

Company registration number: 04205579
Charity number: 1090412

TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

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 2023

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 Magna House 18-32 London Road Staines-Upon-Thames TW18 4BP
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 2023

CHAIRMAN'S STATEMENT 2022 - 2023

Looking back over the year one is struck by the enormity of the change all of us have witnessed. The nation's longest serving monarch, Queen Elizabeth II passed away and was succeeded by her son, King Charles III. There were no less than 3 Prime Ministers one of whom became the country's shortest serving. Predictions about climate change appeared to be vindicated by the increasingly extreme weather experienced across the globe and the opportunities and threats posed by AI were articulated more loudly. Tensions and conflicts in every corner of the world erupted.

In comparison, the Trust though busy has seemed an epitome of calm and continuity. The CEO's Statement articulates some of the successes and highlights of 2022-23 but the general picture is one of consolidation and sustainable growth.

With schools still recovering from the shock of Covid the Trust has focussed on strengthening its offer to the education sector, working on delivery and planning with our partners to build greater resilience into the system. The impact of inflation following on from disruption in technology supply chains has also needed to be navigated. As a charity the shielding of schools and children from the worst affects of these perils was a key mission for the Trust. Resisting increasing broadband prices unlike much of the rest of the sector is a notable achievement.

The turbulence that appears to have engulfed the world may turn out to be a mirage when seen through a historical lens. I am confident however, that the groundwork undertaken by LGfL during the last 12 months will prove to be real providing a lasting foundation on which we build an even stronger and more resilient set of services for schools and councils.

Paul Robinson
Chairman, London Grid for Learning Trust

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

CEO STATEMENT 2022 - 2023

It was an award-winning year like no other. LGfL won the ERA Outstanding Achievement Award in Education, along with four other awards, for the leadership shown during COVID19. LGfL won two prestigious BETT Awards including the award for the Wellbeing, Digital Wellness & Safeguarding Resource for Going Too Far and the IT Support Organisation of the year.

LGfL continued to expand and cement its credentials as a national provider of digital and connectivity services to schools. LGfL now has more schools harnessing its network than at any time in its history including an estimated 1.8 million children and teachers. LGfL's uncontended and secure fibre network continues to evolve at pace to reflect the move to cloud computing. LGfL's average network speeds rose once again with 778 schools receiving a free bandwidth boost as part of an initiative called the Broadband Bonanza.

Collaboration and partnership working continued at pace. LGfL successfully partnered with the National Cyber Security Centre to audit schools IT security which highlighted the security challenges facing schools. Close to 900 schools participated in the survey which makes it the largest of its kind, ever undertaken in schools.

LGfL launched free national safeguarding and curriculum resources including SafeSkills which aims to improve cyber self-awareness among children as well as a pack of resources that enable schools to comply with the safeguarding demands of an Ofsted inspection.

Given the financial pressures facing schools, I am proud that LGfL has not increased its broadband prices since 2016 and we are committed to no price hikes in the coming financial year which is helping to shield schools from the broader economic shocks that are impacting the UK Economy. A core priority for LGfL remains saving schools more money through cashable savings, cost avoidance or bringing in additional funds that exceed the cost of the broadband connections delivered to schools. As in previous years, LGfL has delivered on this commitment. The total funding identified by LGfL's free school meals eligibility checker since 2014 is now over £185 M with nearly £50 M identified this year. LGfL enhanced cybersecurity, safeguarding and classroom practice by delivering an estimated 1.2 million free licences to schools saving schools more than £6M per annum.

It's been a wonderful and award-winning year for LGfL and the education community we are proud to serve. I'd like to thank the Trustees, schools, MATs, Digital Transformation Partners and the LGfL Team for their tremendous support and efforts over the last year. Together, we are delivering the platform to support digital adoption in education.

John Jackson
CEO, London Grid for Learning Trust

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

LGfL'S OBJECTIVES

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's revised Objects enable it to provide services to a wide range of beneficiaries including schools, Multi Academy Trusts, Councils, Health Services, the Police, Housing and Community Services.

PRIORITIES

LGfL delivers its Objects by focusing on: -

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

ACTIVITIES

In furtherance of our Objects, LGfL: -

- Provides high speed and secure connectivity encompassing mobile and fixed telecommunications links;
- Delivers a range of educationally focused digital services spanning cybersecurity, safeguarding, teaching and curriculum services as well as cloud services;
- Commissions services from partners;
- Cooperates and supports 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;
- Procures and enters into contracts to provide services to, or on behalf of other bodies, establishes or acquires subsidiary undertakings, and establishes or takes part in joint procurements, ventures and undertakings;
- Sets aside funds for special purposes with a view to meeting long-term commitments or requirements;
- Shares safeguarding and cybersecurity best practices in terms of online safety as well as working with stakeholders to train and equip school staff with the technologies and human expertise that best keep children safe and schools secure; and
- Provides high-quality Continuous Professional Development (CPD) for school staff that fosters the innovative use of cutting-edge technologies in the classroom and complements teaching & learning best practice.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

STRATEGIC REPORT

This year, LGfL won or was shortlisted for a number of industry awards in recognition of LGfL's response to COVID and the progress made to improve services to schools and Education more generally. Those awards include:

- Outstanding Achievement Award in Education (ERA Award Winner)
- Supplier of the Year (ERA Award Winner)
- Free Educational Resources LGfL with Child Bereavement UK (ERA Award Winner)
- Primary Resource or Equipment – ICT in partnership with Ohbot Ltd (ERA Awards – Highly Commended)
- Technical or IT Support Service of the Year (BETT Award Winner)
- Wellbeing, Digital Wellness & Safeguarding Resources with the Department for Education (BETT Award Winner)
- Company of the Year (BETT Award – Shortlisted)
- IT Support and Service Provider of the Year (BETT – Shortlisted)
- Safety and Security Company of the Year (Education Today – Winner)

LGfL has continued to increase its reach across England taking on new schools and Multi Academy Trusts in the Home Counties, the Midlands and the Northwest thereby cementing its position as a national provider of services to schools. The Co-op Multi Academy Trust was a key acquisition in the previous financial year and that partnership has grown substantially. As well as growing, LGfL continues to enjoy very high levels of retention with very few customers leaving. Continued growth means that LGfL is one of the largest providers of connectivity to schools in the UK.

The impact of LGfL within schools and Multi Academy Trusts continues to grow with increasing levels of consumption of LGfL's bundled products.

LGfL's network and associated services support millions of children, teachers and public sector workers everyday putting the company at the heart of efforts to advance education both in the UK and beyond.

Successful partnerships and collaborations remain a cornerstone of LGfL's DNA with over 100 companies now enrolled as Digital Transformation Partners to support schools with their technology needs and ensure that wherever possible the best use is made of LGfL resources and connectivity.

Partnerships with Child Bereavement UK and collaboration with LEO Academy Trust have been recognised in the market as award winning best practice. A substantial number of case studies have been developed that are publicly available on our website and social media channels.

At the heart of LGfL's technology provision is a world class network. Built almost exclusively on symmetrical, uncontended fibre, LGfL delivers almost infinite capacity so that exciting and engaging learning opportunities are available for children – both now and into the future. LGfL's scale means that it secures very competitive pricing from its supply chain enabling LGfL to deliver value for money and considerable cost savings to all its beneficiaries, particularly schools and Multi Academy Trusts.

LGfL provides a number of pan London and regional services alongside a wider public sector spanning local government, health and the police which enable efficient and cost-effective service delivery. Those services include the Pan London Admissions Service, the London Public Services Network (including gateways to Health) and the Free School Meals Eligibility Checker.

LGfL's long term success has necessitated a transformation of the organisation underpinned by a modernisation of IT systems, continuing process redesign and automation as well as cultivating a modern, flexible workforce.

LGfL's business model is evolving with a focus on the development of Intellectual Property and a continuing transition from Service Commissioner to Service Provider. This change in business model will enable tailored and low-cost service delivery to schools rather than being restricted to being a reseller of standard products and services.

