **1090412**

London Grid for Learning, 9th Floor, 10 Exchange Square, Primrose Street, London, EC2A 2BR.

Directors and Trustees

The directors of the charitable company (the charity) are its trustees for the purpose of charity law. Trustees and officers serving during the year and since the year end were as follows:

Paul Robinson – Chairman
Carmel Littleton – Elected Representative (deceased July 2021)
Jane McSherry – Elected Representative
Gary Hipple – Elected Representative
Nick Mitchell – Elected Representative
Helen Warner – Elected Representative
Sean Green – London CIO Nominee

Company Secretary: John Jackson

Key Management Personnel

John Jackson – Chief Executive Officer
Michael Eva – Programme Manager
Bob Usher – Content Manager
Keith Williams – Interim Head of Finance (until 19th March 2021)
Alan Phillips – Group Financial Controller
Leeanne O'Connor – Customer Manager
Richard Martin – Special Projects Lead
John Bagley – London Grid Limited
Paul Smith – Service Delivery Manager

LONDON GRID FOR LEARNING TRUST

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

Other Relevant Organisations

Company	Address and Contact Details
Menzies – LGfL's Accounts and Audit Advisors	Menzies LLP, Centrum House, 36 Station Road, Egham, Surrey, TW20 9LF
Agillex – LGfL's Legal Adviser and Data Protection Officer	Agillex Ltd, One New Street, Wells, Somerset BA5 2LA.
Lloyds Commercial Banking – LGfL and LGL's bankers	Lloyds Bank PLC, 83 Clarence Street, Kingston upon Thames, Surrey KT1 1RE
Ashfords – Specialist legal advice	Ashfords LLP, 1 New Fetter Lane, London EC4A 1AN
Hytec – Security and professional advice	Hytec Information Security, Cairns House, 10 Station Road, Teddington, TW11 9AA

EXEMPTIONS FROM DISCLOSURE

None

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

LGfL holds 2 funds: -

- RBC (NEN) Budget is held on behalf of the Regional Broadband Consortia and there was £69k left in the fund as of the 31/03/2021
- LA Fund Holdings is held on behalf of Local Authorities and there was £80k left in the fund as of the 31/03/2021.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors (who are also the trustees of London Grid for Learning Trust for the purposes of charity law), are responsible for preparing the Trustees' 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 charity and the income and expenditure 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;
- Observe the methods and principles in the Charities Statement Of Recommended Practice (SORP);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LONDON GRID FOR LEARNING TRUST

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

DISCLOSURE OF INFORMATION TO THE AUDITORS

Each of the persons who is a trustee at the date of approval of this report confirms:

- That in so far as they are aware there is no relevant audit information of which the company's auditor is unaware; and
- Each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Menzies LLP are deemed to be re-appointed under section 487 [2] of the Companies Act 2006.

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Strategic Report the Company's Strategic Report Information required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

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

DocuSigned by:

Paul Robinson

70BE24E22C604AF...
Mr P Robinson

Company Chairman

Date: 31 January 2022

DocuSigned by:

John Jackson

66C19478759C499...
Mr J Jackson

Company Secretary

LONDON GRID FOR LEARNING TRUST**MENZIES**
BRIGHTER THINKING

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

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 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Trustees are responsible for the other information contained within the Annual report. 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

LONDON GRID FOR LEARNING TRUST

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

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report and the 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 Trustees' report including the Strategic report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

LONDON GRID FOR LEARNING TRUST

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Charities Act 2011, Companies Act 2006, Employment Rights Act 1996, Tax Legislation and the Data Protection Act 2018. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with those legal and regulatory frameworks by making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:- posting of fraudulent journals, the authorisation, processing, and payment of fraudulent expenses, fictitious employees and manipulation of revenue recognition.
- Audit procedures performed by the engagement team included:
 - o Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - o Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - o Challenging assumptions and judgments made by management in its significant accounting estimates;
 - o Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - o Reviewing expenditure payments; and
 - o Reviewing the timing of income recognition.

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

LONDON GRID FOR LEARNING TRUST

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

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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Janice Matthews

634F24DE92A4471...

