

Company registration number: 04205579
Charity number: 1090412

**TRUSTEES' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2024**

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



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BRIGHTER THINKING

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Trustees

Mr P Robinson
Mr G Hipple
Ms J McSherry (resigned 12 July 2023)
Mr N Mitchell (resigned 5 April 2023)
Ms H Warner
Mr S Green
Mr F Negro (appointed 6 April 2023)

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 2024

CHAIRMAN'S STATEMENT

Last year I contrasted the turbulence and change within the external environment with the stability and steady progress of the Trust. On the surface at least little seems to have altered. Conflicts and international tensions have if anything deepened whilst, nationally, I believe we were all caught by surprise when an early general election was called which we now know heralded a change of government. By the same token internally LGfL has quietly gone about its business, building its offer to schools, growing sustainably, and continuing to bear down on costs and prices.

As the CEO's Statement illustrates however some rather significant milestones have been achieved not least the acquisition by LGfL of its own fibre network from Virgin Media and the new partnership with Community Fibre as the Trust has sought to provide enhanced broadband resilience at a time when threats to connectivity have increased. Further partnership deals have been struck with a range of technology orientated providers large and small to ensure the range of services offered to schools, councils and other clients continues to meet needs now and in the future. A major emphasis on cyber security, safeguarding and fundamental contract reviews have characterised the work of the Trust during the last 12 months the fruits and benefits of which will become more apparent in the years to come.

The broadband and associated services market continues to be highly competitive. The external risks especially from the malevolent forces that inhabit the internet and the uncertain implications inherent in the development of Artificial Intelligence will be with us for the foreseeable future. Nonetheless LGfL approaches that future in a much stronger position than it has in its entire history, and it is with some confidence that I commend this Annual Report to you.

Paul Robinson
Chairman, London Grid for Learning Trust

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

CEO STATEMENT

This financial year marked a fundamental change for LGfL following its acquisition of more than 14,000 kilometres of fibre from VMo2 alongside major investment in its Education SuperCloud for schools and Multi Academy Trusts (MATs). Taken together, these totemic developments capture the ambition and ongoing transformation of LGfL into a diversified Digital Services Provider underpinned by a fibre based National Grid for Learning and delivering amongst the largest and most challenging technical projects in UK education today.

The fundamental change in LGfL's operating model from Public Sector Service Commissioner to diversified Digital Services Provider has been critical and essential to meet the needs of its beneficiaries and has been a key part of LGfL's success in recent years.

By acquiring its own national fibre network LGfL can cost effectively meet the ever-increasing bandwidth, financial and security needs of schools and Multi Academy Trusts (MATs) for the next decade and beyond. In parallel, by investing in LGfL's own private and interconnected cloud platforms (the Education SuperCloud), LGfL can deliver tailored, secure and cost-effective services to the sector as a whole and, in future, potentially anywhere in the world through platforms such as Software Defined Wide Area Networks (SDWAN).

LGfL delivered a key milestone this year for its free school meals eligibility checker which has identified over £200M in potential premium claims since its inception in 2014. This funding is particularly helpful to schools in areas of social and economic deprivation and where resources are generally needed most.

At a time when school budgets are limited, LGfL continues to save schools millions of pounds each year by bundling key products such as anti-virus, device management, ransomware protection, secure file transfer, educational resources and bandwidth upgrades for free as part of the service to schools. LGfL's product bundling at such scale is only possible because of its buying power and willingness to take commercial risk in the market.

It is a remarkable achievement for LGfL and its beneficiaries that it has not increased its prices to schools since 2016 and LGfL continues to shield schools and front-line teaching and learning from volatile movements in prices and costs resulting from global economic shocks and pressures. I can think of no other supplier to the education market that has achieved this milestone.

This year, LGfL accelerated the rollout of its internet filtering platform, SchoolProtect, to meet the needs of schools and enable compliance with Keeping Children Safe in Education (KCSIE). LGfL's internet filtering platform is thought to be amongst the largest deployments of its kind globally processing an estimated 2.5 billion web requests per day for an estimated 800,000 devices. In parallel, LGfL delivered a supporting programme of training to schools and governors to support them implement KCSIE.

Significant infrastructure investment has been made in the LGfL SuperCloud which delivers a layer of security, safeguarding and educational services around LGfL's fibre network. Major investment in product developments and innovation enables LGfL to keep pace with technology innovation and changing use of the internet in schools.