In an uncertain world, LGfL's ability to identify and manage risk is critical. Indeed, thoughtful mitigation has been a significant contributory factor to its success along with an ability to take measured risks when the situation demanded it, as was the case during the global pandemic.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

KEY PERFORMANCE MEASURES

The breadth and depth of LGfL's work is summarised in the table below:-

Outcome	By March 31 2023
World Class Connectivity	
Estimated Daily Reach of LGfL Services to Children, Teachers and Support Staff	1.8 million
Schools Upgraded as Part of Pledge 2020	2,498
Schools Receiving a Free Bandwidth Upgrade (FYE 23)	778
Total Free Bandwidth Delivered to Schools as part of the Bandwidth Bonanza (FYE 23)	86,400 Mbps
Standard Connection Speed of Secondary Schools to the Internet (FYE 23)	1 Gbps
Standard Connection Speed of Primary Schools to the Internet (FYE 23)	100 – 500 Mbps
Average Connection Speed of Special Schools to Internet (FYE 23)	100 – 300 Mbps
Resilience	
Percentage Availability of the LGfL Core Network	100%
Bridge The Divide	
New Laptops Delivered to Schools (since commencement of #BridgeTheDivide)	160,000
Estimated Number of Laptops Enabled for Recycling	30,000 - 40,000
Free School Meals	
Pupil Premium Funding identified for Schools	£49,755,585
Pupil Premium Funding identified since the inception of the Pupil Eligibility Checker (inception to 31 March 2023)	£185,245,065
Continuous Professional Development (CPD)	
Training Events	245
Delegates Attending	6,488
Applications for School Places	
Applications for Secondary School Places Processed	109,637
Applications for Reception School Places	107,697
Total Number of Applications Processed for School Places (all phases) (17,177 for nursery, junior and 14-19)	236,306
Smartbuy - Value for Money	
Estimated Licences & Services Freely Distributed to Schools	1.2 M
Estimated Saving / Additional Value to Schools Per Annum	Over £6 M

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

SAVING SCHOOLS MONEY

The economic outlook remains volatile and challenging within the UK and globally. Interest rates are rising, and energy costs continue to be amongst the highest ever. This has led to unpredictable costs and inflationary pressures impacting companies in the UK and globally.

LGfL, as a not-for-profit Charitable Trust, has a key role to play in shielding schools and other customers from financial pressures by leveraging its aggregated buying power on behalf of thousands of schools. In doing so, schools benefit from the economies of scale that each procurement brings.

LGfL delivers financial benefits to schools in several ways:-

- LGfL has elected not to increase broadband prices since 2016. The Board remains committed to holding prices over the next financial year;
- LGfL bundles a number of key products with its broadband connection to add value to its subscription service. Bundled items include ransomware protection, anti-virus, DDoS, cloud backup as well as classroom resources. If these products were bought in isolation by individual schools, even MATs, they would cost a lot more money. Over the course of this financial year, LGfL distributed an estimated 1.2 million licences freely to schools worth approximately £6M per annum.
- LGfL encourages schools to consume the bundled products and make savings through its online Savings Calculator (<https://savings.lgfl.net>) which enables Headteachers to assess usage of freely available products and ensure opportunities to save money are not missed.
- LGfL spot purchases large volumes of products for sale directly to schools. Buying at scale means that LGfL's selling price is generally much lower than comparable market rates. BridgeTheDivide is an example of how LGfL procured a large number of laptops at highly discounted prices and was then able to resell them to schools at a much lower price than would have been possible through other channels.
- LGfL delivers free or low cost bandwidth upgrades to schools as part of its Broadband Bonanza that would ordinarily cost thousands of pounds. This year around 778 upgrades have been delivered free, or at very low cost, to schools;
- LGfL hosts training and CPD opportunities that are free for schools. Such actions allow schools to keep pace with technology needs (e.g. increased bandwidth consumption) at no additional cost.

ARMOUR PLATED CONNECTIVITY FOR SCHOOLS

LGfL was established to deliver broadband within the London region. Today, the Trust is moving closer to a position where the majority of customers are outside of London underlining LGfL's position as a national provider of connectivity.

LGfL's network has been engineered for high reliability and speed. Over 99% of LGfL's customers are connected using symmetrical leased line fibre with data secured end to end through a national IPVPN service. Network performance is monitored rigorously for packet loss, latency, round trip delay and circuit flapping.

High-capacity leased lines deliver children an immersive experience on-line and enables schools to stream High Definition (HD) and 4K content at massive scale into the classroom.

The IPVPN delivers additional security for schools by encrypting all traffic and directing it through LGfL's core network which ensures that the inbound and outbound internet traffic is monitored by viruses, hacking activity and data exfiltration.

LGfL has firewall management systems that enable oversight of inbound and outbound traffic as well as delivering intelligence as to which ports are being used. This enables LGfL to manage network traffic and take steps, where necessary, to protect schools proactively.

In 2018 LGfL anticipated the move to Cloud Computing by schools and the consequent need for much greater capacity and network security. To address these changing needs, LGfL established a programme to transform broadband speeds to schools called Pledge 2020.

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The subsequent rollout of updated connectivity and platforms commenced in April 2019 and the programme was completed by December 2020. Over the course of Pledge 2020, nearly 2500 schools were upgraded and the average bandwidth to schools more than doubled. In many cases, schools received upgrades that resulted in speeds rising as much as 500%.

LGfL has continued to invest in the future of schools' connectivity under a new initiative called the Bandwidth Bonanza. Under this initiative LGfL is delivering further increases in connectivity speeds at no additional costs to schools. 778 schools have benefitted from the programme over the course of this year. These upgrades mean that LGfL schools remain at the forefront of broadband and digital services provision.

LGfL recognises the need to innovate and provide greater flexibility to schools. New solutions are being offered, for the first time to schools, harnessing Software Defined Networking as well as satellite provision.

RESILIENCE AND KEEPING THE LIGHTS ON

Investments have been made over the course of the financial year to ensure the continued reliable operation of LGfL's platforms to increase resilience, capacity and reliability.

A key change was the rollout of an enhanced networking configuration which has enabled internet bound traffic to reroute across multiple links in the event there is a failure in the National Network.

Continuing upgrades have been made to the LGfL datacentres. These investments have ensured that services are designed for high reliability and availability. New load balancing technology has been added to manage traffic flows in anticipation of bringing SchoolProtect online.

The oversight of the network, and its performance, has been enhanced through the integration of LGfL networking equipment best in class monitoring platforms which now deliver real time performance metrics including latency, round trip delay and packet loss. Managing the insights provided by these next generation systems enables LGfL to deliver a proactive and positive service to the thousands of customers it serves nationally.

Oversight and governance of LGfL's network has been enhanced by the introduction of extended network and device monitoring which send automated alarms and notifications when there are potential incidents, equipment failures or capacity challenges.

BRIDGE THE DIVIDE – EQUIPPING CHILDREN AND SCHOOLS WITH LAPTOPS

As teaching and learning moves online both children and teachers need access to low cost, affordable devices. This is a universal requirement, but particularly pressing in areas with high levels of social and economic deprivation where families may not have access to the internet.

LGfL established a programme during the COVID-19 pandemic called #BridgeTheDivide which included a national procurement of laptops on behalf of all schools along with accompanying configuration and distribution services.

Through the aggregation of its buying power, LGfL was able to source computers at very competitive prices and pass those savings on to schools. This immediately led to a reduction in the costs of devices in the market and schools were able to bulk purchase for children at levels that would otherwise have been impossible for them individually.