Janice Matthews FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

36 Station Road

Egham

Surrey

TW20 9LF

31 January 2022

LONDON GRID FOR LEARNING TRUST

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

		Unrestricted funds 2021 £000	Total funds 2021 £000	As restated Total funds 2020 £000
	Note			
Income from:				
Charitable activities	5	44,389	44,389	22,225
Other trading activities	6	-	-	4,884
Investments		-	-	47
Total income		44,389	44,389	27,156
Expenditure on:				
Raising funds	7	-	-	4,735
Charitable activities	8	46,560	46,560	24,651
Total expenditure		46,560	46,560	29,386
Net movement in funds before other recognised gains/(losses)		(2,171)	(2,171)	(2,230)
Other recognised gains/(losses):				
Actuarial (losses)/gains on defined benefit pension schemes	25	(1,184)	(1,184)	967
Net movement in funds		(3,355)	(3,355)	(1,263)
Reconciliation of funds:				
Total funds brought forward (as restated)		5,209	5,209	6,472
Net movement in funds		(3,355)	(3,355)	(1,263)
Total funds carried forward		1,854	1,854	5,209

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

The notes on pages 31 to 53 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST
REGISTERED NUMBER: 04205579

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	As restated 2020 £000
Fixed assets			
Intangible assets	13	977	1,282
Tangible assets	14	10,204	9,936
		<u>11,181</u>	<u>11,218</u>
Current assets			
Debtors	16	7,004	3,848
Cash at bank and in hand		9,996	7,920
		<u>17,000</u>	<u>11,768</u>
Creditors: amounts falling due within one year	17	(20,554)	(12,170)
Net current liabilities		<u>(3,554)</u>	<u>(402)</u>
Total assets less current liabilities		<u>7,627</u>	<u>10,816</u>
Creditors: amounts falling due after more than one year	18	(2,788)	(4,081)
Net assets excluding pension liability		<u>4,839</u>	<u>6,735</u>
Defined benefit pension scheme liability	25	(2,984)	(1,526)
Total net assets		<u><u>1,855</u></u>	<u><u>5,209</u></u>

LONDON GRID FOR LEARNING TRUST

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021


	Note	2021 £000	As restated 2020 £000
Charity funds			
Restricted funds	19	-	-
Unrestricted funds			
Designated funds	19	350	388
General funds	19	4,489	6,347
Unrestricted funds excluding pension asset	19	4,839	6,735
Pension reserve	19	(2,984)	(1,526)
Total unrestricted funds	19	1,855	5,209
Total funds		1,855	5,209

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

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

DocuSigned by:

 708F24F27C604AF...
Mr P Robinson
 Trustee

DocuSigned by:

 D6C19278759C499...
Mr J Jackson
 Secretary

Date: 31 January 2022

The notes on pages 31 to 53 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST
REGISTERED NUMBER: 04205579

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021


	Note	2021 £000	As restated 2020 £000
Fixed assets			
Intangible assets	13	977	1,282
Tangible assets	14	10,204	9,936
		<u>11,181</u>	<u>11,218</u>
Current assets			
Debtors	16	7,466	3,623
Cash at bank and in hand		9,548	7,623
		<u>17,014</u>	<u>11,246</u>
Creditors: amounts falling due within one year	17	(20,554)	(11,634)
Net current liabilities		<u>(3,540)</u>	<u>(388)</u>
Total assets less current liabilities		<u>7,641</u>	<u>10,830</u>
Creditors: amounts falling due after more than one year	18	(2,788)	(4,081)
Net assets excluding pension liability		<u>4,853</u>	<u>6,749</u>
Defined benefit pension scheme liability	25	(2,984)	(1,526)
Total net assets		<u><u>1,869</u></u>	<u><u>5,223</u></u>
Charity funds			
Restricted funds	19	-	-
Unrestricted funds			
Designated funds	19	986	388
General funds		3,867	6,361
	19	<u>4,853</u>	<u>6,749</u>
Unrestricted funds excluding pension liability	19	4,853	6,749
Pension reserve	19	(2,984)	(1,526)
		<u>1,869</u>	<u>5,223</u>
Total unrestricted funds	19	<u>1,869</u>	<u>5,223</u>
Total funds		<u><u>1,869</u></u>	<u><u>5,223</u></u>

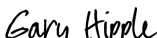
LONDON GRID FOR LEARNING TRUST

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2021

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

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

DocuSigned by:

.....
70BF24F27C604AP...
Mr P Robinson

DocuSigned by:

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Mr G Hipple

Date: 31 January 2022

The notes on pages 31 to 53 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST

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

	2021	<i>As restated</i>
	£000	2020
		£000
Cash flows from operating activities		
Net cash provided by operating activities	6,560	2,889
Cash flows from investing activities		
Dividends, interests and rents from investments	-	47
Purchase of intangible assets	(521)	(130)
Purchase of tangible fixed assets	(2,701)	(2,544)
Net cash used in investing activities	(3,222)	(2,627)
Cash flows from financing activities		
Repayments of finance leases	(1,262)	(250)
Net cash used in financing activities	(1,262)	(250)
Change in cash and cash equivalents in the year	2,076	12
Cash and cash equivalents at the beginning of the year	7,920	7,908
Cash and cash equivalents at the end of the year	9,996	7,920

The notes on pages 31 to 53 form part of these financial statements

LONDON GRID FOR LEARNING TRUST

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

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements. The loss for the year dealt with in the accounts of the company was £3,158,998, (2020: £2,798,715).

The parent entity satisfies the criteria of being a qualifying entity as defined in FRS102 and as such advantage has been taken not to present a cash flow statement or disclosures in respect of financial instruments for the company or to show separately aggregate remuneration for key management personnel.

2.2 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.

2.3 Going concern

The Directors are pleased with the position of the company. The periodic refresh of the systems and infrastructure is complete and there is a stable and expanding customer base for the core broadband service with Schools and local authorities. The Directors anticipate the company to trade profitably for the foreseeable future. There are also sufficient cash reserves. The Directors accordingly consider that the company is a Going Concern for at least twelve months from the date of approval of these financial statements and the accounts are accordingly prepared on the Going Concern basis.

LONDON GRID FOR LEARNING TRUST

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

2. Accounting policies (continued)**2.4 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.

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

2.5 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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Termination expenditure is recognised a liability and an expense only when the entity is demonstrably committed either: (a) to terminate the employment of an employee or group of employees before the normal retirement date; or (b) to provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

LONDON GRID FOR LEARNING TRUST

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

2. Accounting policies (continued)

2.6 Intangible assets and amortisation

Intangible assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

Amortisation is provided on the following basis:

Amortisation is provided on the following basis:

Content and software	-	Over 3 to 5 years straight line
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2.7 Tangible fixed assets and depreciation

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

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

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

Depreciation is provided on the following bases:

Fixtures and fittings	-	33.3% straight line
Office equipment	-	33.3% straight line
Computer equipment	-	Over 5 to 10 years straight line

2.8 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 the 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 presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

LONDON GRID FOR LEARNING TRUST

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

2. Accounting policies (continued)**2.9 Liabilities**

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.10 Financial instruments

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

2.11 Finance leases 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 Group. 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 Consolidated statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.12 Pensions

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 2 December 2018.

2.13 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

LONDON GRID FOR LEARNING TRUST

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

3. Critical accounting estimates and areas of judgement

Estimates and judgements 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.

4. Critical accounting estimates and areas of judgement

Estimates and judgements 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 amount 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 2.6 and 2.7.

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 25.

5. Income from charitable activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Main LGfL Income	20,673	20,673	19,922
LGfL Managed Services Income	598	598	565
LGL Income	5,849	5,849	1,738
Bridge the Divide	17,269	17,269	-
	<hr/> 44,389 <hr/>	<hr/> 44,389 <hr/>	<hr/> 22,225 <hr/>
<i>Total 2020</i>	<hr/> 22,225 <hr/>	<hr/> 22,225 <hr/>	

LONDON GRID FOR LEARNING TRUST

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

6. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Charity trading income	-	-	4,884
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<hr/> 4,884 <hr/>	<hr/> 4,884 <hr/>	

7. Expenditure on raising funds

Fundraising trading expenses

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>Total funds 2020 £000</i>
Direct costs	-	-	4,472
Support costs	-	-	263
	<hr/>	<hr/>	<hr/>
	-	-	4,735
	<hr/>	<hr/>	<hr/>
<i>Total 2020</i>	<hr/> 4,735 <hr/>	<hr/> 4,735 <hr/>	