#BridgeTheDivide has been well received by schools and there are a number of case studies from schools. MATs and Local Authorities commented on the positive impact the programme had on children and their progress during the pandemic. This included some of the most deprived areas in the UK including Waltham Forest and Tower Hamlets. The latter working with LGfL on not only distributing equipment but also on embedding technology into the curriculum (see <https://edtechth.lgfl.net>)

LGfL has continued to provide low-cost devices to schools and licences to recycle devices during this financial year. By March 2023, LGfL estimates that #BridgeTheDivide has delivered over 200,000 new and recycled devices to schools. However, this is the last year of #BridgeTheDivide and the programme will be wound down in the next financial year as LGfL refocuses its resources and efforts into the continuing improvement of its existing platforms.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

CYBERSECURITY

Globally, increasing tensions and hostile acts between countries, are fuelling a challenging climate and adding to the range of Threat Actors that already existed.

Cybersecurity threats and risks are on the rise; a number of schools and Multi Academy Trusts have been victims of ransomware attacks which have proven costly and very disruptive.

LGfL has integrated multiple layers of security into its connection to schools. As a result, LGfL has a unique, multi layered, defensive shield that protects children. LGfL's defences include filtered internet access, anti-virus, ransomware countermeasures, cloud backup, firewalls, DDOS protection, secure email services as well as monitoring via a Security Operations Centre (SOC). This multi layered defensive system is called CyberCloud.

LGfL provides best practice policy and security advice to schools including delivery of the official National Cyber Security Centre (NCSC) training for schools, plus best practice toolkits, seminars and newsletters.

Elevate (<https://elevate.lgfl.net>) is a collection of key resources that schools can use to elevate their cybersecurity including a Cybersecurity Policy, an Incident Response Plan and Asset/Risk Registers. As such, Elevate can be used as a foundation for schools that want to attain Cyber Essentials Certification.

In 2022, LGfL added the Security Scorecard platform into its portfolio of services at no cost either to an LGfL school or any other school nationally. This platform performs a multi-dimensional assessment of key indicators which then are collated to provide an aggregate score. The higher the score, the more secure the school is. Alongside the score, schools are also given a visualisation of those risks as well as a report. Hundreds of schools ran the Security Scorecard platform over the course of the year helping them to identify weaknesses and vulnerabilities.

LGfL has invested to increase its capacity and technical capabilities to support schools and partners alongside the technology countermeasures and content initiatives identified above. This includes LGfL becoming an accredited Managed Service Partner (MSP) for platforms including Sophos and Malwarebytes. Today, LGfL oversees the security of hundreds of thousands of devices in its managed service portals.

LGfL enlarged its Cybersecurity Team in 2023 and is widening its role to support schools proactively recognise security threats and take action sooner to address them. Further staff will be recruited in the next financial year.

Remediating Cybersecurity risks requires multi agency collaboration. LGfL partners with key agencies including the National Cyber Security Centre to promote best practices and an audit of schools' security risks has been undertaken this year to refresh and update the first study undertaken in 2019.

Nearly 900 schools participated in an IT Security Audit delivered in partnership with the National Cybersecurity Centre. The response is almost double the last audit and the results are freely available on LGfL's website at <https://lgfl.net/security/securityaudit>

SAFEGUARDING CHILDREN

Online safety remains a critical focus for LGfL with over 1.8 million children, teachers and support staff having access to the internet every day. Internet filtering is a complex undertaking as content providers seek to prevent filtering and lock out systems that categorise the content. Filtering at LGfL's scale is an enormous challenge with over 30,000 decisions taken every minute on whether content is appropriate to view.

LGfL has invested further in the modernisation of its filtering service including a complete overhaul of the underlying infrastructure in order to increase capacity and to enable new features including SSL filtering, by default, should schools have this requirement.

Other new features include improved integration with cloud platforms such as Google to ensure granular, per-user filtering to help keep children safe but avoid overblocking. A new filtering platform, called SchoolProtect, was built and launched in 2023.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The pandemic changed where children learn with a sharp uptake in internet-based learning in homes and community settings. This drove innovation and change and, as a result, LGfL created, at no cost to schools, a free filtering service for children working from home (HomeProtect). This service has been retained due to continuing and growing demand from schools. The technical offering was combined with expert guidance and training to ensure safe remote learning, plus advice for parents on how to best protect their children online.

LGfL works extensively on countering extremism and online radicalisation. This includes the production of key resources developed in partnership with the Department for Education (DfE) Prevent Team and the Counter Terrorism Police. (goingtoofar.lgfl.org.uk).

LGfL offers a wider centre of safeguarding excellence including, for example, grooming for sexual or child criminal exploitation. A wider training portfolio and collection of resources provides CPD and materials for the classroom, for specialists and generalist staff alike. Increasingly, LGfL is the destination for schools' main Designated Safeguarding Leads to get their training, updates and advice, including on the latest legislation and statutory guidance, where LGfL is in a unique position to advice from its work on national policy bodies.

A new, and free product was launched called SafeSkills (safeskillsinfo.lgfl.net) which is an online tool that enables schools to test their pupils knowledge and awareness of security and safety matters. Over the course of this financial year hundreds of thousands of questions have now been answered by children.

PROMOTING WELLBEING

LGfL has developed a wide range of freely available materials for promoting mental health and wellbeing including the award winning resources developed with Child Bereavement UK to help schools supporting children dealing with a family bereavement. This online resource <https://bereavement.lgfl.org.uk/> has been of significant value to schools.

LGfL recognises the pressures that schools are under and consequently Wellbeing was a key strand of the LGfL conference with keynote presentations and breakout sessions.

CURRICULUM AND TEACHER DEVELOPMENT

Since its inception in 2001, the curriculum resources, as with the technology portfolio, have been at the heart of the LGfL service to schools.

In order to enable the effective use of technology in supporting high quality curriculum delivery, the curriculum portfolio has been adapted, expanded and a range of innovative content developed. In particular, changing processes, policies and teaching methods to effectively harness digital devices and materials is a complex undertaking and potentially fraught with risk to schools, children and teachers. Therefore, the effective integration of the latest digital technology into everyday teaching and learning requires careful and focused support to help evolve pedagogy which LGfL's Curriculum Team are well placed to provide alongside a growing network of lead schools. (pedtech.lgfl.net)

Over the course of this financial year, LGfL has collaborated extensively with lead practitioners and experts in their field to develop resources to enable the development of a holistic Digital Strategy including a self-assessment toolkit, training and access to an extensive catalogue of case studies where leading practitioners provide feedback and advice on how they have approached the complex issue of Digital Strategy within their school or Multi Academy Trust.

LGfL has partnered with the Education Foundation to develop a national network of leading practitioners (EdTech Hubs where school leaders and teachers get together to share best practices (edtechhubs.lgfl.net) and disseminate that within a region. These sessions have been very well received and they will remain a key part of LGfL's activity in the next financial year.

LGfL, in collaboration with curriculum leaders, has produced an exciting range of case studies regarding the school's use of technology including a Digital Strategy toolkit.

LGfL has delivered an extensive Continuous Professional Development (CPD) programme for schools, which are delivered across a range of subjects, specialisms as well as products. Many of these programmes are delivered in partnership with key suppliers and well-known training providers at no cost to schools which is another way in which LGfL saves money for schools.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Free curriculum product consumption continues to rise. A change in the reporting for BusTthings suggests it is potentially even more popular in schools than previously thought.

On July 1st, 2022, LGfL hosted its first conference (Lets Celebrate) in over 2 years. The conference was a significant success encompassing an outstanding line up of speakers including the Department for Education and The National Cybersecurity Centre. For the first time, LGfL introduced the concept of a "tech village" to showcase the best of British technology and over 30 grateful SME's and micro businesses took part.

TACKLING INEQUALITY

LGfL sets aside support for supporting greater inclusion through the Included service. This team produces targeted content and resources to support schools including Widgit encouraging the adoption of a Universal Design for Education a teaching approach that works to accommodate the needs and abilities of all learners and eliminates unnecessary hurdles in the learning process.

The economic crisis continues to place families in difficulty, which can result in health and wellbeing concerns for children. Ensuring that children are fed properly, and schools are resourced to support the needs of their community is a priority.