LONDON GRID FOR LEARNING TRUST

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

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £000	Total funds 2021 £000	<i>As restated Total funds 2020 £000</i>
Main LGfL Income	23,318	23,318	23,301
LGfL Managed Services Income	279	279	228
LGL Income	5,783	5,783	1,122
Bridge The Divide	17,180	17,180	-
	<hr/> 46,560 <hr/>	<hr/> 46,560 <hr/>	<hr/> 24,651 <hr/>
<i>Total 2020 as restated</i>	<hr/> 24,651 <hr/>	<hr/> 24,651 <hr/>	

9. Analysis of expenditure by activities

	Activities undertaken directly 2021 £000	Support costs 2021 £000	Total funds 2021 £000	<i>As restated Total funds 2020 £000</i>
Main LGfL Income	21,697	1,623	23,320	23,301
LGfL Managed Services Income	279	-	279	228
LGL Income	5,334	449	5,783	1,122
Bridge The Divide	15,854	1,324	17,178	-
	<hr/> 43,164 <hr/>	<hr/> 3,396 <hr/>	<hr/> 46,560 <hr/>	<hr/> 24,651 <hr/>
<i>Total 2020 as restated</i>	<hr/> 22,206 <hr/>	<hr/> 2,445 <hr/>	<hr/> 24,651 <hr/>	

LONDON GRID FOR LEARNING TRUST

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Main LGfL Income 2021 £000	LGL Income 2021 £000	Bridge The Divide 2021 £000	Total funds 2021 £000	Total funds 2020 £000
Net pension scheme finance costs/income	38	-	-	38	51
Staff costs	623	176	521	1,320	1,378
Depreciation	-	-	-	-	22
RBC Joint Activities	-	-	-	-	20
Rent, Electricity and Rates	237	67	198	502	535
Other professional fees	421	119	351	891	115
Repairs and maintenance	26	7	22	55	18
Other office costs	150	42	125	317	95
Insurance	21	6	17	44	42
Other	59	18	50	127	98
Governance costs	48	14	40	102	71
	<u>1,623</u>	<u>449</u>	<u>1,324</u>	<u>3,396</u>	<u>2,445</u>
<i>Total 2020</i>	<u>2,445</u>	<u>-</u>	<u>-</u>	<u>2,445</u>	

During the year ended 31 March 2021, the company incurred the following Governance costs:

£48k (2020: £71k) included within the table above in respect of Main LGfL Income, £14k in respect of LGL Income and £40k in respect of Bridge The Divide Income.

10. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the company's auditor for the audit of the company's annual accounts	28	27
Fees payable to the company's auditor in respect of:		
All non-audit services not included above	<u>11</u>	<u>11</u>

LONDON GRID FOR LEARNING TRUST

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

11. Staff costs

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Wages and salaries	2,218	2,452	2,218	2,447
Social security costs	242	214	242	204
Operating costs of defined benefit pension schemes	615	851	615	851
	<u>3,075</u>	<u>3,517</u>	<u>3,075</u>	<u>3,502</u>

Termination costs of £93k (2020: £181k) have been incurred during the year.

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

	Group 2021 No.	<i>Group 2020 No.</i>
Administrative staff	<u>37</u>	<u>39</u>

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

	Group 2021 No.	<i>Group 2020 No.</i>
In the band £60,001 - £70,000	5	5
In the band £70,001 - £80,000	4	1
In the band £80,001 - £90,000	2	2
In the band £90,001 - £100,000	1	-
In the band £140,001 - £150,000	1	1

Remuneration and benefits received by key management personnel was £1,193k (2020: £875k).

12. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020 - £NIL).

LONDON GRID FOR LEARNING TRUST

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

13. Intangible assets

Group

	Content & Software £000
Cost	
At 1 April 2020	3,547
Additions	521
At 31 March 2021	<u>4,068</u>
Amortisation	
At 1 April 2020 (as previously stated)	2,223
Prior Year Adjustment	42
At 1 April 2020 (as restated)	<u>2,265</u>
Charge for the year	826
At 31 March 2021	<u>3,091</u>
Net book value	
At 31 March 2021	<u><u>977</u></u>
<i>At 31 March 2020 (as restated)</i>	<u><u>1,282</u></u>

The net book value of assets held under finance leases or hire purchase contracts, included above for the group and company, are £545k (2020: £785k).

LONDON GRID FOR LEARNING TRUST

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

13. Intangible assets (continued)

Company

	Content & Software £000
Cost	
At 1 April 2020	3,543
Additions	521
Transfers intra group	4
	<hr/>
At 31 March 2021	4,068
	<hr/>
Amortisation	
At 1 April 2020 (as previously stated)	2,219
Prior Year Adjustment	42
	<hr/>
At 1 April 2020 (as restated)	2,261
Charge for the year	826
Transfers intra group	4
	<hr/>
At 31 March 2021	3,091
	<hr/>
Net book value	
At 31 March 2021	977
	<hr/> <hr/>
<i>At 31 March 2020 (as restated)</i>	1,282
	<hr/> <hr/>

LONDON GRID FOR LEARNING TRUST

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

14. Tangible fixed assets

Group

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 April 2020 (as previously stated)	51	41	26,719	26,811
Prior Year Adjustment	-	-	931	931
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2020 (as restated)	51	41	27,650	27,742
Additions	6	-	2,695	2,701
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	57	41	30,345	30,443
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 April 2020 (as previously stated)	39	41	18,003	18,083
Prior Year Adjustment	2	-	(280)	(278)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2020 (as restated)	41	41	17,723	17,805
Charge for the year	16	-	2,417	2,433
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	57	41	20,140	20,238
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2021	-	-	10,205	10,205
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020 (as restated)	10	-	9,926	9,936
	<hr/>	<hr/>	<hr/>	<hr/>

Company

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 April 2020 (as previously stated)	51	-	26,719	26,770
Prior Year Adjustment	-	-	931	931
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2020 (as restated)	51	-	27,650	27,701
Additions	6	-	2,695	2,701
Transfers intra group	-	41	-	41
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	57	41	30,345	30,443
	<hr/>	<hr/>	<hr/>	<hr/>

LONDON GRID FOR LEARNING TRUST

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

14. Tangible fixed assets (continued)

Company (continued)

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Depreciation				
At 1 April 2020 (as previously stated)	39	-	18,003	18,042
Prior Year Adjustment	2	-	(280)	(278)
	<hr/>	<hr/>	<hr/>	<hr/>
At 1 April 2020 (as restated)	41	-	17,723	17,764
Charge for the year	16	-	2,417	2,433
Transfers intra group	-	41	-	41
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	57	41	20,140	20,238
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 March 2021	-	-	10,205	10,205
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2020 (as restated)	10	-	9,926	9,936
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of assets held under finance leases or hire purchase contracts, included above for the group and company, are £3,471k (2020: £4,181k).

LONDON GRID FOR LEARNING TRUST

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

15. Fixed asset investments

Principal subsidiaries

The following were subsidiary undertakings of the company:

Names	Company number	Registered office or principal place of business	Principal activity
London Grid Limited	05122783	9th Floor, 10 Exchange Square Primrose Street, London, England, EC2A 2BR	Provides the group's surplus broadband capacity to the public sector.
Let's Get Digital Limited	11158329	9th Floor, 10 Exchange Square Primrose Street, London, England, EC2A 2BR	The company has not yet begun trading.

The financial results of the subsidiaries for the year were:

Names	Net assets £000
London Grid Limited	(14,300)
Let's Get Digital Limited	1

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

16. Debtors

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Due within one year				
Trade debtors	4,507	1,406	4,507	1,069
Amounts owed by group undertakings	-	-	463	279
Other debtors	31	31	31	31
Prepayments and accrued income	1,938	1,459	1,937	1,417
Tax recoverable	528	952	528	827
	7,004	3,848	7,466	3,623

LONDON GRID FOR LEARNING TRUST

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

17. Creditors: Amounts falling due within one year

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Trade creditors	10,563	4,984	10,563	4,454
Other taxation and social security	64	61	64	61
Obligations under finance lease and hire purchase contracts	1,292	1,261	1,292	1,261
Other creditors	1,961	105	1,961	106
Accruals and deferred income	6,674	5,759	6,674	5,752
	20,554	12,170	20,554	11,634
	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Deferred income at 1 April 2020	5,343	5,627	5,343	5,612
Resources deferred during the year	5,856	5,343	5,856	5,343
Amounts released from previous periods	(5,343)	(5,627)	(5,343)	(5,612)
	5,856	5,343	5,856	5,343

Deferred income represents amounts invoiced in respect of broadband charges and other services which relate to future periods.