LGfL provides support to schools and families through its online Free School Meals (FSM) Checker. In 2014, LGfL built a platform that enables families to check whether they are eligible to claim free school meals. If they are, the child's school receives additional funding (Pupil Premium) to help and support the child through their education.

In subsequent years, LGfL refined the platform to enable schools, to check the eligibility status and make the claim on behalf of parents. The checker has been an outstanding success, and, in recent years, the checker has been promoted by Marcus Rashford's Food Poverty Action Group which has helped to increase awareness and engagement with the service.

Over the course of the current year the FSM Checker has identified nearly £50M of potential Pupil Premium Funding and since its inception in 2014 over £185M. As such, the FSM Checker has had a profound and positive impact on children and schools across the LGfL community. The eligibility checker is now used in over 100 Local Authorities and by thousands of schools.

Much of LGfL's growth has been in areas that are poorly served by broadband where schools have previously been connected at low speeds. The introduction of high quality, symmetrical fibre services has enabled schools in rural areas to enjoy the same digital experience as urban areas where historically schools had higher speeds.

PAN LONDON ADMISSIONS SERVICE

LGfL works in partnership with Local Authorities to coordinate school places across London. This is a 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 money by avoiding duplication and delivering services efficiently through shared IT systems.

2022/23 was the nineteenth year of operation of the Pan-London Admissions Coordinated Service for the 33 London Local Authorities and 5 adjoining authorities, which successfully handled over 236,000 applications in the latest financial year.

Underpinning this service are two central IT systems provided by LGfL:- (i) The Pan London Coordinated Admissions systems, 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.; and (ii) The Pan London Coordinated eAdmissions website which was introduced in 2019/20 and during the pandemic improved and streamlined the processing of admissions and delivered a significant channel shift with a major decline in the number of telephone and general enquiries to the support teams as parents were able to successfully apply without having the need to call for help or advice. The significant reduction in telephone calls underlines the importance of improved website design and well thought out customer journeys.

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TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

LONDON PUBLIC SERVICE NETWORK

LGL provides connectivity and resilience for Councils across London and nationally.

LGL maintained a focus on ensuring the resilience of public services by scheduling a series of scheduled Disaster Recovery Tests to ensure that, in the event of a network failure, services would be automatically rerouted to their second connection. This programme remains an ongoing priority for LGfL.

LGL is undertaking a review of LGfL's datacentre strategy with a view to lowering our carbon footprint, increasing capacity and enabling the delivery of a new generation of cloud enabled networks. This refresh of core technologies will also provide LGfL with the platforms to improve the range of options that it can provide to schools and Multi Academy Trusts at affordable prices.

BUSINESS MODEL TRANSFORMATION

LGfL was established as a commissioner of regional broadband to schools that was funded by government through the former Harnessing Technology Grant (HTG). Today, it is increasingly a diversified technology services organisation.

The transformation from a government funded agency to a commercial, self-sustaining business has necessitated fundamental and far-reaching changes, many of which are being addressed through LGfL's Fit for the Future programme and the expansion of the LGfL technical and service delivery teams.

Today, LGfL continues to be a Service Commissioner but it now delivers services directly as a Service Provider.

New channels, such as the Digital Transformation Partner (DTP) network have been established to provide new ways of growing services harnessing Small to Medium Sized Enterprises as well as Local Authorities.

LGfL's ability to adapt its business model in a flexible and nimble way to meet the needs of schools and customers is one of the reasons it has been able to achieve high levels of customer retention and stay relevant in a highly competitive market.

FIT FOR THE FUTURE

LGfL is a growing and diversified technology services group and, as it continues to expand, it is essential that firm foundations exist with modern, digital platforms that enable LGfL to function efficiently and effectively at scale.

A key investment for LGfL has been the implementation of a modern Customer Relationship Management (CRM) system which supports sales management, communication, service management and a range of other customer interactions.

Over the course of the year, LGfL reviewed a significant number of processes and re-engineered them for the CRM system to provide greater support for core activities including Sales Order Processing and Sales Pipeline Management. The CRM system also has a range of integration tools enabling bi-directional updates of data between systems without the need to rekey information. This means that LGfL's customer data is much richer.

Modern financial systems provide support across LGfL to ensure that accurate data is available for forecasting, profit and loss, cash flow and balance sheet management. A number of improvements have been introduced in the Finance Team with respect to technology and processes resulting in improved efficiency and oversight. For example, billing between LGfL and its largest supplier, VMO2 has been simplified to avoid a large amount of technical accounting adjustments needing to be made each month. It is planned that further automation of asset management and contracts will be delivered over the course of the next two financial years along with integration to partner systems to enable automation of key tasks such as billing reconciliation.

As part of its Fit for the Future programme, LGfL has collaborated extensively with partners to improve oversight and service management as well as addressing concerns with the quality of information held on partner systems. These developments are supporting the effective stewardship and management of LGfL's customers.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

WORKFORCE TRANSFORMATION

LGfL recognises the need for a modern and motivated workforce that has the skills and capacity to meet the changing and growing demands of a national provider.

The pandemic has resulted in fundamental changes in workforce and accommodation needs with a general move to hybrid working. LGfL has embraced this change which has contributed to continuing high levels of employee retention.

The expansion in services has led to planned headcount increases in cybersecurity, safeguarding and technology support.

With the continuing economic pressures on staff, there is likely to be a need for LGfL to consider what further measures may be appropriate to support staff's wellbeing in the next financial year.

SUPPLY CHAIN TRANSFORMATION

The pandemic underlined the need for all organisations to ensure that robust supply chains were in place to support reliable service delivery and meet customer needs.

This is a continuing requirement given recent global disruptions resulting from the war in Ukraine, rising energy prices, exchange rate volatility and repeated economic lockdowns in China.

One of LGfL's key strengths in recent years has been the broadening of its supply chain 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.

LGfL has nurtured the Digital Transformation Partnership (DTP). This is a network of Small to Medium Sized Enterprises (SMEs) who receive regular updates and newsletters from LGfL. This network also provides an invaluable support network for schools.

This DTP network has continued to be a success story with over 100 companies now part of that framework. LGfL will further invest and develop this channel over the course of the next financial year and will continue to build skills and knowledge into that community.

LGfL retains a relentless focus on ensuring its contracts and partnerships deliver Value for Money and meet the expectations of its customers. This requires effective oversight and management of partners and suppliers. Key governance changes have been introduced to drive improvements in reliability, operations, finance and innovation. Contracts with partners have been reviewed and, when contracts reach renewal points, considerable focus is given to improving terms and addressing areas of improvement. This is enabling LGfL to control costs and ensure positive alignment between suppliers and LGfL's Objects and priorities.

A diversified and transformed supply chain has also delivered greater resilience and choice for LGfL and its customers which has been a fundamental building block in delivering long term value to schools. LGfL is reviewing its future telecommunications needs and whether additional partners are needed to support growth in areas where VMo2's network does not reach.

Since the year end the Trust has entered into a contract with its main supplier of broadband to acquire the network used. The cost of this is approximately £33.8 m which will be paid off over seven years. There will be commensurate savings in costs with the broadband supplier so overall it is expected to be cost neutral, or better, during the repayment period, after which, broadband supplier costs will fall significantly. This will enable LGfL to achieve its aim of becoming a Service Provider rather than just selling on services from third parties and enable it to provide enhanced services to schools at lower cost. The contract enables LGfL to increase its broadband speeds to schools to a maximum of 10 Gbps at incremental cost. This enables LGfL to have a market leading position as well meet the needs of schools as they transition to the cloud services and require increasing levels of bandwidth to meet the needs of a modern, digitally driven, curriculum.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

COMMITMENT TO OPEN STANDARDS AND INTEROPERABILITY

LGfL has fostered and accelerated the use of cloud platforms and internet-based service delivery. The success of these programmes means that England is at the forefront of EdTech developments globally.

The future success of cloud services, and their widespread adoption in schools and the public sector, will depend on process and data orchestration services that enable efficient and effective delivery of education to any location in the world. A world where data flows securely and freely across a vast nexus of partners and contributors.