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

	Group 2021 £000	<i>Group 2020 £000</i>	Company 2021 £000	<i>Company 2020 £000</i>
Net obligations under finance lease and hire purchase contracts	2,788	4,081	2,788	4,081

LONDON GRID FOR LEARNING TRUST

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

19. Statement of funds

Statement of funds - current year

	Balance at 1 April 2020 (as restated) £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
Unrestricted funds						
Designated funds						
Pan London Admissions	388	598	(279)	(357)	-	350
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
General funds						
General Funds	6,361	43,792	(46,007)	357	-	4,503
Non-charitable trading funds	(14)	-	-	-	-	(14)
Pension reserve	(1,526)	-	(274)	-	(1,184)	(2,984)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,821	43,792	(46,281)	357	(1,184)	1,505
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Unrestricted funds	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,209	44,390	(46,560)	-	(1,184)	1,855
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

LONDON GRID FOR LEARNING TRUST

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

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 April 2019 £000</i>	<i>As restated Income £000</i>	<i>As restated Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>As restated Balance at 31 March 2020 £000</i>
Unrestricted funds						
Designated funds						
Pan London Admissions	373	565	(193)	(357)	-	388
General funds						
General Funds	7,912	21,708	(23,616)	357	-	6,361
Non-charitable trading funds	50	4,884	(4,948)	-	-	(14)
Pension reserve	(1,863)	-	(630)	-	967	(1,526)
	6,099	26,592	(29,194)	357	967	4,821
Total Unrestricted funds	6,472	27,157	(29,387)	-	967	5,209

20. Summary of funds

Summary of funds - current year

	Balance at 1 April 2020 (as restated) £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2021 £000
Designated funds	388	598	(279)	(357)	-	350
General funds	4,821	43,792	(46,281)	357	(1,184)	1,505
	5,209	44,390	(46,560)	-	(1,184)	1,855

LONDON GRID FOR LEARNING TRUST

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

20. Summary of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 April 2019 £000</i>	<i>As restated Income £000</i>	<i>As restated Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 March 2020 £000</i>
Designated funds	373	565	(193)	(357)	-	388
General funds	6,099	26,592	(29,194)	357	967	4,821
	<u>6,472</u>	<u>27,157</u>	<u>(29,387)</u>	<u>-</u>	<u>967</u>	<u>5,209</u>

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £000	Total funds 2021 £000
Tangible fixed assets	10,204	10,204
Intangible fixed assets	977	977
Current assets	17,000	17,000
Creditors due within one year	(20,554)	(20,554)
Creditors due in more than one year	(2,788)	(2,788)
Provisions for liabilities and charges	(2,984)	(2,984)
Total	<u>1,855</u>	<u>1,855</u>

LONDON GRID FOR LEARNING TRUST

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

21. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	<i>Unrestricted funds (as restated) 2020 £000</i>	<i>Total funds 2020 £000</i>
Tangible fixed assets	9,936	9,936
Intangible fixed assets	1,282	1,282
Current assets	11,768	11,768
Creditors due within one year	(12,170)	(12,170)
Creditors due in more than one year	(4,081)	(4,081)
Provisions for liabilities and charges	(1,526)	(1,526)
Total	<u>5,209</u>	<u>5,209</u>

22. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £000	<i>Group 2020 £000</i>
Net expenditure for the year (as per Statement of Financial Activities)	<u>(2,171)</u>	<u>(2,230)</u>
Adjustments for:		
Depreciation charges	2,433	2,062
Amortisation charges	826	811
Decrease/(increase) in debtors	(3,156)	255
Increase in creditors	8,353	1,408
Current pension service costs	615	851
Defined benefit pension scheme contributions paid	(378)	(272)
Net interest/finance cost	38	51
Interest receivable	-	(47)
Net cash provided by operating activities	<u>6,560</u>	<u>2,889</u>

23. Analysis of cash and cash equivalents

	Group 2021 £000	<i>Group 2020 £000</i>
Cash in hand	9,996	7,920
Total cash and cash equivalents	<u>9,996</u>	<u>7,920</u>

LONDON GRID FOR LEARNING TRUST

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

24. Analysis of changes in net debt

	At 1 April 2020 £000	Cash flows £000	At 31 March 2021 £000
Cash at bank and in hand	7,920	2,076	9,996
Finance leases	(5,342)	1,261	(4,081)
	<u>2,578</u>	<u>3,337</u>	<u>5,915</u>

25. Pension commitments

The Group operates a defined benefit pension scheme.

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

	At 31 March 2021 %	At 31 March 2020 %
Discount rate	2.05	2.30
Future salary increases	3.20	2.20
Future pension increases	2.05	1.80

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 Trust ('LGFL') participates in the fund which provides defined benefits, based on members' final pensionable salary.

In accordance with Financial Reporting Standard 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 2022 are estimated to be £314,000. In addition, Strain on Fund Contributions may be required.

The latest actuarial valuation of LGFL's liabilities took place as at 31 March 2016. 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.

LONDON GRID FOR LEARNING TRUST

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

25. Pension commitments (continued)

The Group's share of the assets in the scheme was:

	At 31 March 2021 £000	<i>At 31 March 2020 £000</i>
Equities	6,934	4,810
Bonds	1,444	1,415
Property	578	354
Cash	674	495
Total fair value of assets	9,630	7,074

The actual return on scheme assets was £167k (2020 - £182k).

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

	2021 £000	<i>2020 £000</i>
Current service cost	580	821
Past service cost	35	30
Interest income	(167)	(182)
Interest cost	205	233
Total amount recognised in the Consolidated statement of financial activities	653	902

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

	2021 £000	<i>2020 £000</i>
Opening defined benefit obligation	8,599	9,266
Current service cost	580	821
Interest cost	205	233
Contributions by scheme participants	163	154
Actuarial losses/(gains)	3,158	(1,775)
Benefits paid	(126)	(130)
Past service costs	35	30
Closing defined benefit obligation	12,614	8,599

LONDON GRID FOR LEARNING TRUST

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

25. Pension commitments (continued)

Movements in the fair value of the Group's share of scheme assets were as follows:

	2021	<i>2020</i>
	£000	<i>£000</i>
Opening fair value of scheme assets	7,074	<i>7,404</i>
Expected return on assets	167	<i>182</i>
Actuarial gains/(losses)	1,974	<i>(808)</i>
Contributions by employer	378	<i>272</i>
Contributions by scheme participants	163	<i>154</i>
Benefits paid	(126)	<i>(130)</i>
Closing fair value of scheme assets	9,630	<i>7,074</i>

26. Operating lease commitments

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

	Group	<i>Group</i>
	2021	<i>2020</i>
	£000	<i>£000</i>
Not later than 1 year	392	<i>39</i>
Later than 1 year and not later than 5 years	1,567	<i>-</i>
	1,959	<i>39</i>

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group	<i>Group</i>
	2021	<i>2020</i>
	£000	<i>£000</i>
Operating lease rentals	1,959	<i>330</i>

27. Prior year adjustments

Fixed assets for the year to 31 March 2020 have been amended to capitalise all the installation costs in respect of the implementation of the Pledge 2020 network upgrade programme previously written off to the Statement of Financial Activities. The total amount of additional costs capitalised was £931k on which additional depreciation of £60k was charged, increasing the value of funds brought forward by £871k.

A prior year adjustment has also been made for net depreciation and amortisation overcharged in 2020 of £296k, increasing the value of funds brought forward by the same amount.

LONDON GRID FOR LEARNING TRUST

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

28. 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 2020 the Trust was owed £462k (2020: £279k) by its subsidiary company London Grid Limited. Donations to the Trust by London Grid Limited in respect of the year amounted to £Nil (2020: £nil) and management charges to London Grid Limited by the Trust amounted to £Nil (2020: £524k).

Permission has been obtained from the Charity Commission in order to pay for the professional services of the Chairman (P Robinson). During the year £8,100 including expenses were paid for these services (2020: £7,838). 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 £16k (2020 - £17k) for the period.