LGfL is committed to harnessing interoperability and is focused on accelerating it, alongside open standards in its supply chain and wider digital ecosystem including its immediate supply chain. This will enable groundbreaking innovation in future years that will transform education and deliver positive outcomes to schools.

RISK MANAGEMENT

The management and mitigation of risk is a key priority for LGfL and ever more pressing in a climate of uncertainty. LGfL has embedded risk management and mitigation in all aspects of its work and key areas of concern are reported to the Board along with mitigating actions.

The following sections provide an updated consideration of the major challenges and risks that LGfL faces currently.

Financial risk is addressed in the finance section later in this report.

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 unplanned closure of schools. Many companies, including UK technology companies, have struggled to adapt to the changed environment.

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.

As set out in this report, LGfL delivered a comprehensive and effective response 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 risk mitigation for the foreseeable future. New product and innovations remain part of that response.

LGfL is taking steps to increase resilience against COVID-19's related supply dysfunction by diversifying its partners and broadening the range of products available to meet service needs and moving away from single points of dependence.

LGfL's focus on efficiency, contract management as well as 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 remain a concern with no obvious resolution in sight.

For the reasons set out earlier in this report, 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 LGfL.

LGfL also maximises the lifespan of existing assets to avoid sub optimal use being made of previous investments and only invests in products that have a long term future.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

LOW-COST CONNECTIVITY THREAT

LGfL needs to ensure that it evolves its network and technology solutions to ensure they remain competitive and offer Value for Money.

Low cost alternative telecommunications supply to LGfL's leased lines is a key competitive risk to LGfL. A significant amount of government and private sector investment is going into building out low cost fibre networks. This includes the rise of Fibre to the Premise as a cost-effective means of accessing the internet for smaller schools compared to leased lines. Satellite connectivity is also emerging as an alternative connectivity option with the emergence of platforms such as Starlink which offer reasonable connection speeds and are particularly useful in rural areas where the costs of expanding backhaul fibre is particularly expensive.

The telecommunications market is also rapidly changing. BT and VMo2 remain the largest providers in the UK. However, there is also an emerging community of Alternative Network (Alt Nets) that are growing from the ground up. These organisations are benefitting from access to BT's ducts which enables providers to avoid significant capital investment in civil works, such as trenching, to route cables. Alt Nets are able to deliver very cost effective connectivity to customers, particularly in areas where there are potential large numbers of residential customers.

LGfL's risk mitigation has been to build a wider digital service offering to schools with increased value that enables schools to save money and highly differentiates LGfL in the market. LGfL is developing its portfolio of products to encompass lower cost alternatives to leased lines including satellite and fibre to the premise. LGfL is also exploring alternative telecommunications partners to evaluate whether they can support LGfL where VMB's network is not available or there are technical reasons why an alternative provider makes sense.

MANAGING GROWTH

LGfL is growing its customers and diversifying its products which is inevitably bringing organisational pressures including the urgent and continuing need to modernise LGfL as an organisation and remain efficient.

As set out earlier in the report, LGfL's Fit for the Future programme is critical to supporting and managing LGfL's growth by modernising processes, systems and workforce including the wider use of next generation digital platforms including CRM and overhauling the company website.

Growth in LGfL's coverage and widening of LGfL's direct services and products requires LGfL to recruit additional staff to meet identified needs in those areas including enabling functions such as finance, 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 benefitted LGfL, including closer ties with schools, Councils and partner organisations.

LGfL has not required a fundamental reorganisation to grow and has worked in partnership with VMB and Adept Plc to deliver more effectively.

This year the focus has been the empowerment of individuals and teams to develop their services and coaching the organisation to improve their performance. The adoption of a flat organisational structure means there is a maximum of 4 levels including the CEO.

Looking ahead, LGfL will need to keep its organisational structure under review to ensure that it has sufficient capacity to meet demand and individual staff members have a sustainable portfolio of work. Over the last year, additional capacity has been added to teams at a sustainable rate and growth will continue in the next financial year.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

KEEPING PACE WITH MARKET CHANGE

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

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 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 to enable 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 continuing positive development 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 the core network (i.e. LGfL's datacentres) locations of its network.

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

LGfL has made important changes to its contract including specific security compliance and reporting standards.

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 improve resilience 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 (SMEs) 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.

Over the course of the next financial year, LGfL will be taking steps to ensure that effective governance and best practices are applied to the contracts for VMO2 and Adept.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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.

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 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 fell this year from £35.999 M to £25.680 M as LGfL wound down the #BridgeTheDivide programme.

Expenditure has been reduced in line with expectations due to the expected fall in laptop purchases as part of #BridgeTheDivide. In FYE 2023, total expenditure incurred was £27.771 M compared to £36.108 M in the prior financial year. LGfL also successfully renegotiated a number of its key contracts securing efficiencies, improved utilisation as well as containing price increases.

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

PENSION LIABILITY

LGfL operates a Defined Benefit Scheme that is part of the Local Government Pension Scheme. This is a scheme based on career average earnings and, in some cases, final salary.

Pension contributions to the Balance Sheet remain volatile and negative. However, this year the liability of £2.047 M in the previous financial year has unexpectedly turned into a surplus which has brought a welcome boost to the Balance Sheet.

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. A review of the pension scheme is planned for the next financial year.

GOING CONCERN

The Trustees deem that LGfL is a Going Concern.

Following advice from our External Auditors, LGfL has improved its forecasting with cash flow, balance sheet and profit and loss statements now extending out to financial year ending 2027. The forecasts demonstrate that over the Medium Term, provided assumptions including net growth and reduction in liabilities continue, LGfL will be in a stable and sustainable financial position. As part of those forecasts, options for cutting costs and generating savings have been developed to enable LGfL to adapt to unforeseen circumstances.

In the current year, LGfL has continued to retain strong liquidity and cashflow reflecting historic performance, particularly in the first 9 months of the financial year. LGfL's credit worthiness remains strong.

Net assets have improved on last year because the pension liability has fallen following an actuarial review of the fund's performance.

Long term leasing liabilities continue to reduce from £1.522 M to £0.603 M improving cash flow and liquidity. The reduction in long term liabilities will reduce expenditure significantly from financial year ending 2025.

Net Current Assets have lowered but this is due to higher spending affecting cash encompassing investments in new platforms (including Meraki licences) and growth which has increased liabilities, particularly the level of deferred income and accruals which increased from £6.499 M to £7.500 M.

There were significant cashflow movements with Debtors falling from £1.15 M to £0.350 M as a result of strong performance from the Credit Control Team. The reduction in debtors boosted year end cash and, to a large extent, mitigated the exceptional outflows in Creditors from £4.972 M to £3.886 M which resulted from the settlement of a number of disputes.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Growth is important to LGfL's long term success as it boosts income and liquidity. Growth is particularly valuable if LGfL can improve productivity and contain its supply chain costs. A key focus for LGfL in the next financial year will be to contain and lower financial exposure with key suppliers.

Based on historical performance, LGfL will continue to enjoy net growth with continued expansion in 2023 likely in the Home Counties based on a healthy pipeline of future sales leads and retention activity.

LGfL continues to benefit from very high levels of customer retention. Renewed confidence in LGfL is reflected by the fact that schools who had 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.

The improvements in our medium-term financial planning are enabling the Board to understand and test the impact of making key investment decisions and consider the trade-offs and consequences of key decisions that lie ahead in delivering its strategy.

In the current year Net Current Assets (NCAs) are negative but, as previously reported, 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, according to the medium-term financial projections, Net Current Assets will move to a sustainable position, with sufficient funds being generated to enable the next cyclical upgrade of the network by FYE 2027.

LGfL is also confident that the cost of future upgrades will fall. Indeed, over the last three refresh cycles, the costs of replacements are generally falling historically and therefore the cyclical and structural financial demands on LGfL are declining.

LGfL recognises the urgency and necessity of remaining focused on its financial bottom line and a number of key initiatives will continue to support LGfL remain a Going Concern:-

- (I) Harnessing multi-year forecasting for cash flow, balance sheet and profit and loss management and constantly reviewing them in the light of changes
- (II) Embedding the use of core financial statements and forecasting into corporate governance including investment decisions
- (III) Maintaining a healthy sales pipeline by harnessing data and LGfL's CRM system and developing a national sales strategy
- (IV) Achieving better value and reduced costs from suppliers through market testing, financial and commercial controls
- (V) Diversifying the range of products that it provides to schools and therefore the sources of its income
- (VI) Reducing the rate of customer attrition through a range of targeted initiatives including flexible pricing, personalised product design and product enrichment
- (VII) Implementing improved investment and project management controls, including stopping initiatives that were not delivering benefit, sweating assets and improving long-term planning
- (VIII) Expanding LGfL's customer base in schools and across the public sector
- (IX) Improving financial controls;
- (X) Ensuring the continuing effectiveness of the credit control and accounts payable functions; and
- (XI) Investing to improve the competitiveness of the products LGfL provides to schools.

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 and sufficient controls in place to ensure financial stewardship. Therefore, we have prepared our accounts and financial statements on the basis that the charity is a Going Concern.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

RESERVES

At the 31 March 2023, LGfL's net assets were £3.532 M improving from £2.984 M. Net current liabilities moved from -£3.621 M in the previous financial year to -£4.507 M largely due to significant investments being made in network and platform improvements.

As previously reported in LGfL planned for a depletion of reserves and unrestricted funds 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 an improvement on the previous years with a surplus of £1.435 M compared with a liability of £2.047 M in the previous financial year (for accounting reasons the surplus is not recognised in these accounts).

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) Fund its operations for at least 3 months
- (ii) Survive major and unforeseen economic shocks and developments
- (iii) Provide support to education in the event of a material change in government funding policy in respect to schools' broadband
- (iv) Provide contingency for IT related initiatives;
- (v) Respond purposefully to technology innovation; and
- (vi) 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.

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 2023

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.

LGfL will be seeking to strengthen its governance by appointing new Board members over the course of the next financial year.

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 seven 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.

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The Chief Executive manages 42 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.

In 2022/23 a further change of Objects was approved following advice from the Charities Commission.

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. Performance is reviewed annually with the outcomes shaping whether there are any performance related payments, increments or no rise at all.

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 at least 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.

From the beginning of 2020/2021 and following the change in Articles of LGFLT the activities of LGL have been absorbed within LGFLT itself and the company LGL is currently dormant.

LGfL has a dormant company, Let's Get Digital.

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
Jane McSherry – Elected Representative
Gary Hipple – Elected Representative
Fabio Negro – Elected Representative
Nick Robinson – Elected Representative
Helen Warner – Elected Representative
Sean Green – Elected Representative

Company Secretary: John Jackson

LONDON GRID FOR LEARNING TRUST

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Key Management Personnel

John Jackson – Chief Executive Officer
 David Young – Filtering and Cloud Services Lead
 Mark Bentley – Safeguarding and Security Lead
 Michael Eva – Programme Manager
 Bob Usher – Content Manager
 Alan Phillips – Group Financial Controller
 Richard Martin – Special Projects Lead
 John Bagley – London Grid Limited Manager
 Paul Smith – Service Delivery Manager

Other Relevant Organisations

Company	Address and Contact Details
Menzies – LGfL's Accounts and Audit Advisors	Menzies LLP, Second Floor, Magna House, 18-32 London Road, Staines upon Thames, Surrey, TW18 4BP
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

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 2023

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
- 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.

The Trustees' Report (incorporating the Strategic Report) was approved by the Board of Trustees (which is also the Board of Directors) and signed on its behalf by:

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

DocuSigned by:

Paul Robinson

Mr P Robinson

Company Chairman

Date: 21-Dec-2023

DocuSigned by:

John Jackson

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 2023 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 2023 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 (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report 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 (CONTINUED)

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, Keeping Children Safe in Education, 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
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates;
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
 - Reviewing expenditure payments; and
 - Reviewing the timing of income recognition.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 (CONTINUED)

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

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Janice Matthews FCA (Senior statutory auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

Magna House

18-32 London Road

Staines-Upon-Thames

TW18 4BP

Date: 21-Dec-2023

LONDON GRID FOR LEARNING TRUST

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Income from:				
Charitable activities	4	25,680	25,680	35,599
Total income		25,680	25,680	35,599
Expenditure on:				
Charitable activities	5	27,771	27,771	36,108
Total expenditure		27,771	27,771	36,108
Net movement in funds before other recognised gains		(2,091)	(2,091)	(509)
Other recognised gains:				
Actuarial gains on defined benefit pension schemes	22	2,639	2,639	1,638
Net movement in funds		548	548	1,129
Reconciliation of funds:				
Total funds brought forward		2,984	2,984	1,855
Net movement in funds		548	548	1,129
Total funds carried forward		3,532	3,532	2,984

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

The notes on pages 34 to 52 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST

REGISTERED NUMBER: 04205579

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	10	1,099	1,123
Tangible assets	11	7,543	9,051
		<u>8,642</u>	<u>10,174</u>
Current assets			
Stocks		-	321
Debtors	13	3,770	3,158
Cash at bank and in hand		4,486	5,748
		<u>8,256</u>	<u>9,227</u>
Creditors: amounts falling due within one year	14	(12,763)	(12,848)
Net current liabilities		<u>(4,507)</u>	<u>(3,621)</u>
Total assets less current liabilities		<u>4,135</u>	<u>6,553</u>
Creditors: amounts falling due after more than one year	15	(603)	(1,522)
Net assets excluding pension asset / liability		<u>3,532</u>	<u>5,031</u>
Defined benefit pension scheme asset / liability	22	-	(2,047)
Total net assets		<u><u>3,532</u></u>	<u><u>2,984</u></u>

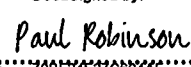
LONDON GRID FOR LEARNING TRUST

CONSOLIDATED BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2023

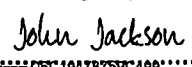
	Note	2023 £000	2022 £000
Charity funds			
Restricted funds	16	-	-
Unrestricted funds			
Designated funds	16	181	334
General funds	16	3,351	4,682
Unrestricted funds excluding pension asset	16	3,532	5,016
Pension reserve	16	-	(2,032)
Total unrestricted funds	16	3,532	2,984
Total funds		3,532	2,984

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:


 Mr P Robinson
 Trustee

DocuSigned by:


 Mr J Jackson
 Secretary

Date: 21-Dec-2023

The notes on pages 34 to 52 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST

REGISTERED NUMBER: 04205579

COMPANY BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	10	1,099	1,123
Tangible assets	11	7,543	9,052
		<u>8,642</u>	<u>10,175</u>
Current assets			
Stocks		-	321
Debtors	13	3,770	3,171
Cash at bank and in hand		4,486	5,748
		<u>8,256</u>	<u>9,240</u>
Creditors: amounts falling due within one year	14	(12,763)	(12,848)
Net current liabilities		<u>(4,507)</u>	<u>(3,608)</u>
Total assets less current liabilities		<u>4,135</u>	<u>6,567</u>
Creditors: amounts falling due after more than one year	15	(603)	(1,522)
Net assets excluding pension asset / liability		<u>3,532</u>	<u>5,045</u>
Defined benefit pension scheme asset / liability	22	-	(2,047)
Total net assets		<u><u>3,532</u></u>	<u><u>2,998</u></u>

LONDON GRID FOR LEARNING TRUST


COMPANY BALANCE SHEET (CONTINUED) AS AT 31 MARCH 2023

	Note	2023 £000	2022 £000
Charity funds			
Restricted funds	16	-	-
Unrestricted funds			
Designated funds	16	181	334
General funds	16	3,351	4,696
Unrestricted funds excluding pension asset / liability	16	3,532	5,030
Pension reserve	16	-	(2,032)
Total unrestricted funds	16	3,532	2,998
Total funds		3,532	2,998

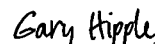
The company's net movement in funds for the year was £534k (2022 - £1,129k).

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:


 Mr P Robinson
 Trustee
 Date: 21-Dec-2023

DocuSigned by:


 Mr G Hipple
 Trustee

The notes on pages 34 to 52 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	2,777	(501)
Cash flows from investing activities			
Purchase of intangible assets	10	(820)	(692)
Purchase of tangible fixed assets	11	(1,701)	(1,770)
Net cash used in investing activities		(2,521)	(2,462)
Cash flows from financing activities			
Repayments of finance leases	14,15	(1,518)	(1,285)
Net cash used in financing activities		(1,518)	(1,285)
Change in cash and cash equivalents in the year		(1,262)	(4,248)
Cash and cash equivalents at the beginning of the year		5,748	9,996
Cash and cash equivalents at the end of the year	20	4,486	5,748

The notes on pages 34 to 52 form part of these financial statements

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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 2019), 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 surplus for the year dealt with in the accounts of the company was £548k (2022: £1,129k).

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 content with the position of the company, particularly given the difficult economic climate. The major 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. New revenue streams have been added which have further bolstered the company's financial position. The Directors anticipate the company to trade sustainably for the foreseeable future. There are also sufficient cash reserves. A medium term financial forecast has been introduced to support investment and financial decision making. 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 2023

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 from the sale of goods is recognised when the goods are delivered to customers.

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

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.

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:

Content and software	-	Over 3 to 5 years straight line
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LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

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.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Liabilities and provisions

Liabilities 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.

2.11 Financial instruments

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

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.12 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.

2.13 Pensions

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

2.14 Fund accounting

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

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

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.

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 22.

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. Income from charitable activities

	Unrestricted funds 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Main LGfL Income	20,739	20,739	20,488
LGfL Managed Services Income	565	565	422
LGL Income	3,656	3,656	5,524
Bridge the Divide	720	720	9,165
	<u>25,680</u>	<u>25,680</u>	<u>35,599</u>
<i>Total 2022</i>	<u>35,599</u>	<u>35,599</u>	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £000	Total 2023 £000	Total 2022 £000
Main LGfL Income	22,895	22,895	22,033
LGfL Managed Services Income	434	434	153
LGL Income	3,541	3,541	4,524
Bridge The Divide	901	901	9,398
	<u>27,771</u>	<u>27,771</u>	<u>36,108</u>
<i>Total 2022</i>	<u>36,108</u>	<u>36,108</u>	

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Analysis of expenditure by activities

	Activities undertaken directly 2023 £000	Support costs 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Main LGfL Income	19,635	3,260	22,895	22,033
LGfL Managed Services Income	284	150	434	153
LGL Income	2,977	564	3,541	4,524
Bridge The Divide	790	111	901	9,398
	<u>23,686</u>	<u>4,085</u>	<u>27,771</u>	<u>36,108</u>
<i>Total 2022</i>	<u>32,075</u>	<u>4,033</u>	<u>36,108</u>	

Analysis of support costs

	Main LGfL Income 2023 £000	LGfL Managed Services Income 2023 £000	LGL Income 2023 £000	Bridge the Divide 2023 £000	Total funds 2023 £000	Total funds 2022 £000
Net pension scheme finance costs/income	63	-	-	-	63	68
Staff costs	1,813	86	320	63	2,282	2,063
Promotions	201	10	35	7	253	-
Rent, Electricity and Rates	380	18	67	13	478	453
Other professional fees	295	14	52	10	371	740
Repairs and maintenance	22	1	4	1	28	71
Other office costs	327	15	58	11	411	402
Insurance	50	2	9	2	63	49
Other	64	3	11	2	80	109
Governance costs	45	1	8	2	56	78
	<u>3,260</u>	<u>150</u>	<u>564</u>	<u>111</u>	<u>4,085</u>	<u>4,033</u>
<i>Total 2022</i>	<u>2,486</u>	<u>46</u>	<u>568</u>	<u>933</u>	<u>4,033</u>	

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

6. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

During the year ended 31 March 2023, the company incurred the following Governance costs:

£45k (2022: £45k) included within the table above in respect of Main LGfL Income, £8k in respect of LGL Income, £2k in respect of Bridge The Divide Income and £1k in respect of LGfL Managed Services Income.

7. Auditors' remuneration

	2023 £000	2022 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	32	29
Fees payable to the company's auditor and its associates in respect of: All non-audit services not included above	12	11

8. Staff costs

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Wages and salaries	2,524	2,430	2,524	2,430
Social security costs	290	260	290	260
Operating costs of defined benefit pension schemes	870	782	870	782
	<u>3,684</u>	<u>3,472</u>	<u>3,684</u>	<u>3,472</u>

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

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Administrative staff	<u>42</u>	<u>41</u>	<u>42</u>	<u>41</u>

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
In the band £60,001 - £70,000	8	9	8	9
In the band £70,001 - £80,000	6	4	6	4
In the band £80,001 - £90,000	1	2	1	2
In the band £90,001 - £100,000	1	1	1	1
In the band £140,001 - £150,000	-	1	-	1
In the band £160,001 - £170,000	1	-	1	-

Remuneration and benefits received by key management personnel was £966k (2022: £727k).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

10. Intangible assets

Group and Company

	Content & Software £000
Cost	
At 1 April 2022	4,761
Additions	820
At 31 March 2023	5,581
Amortisation	
At 1 April 2022	3,639
Charge for the year	843
At 31 March 2023	4,481
Net book value	
At 31 March 2023	1,100
At 31 March 2022	1,122

The net book value of assets held under finance leases or hire purchase contracts, included above for the group and company, are £65k (2022: £305k).

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. Tangible fixed assets

Group and Company

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 April 2022	59	52	32,102	32,213
Additions	4	32	1,665	1,701
At 31 March 2023	63	84	33,767	33,914
Depreciation				
At 1 April 2022	57	41	23,063	23,161
Charge for the year	2	4	3,204	3,210
At 31 March 2023	59	45	26,267	26,371
Net book value				
At 31 March 2023	4	39	7,500	7,543
At 31 March 2022	2	10	9,039	9,051

The net book value of assets held under finance leases or hire purchase contracts, included above for the group and company, are £2,050k (2022: £2,760k).

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12. Fixed asset investments

Principal subsidiaries

The charity owns 100% of the ordinary share capital of the following companies.

Names	Company number	Registered office or principal place of business	Principal activity	Included in consolidation
London Grid Limited	05122783	9th Floor, 10 Exchange Square Primrose Street, London, England, EC2A 2BR	Dormant.	Yes
Let's Get Digital Limited	11158329	9th Floor, 10 Exchange Square Primrose Street, London, England, EC2A 2BR	The company has not yet begun trading.	Yes

The financial results of the subsidiaries for the year were:

Names	Expenditure £000
London Grid Limited	14

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

Both subsidiary companies were dormant in the year.

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

13. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Due after more than one year				
Prepayments and accrued income	1,376	-	1,376	-
	<u>1,376</u>	<u>-</u>	<u>1,376</u>	<u>-</u>
Due within one year				
Trade debtors	350	1,155	350	1,155
Amounts owed by group undertakings	-	-	-	14
Prepayments and accrued income	1,433	1,525	1,433	1,524
Other debtors	611	478	611	478
	<u>3,770</u>	<u>3,158</u>	<u>3,770</u>	<u>3,171</u>

14. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Trade creditors	3,886	4,972	3,886	4,972
Other taxation and social security	71	83	71	83
Obligations under finance lease and hire purchase contracts	1,267	1,273	1,267	1,273
Other creditors	39	22	39	22
Accruals and deferred income	7,500	6,498	7,500	6,498
	<u>12,763</u>	<u>12,848</u>	<u>12,763</u>	<u>12,848</u>

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Deferred income at 1 April 2022	5,929	5,856	5,929	5,856
Resources deferred during the year	6,421	5,929	6,421	5,929
Amounts released from previous periods	(5,929)	(5,856)	(5,929)	(5,856)
	<u>6,421</u>	<u>5,929</u>	<u>6,421</u>	<u>5,929</u>

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

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Net obligations under finance lease and hire purchase contracts	10	1,522	10	1,522
Accruals and deferred income	593	-	593	-
	<u>603</u>	<u>1,522</u>	<u>603</u>	<u>1,522</u>

16. Statement of funds

Statement of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Unrestricted funds						
Designated funds						
Pan London Admissions	<u>334</u>	<u>565</u>	<u>(299)</u>	<u>(419)</u>	<u>-</u>	<u>181</u>
General funds						
General Funds	<u>4,696</u>	<u>25,115</u>	<u>(26,894)</u>	<u>434</u>	<u>-</u>	<u>3,351</u>
Non-charitable trading funds	<u>(14)</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>
Pension reserve	<u>(2,032)</u>	<u>-</u>	<u>(592)</u>	<u>(15)</u>	<u>2,639</u>	<u>-</u>
	<u>2,650</u>	<u>25,115</u>	<u>(27,472)</u>	<u>419</u>	<u>2,639</u>	<u>3,351</u>
Total Unrestricted funds	<u>2,984</u>	<u>25,680</u>	<u>(27,771)</u>	<u>-</u>	<u>2,639</u>	<u>3,532</u>

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 2023

16. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Unrestricted funds						
Designated funds						
Pan London Admissions	350	422	(108)	(330)	-	334
General funds						
General Funds	4,503	35,178	(35,315)	330	-	4,696
Non-charitable trading funds	(14)	-	-	-	-	(14)
Pension reserve	(2,984)	-	(686)	-	1,638	(2,032)
	<u>1,505</u>	<u>35,178</u>	<u>(36,001)</u>	<u>330</u>	<u>1,638</u>	<u>2,650</u>
Total Unrestricted funds	<u>1,855</u>	<u>35,600</u>	<u>(36,109)</u>	<u>-</u>	<u>1,638</u>	<u>2,984</u>

17. Summary of funds

Summary of funds - current year

	Balance at 1 April 2022 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2023 £000
Designated funds	334	565	(299)	(419)	-	181
General funds	2,650	25,115	(27,472)	419	2,639	3,351
	<u>2,984</u>	<u>25,680</u>	<u>(27,771)</u>	<u>-</u>	<u>2,639</u>	<u>3,532</u>

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

17. Summary of funds (continued)

Summary of funds - prior year

	Balance at 1 April 2021 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2022 £000
Designated funds	350	422	(108)	(330)	-	334
General funds	1,505	35,178	(36,001)	330	1,638	2,650
	<u>1,855</u>	<u>35,600</u>	<u>(36,109)</u>	<u>-</u>	<u>1,638</u>	<u>2,984</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £000	Total funds 2023 £000
Tangible fixed assets	7,543	7,543
Intangible fixed assets	1,099	1,099
Debtors due after more than one year	1,376	1,376
Current assets	6,880	6,880
Creditors due within one year	(12,763)	(12,763)
Creditors due in more than one year	(603)	(603)
Total	<u>3,532</u>	<u>3,532</u>

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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

	Group 2023 £000	Group 2022 £000
Net expenditure for the year (as per Statement of Financial Activities)	(2,091)	(509)
Adjustments for:		
Depreciation charges	3,210	2,923
Amortisation charges	843	547
Decrease/(increase) in stocks	321	(321)
Decrease/(increase) in debtors	(612)	4,057
Increase/(decrease) in creditors	514	(7,899)
Current pension service costs	870	967
Defined benefit pension scheme contributions paid	(341)	(334)
Net interest/finance cost	63	68
Net cash provided by/(used in) operating activities	2,777	(501)

20. Analysis of cash and cash equivalents

	Group 2023 £000	Group 2022 £000
Cash in hand	4,486	5,748
Total cash and cash equivalents	4,486	5,748

21. Analysis of changes in net debt

	At 1 April 2022 £000	Cash flows £000	At 31 March 2023 £000
Cash at bank and in hand	5,748	(1,262)	4,486
Finance leases	(2,795)	1,518	(1,277)
	2,953	256	3,209

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. 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 2023	At 31 March 2022
	%	%
Discount rate	4.75	2.75
Future salary increases	3.45	3.55
Future pension increases	2.95	3.15

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 2024 are estimated to be £359,000. In addition, Strain on Fund Contributions may be required.

The latest actuarial valuation of LGFL's liabilities took place as at 30 June 2022. 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 30 June 2022.

	At 31 March 2023 Years	At 31 March 2022 Years
Mortality rates (in years)		
- for a male aged 65 now	23.2	21.7
- at 65 for a male aged 45 now	23.2	22.8
- for a female aged 65 now	24.6	24.1
- at 65 for a female aged 45 now	25.9	26.0

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. Pension commitments (continued)

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

	At 31 March 2023 £000	At 31 March 2022 £000
Equities	6,181	6,312
Bonds	3,197	3,209
Property	959	749
Cash	320	428
Total fair value of assets	10,657	10,698

The actual return on scheme assets was £201k (2022 - £201k).

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

	2023 £000	2022 £000
Current service cost	870	967
Interest income	(299)	(201)
Interest cost	362	269
Total amount recognised in the Consolidated statement of financial activities	933	1,035

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

	2023 £000	2022 £000
Opening defined benefit obligation	12,745	12,614
Current service cost	870	967
Interest cost	362	269
Contributions by scheme participants	175	170
Actuarial gains	(3,198)	(1,145)
Benefits paid	(156)	(130)
Experience adjustment	(141)	-
Closing defined benefit obligation	10,478	12,745

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. Pension commitments (continued)

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

	2023 £000	2022 £000
Opening fair value of scheme assets	10,698	9,630
Expected return on assets	299	201
Actuarial (losses)/gains	(559)	493
Contributions by employer	341	334
Contributions by scheme participants	175	170
Benefits paid	(156)	(130)
Experience adjustment	(141)	-
Closing fair value of scheme assets	10,657	10,698

As at the 31 March 2023, the closing position of the defined benefit obligation was a surplus of £1,435k. In line with FRS 102 treatment the surplus has not been recognised. Therefore the derecognition value of £1,435k is included within gains/losses above.

23. Operating lease commitments

At 31 March 2023 the Group and the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Not later than 1 year	392	392	392	392
Later than 1 year and not later than 5 years	783	1,175	783	1,175
	1,175	1,567	1,175	1,567

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

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Operating lease rentals	392	392	392	392

LONDON GRID FOR LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

24. 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 2023 the Trust was owed £Nil (2022: £14k) by its subsidiary company London Grid Limited. Donations to the Trust by London Grid Limited in respect of the year amounted to £Nil (2022: £nil) and management charges to London Grid Limited by the Trust amounted to £Nil (2022: £nil).

Permission has been obtained from the Charity Commission in order to pay for the professional services of the Chairman (P Robinson). During the year £8,162 including expenses were paid for these services (2022: £8,112). 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 £11k (2022 - £11k) for the period.

25. Post balance sheet events

Since the year end the Trust has entered into a contract with its main supplier of broadband to acquire the network used. The cost of this is approximately £33.8 m which will be paid off over seven years. There will be commensurate savings in costs with the broadband supplier so overall is expected to be cost neutral, or better, during the repayment period, after which, broadband supplier costs will fall significantly. This will enable LGFLT to achieve its aim of becoming a Service Provider rather than just selling on services from third parties and enable it to provide enhanced services to Schools at lower cost. The contract enables LGFLT to increase its broadband speeds to schools to a maximum of 10 Gbps at incremental cost. This enables LGFLT to have a market leading position as well as meeting the needs of schools as they transition to the cloud services and require increasing levels of bandwidth to meet the needs of a modern, digitally driven, curriculum.