LGfL has continued to grow nationally and has maintained industry leading retention rates despite a very competitive market. Indeed, LGfL now provides connectivity to more schools than the whole of Scotland, Northern Ireland or Wales. LGfL's growing role nationally has enabled the Trust to draw on its extensive knowledge of schools and provide important contributions to the development of DfE policy including safeguarding, tackling extremism and technical standards.

In an uncertain world a strong supply chain is essential and this year LGfL took steps to strengthen and diversify its supplier ecosystem. Critically, LGfL entered into a new strategic partnership with Community Fibre to deliver resilient connections into schools so they can meet the latest DfE Technical Standards and made significant changes to existing contracts to deliver improved value for money and performance for schools and MATs.

There were unprecedented technical and service challenges this year. This necessitated a purposeful programme to address them, particularly in our supply chain where there was significant structural and organisational change following mergers and acquisitions.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The subsequent and relentless focus on technical and service standards drove significant investment and improvement action. As a result, I am pleased to report that LGfL has been successful in addressing areas for urgent action. Key outcomes have included the timely delivery of increased technical capacity to meet rising demand, greater platform and network resilience as well as improvements in service performance from our key partners. This focus on continuous learning and improvement within our products, services and supply chain will continue next year and forms part of the leadership DNA of LGfL.

LGfL continued to modernise and transform the organisation through the increasing and expanding use of digital platforms, process automation, business intelligence and systems integration enabling it to drive up productivity and contain inflationary and other cost pressures within the Trust.

The acquisition of a national fibre network transforms the long-term financial position of LGfL by transferring fibre rental expenses to long term assets in the balance sheet. With a strong balance sheet, excellent liquidity and a transformed educational SuperCloud, LGfL is now positioned for national expansion and growth. The impact of the fibre acquisition and increased efficiency of LGfL is projected to markedly improve LGfL's underlying strength from the next financial year.

This year, perhaps more than any other in recent memory, has delivered the foundations for the long-term success and the acceleration of LGfL as a National Grid for Learning.

These achievements would not be possible without the incredible work of dedicated LGfL Officers and the Trustees whose passion to advance Education is enabling LGfL to deliver a significant financial and educational contribution to schools and MATs at a time of national need.

Looking ahead, we can be very excited about the future, the continuing transformation of LGfL, the opportunities for driving innovation in the sector and the growing impact of the National Grid for Learning on teaching and learning nationally.

John Jackson
CEO LGfL - The National Grid for Learning

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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, LGfL's shareholders approved a widening of LGfL's Objects, following prior approval by the Charities Commission. The additional objects being: -

- 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 across the entire public sector 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
- Keeping children safe and schools secure
- Energising teaching and learning
- Tackling inequality and
- Promoting wellbeing.

All of these activities being underpinned by its fibre network, the National Grid for Learning.

In setting out the activities of the charity The Trustees have had regard to the Charity Commission's guidance on Public Benefit.

ACTIVITIES

In furtherance of our Objects, LGfL: -

- Provides high speed and secure connectivity encompassing mobile and fixed telecommunications infrastructure as well as supporting internet access and cloud services
- Delivers a range of educational and technically focused services spanning cybersecurity, safeguarding, teaching and learning, admissions and curriculum content
- Commissions supporting services from a range of partners including commercial organisations, charities and a range of public bodies
- 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
- Creates and publishes free educational resources and advice to all schools, irrespective of whether they are connected to LGfL or not and
- Provides high-quality Continuous Professional Development (CPD) and resources for school staff governors and partners 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 2024

STRATEGIC REPORT

This year has witnessed a number of fundamental changes for LGfL. Many of these are critical and enabling foundations for its long-term success including its continuing transition to a diversified Digital Services Provider.

At the heart of LGfL's vision for schools is a world class network and the construction of a National Grid for Learning (NGfL). 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 national 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 (MATs).

Critical developments that support the delivery of a National Grid for Learning included the acquisition of 14,000 kilometres of fibre from VMo2 which has enabled LGfL to own, for the first time in its history, a national network and potentially deliver almost unlimited bandwidth to schools and Multi Academy Trusts (MATs) at an affordable price.

LGfL has a strong and increasingly diversified supply chain. This year, strategic partnerships with Wavenet and VMo2 have been reviewed, new and revised contracts put in place with several key partners which will deliver improvements in service, performance and increased value for money for our beneficiaries.

New partnerships have been forged with other telecommunications providers to enable LGfL to source alternative connectivity and meet the DfE's requirements for diverse and resilient connectivity.

As schools and MATs become ever more dependent on the Cloud for digital services LGfL has increased the capacity and resilience of its private cloud services to schools (SuperCloud) to ensure it can meet the changing needs and demands of schools, Multi Academy Trusts and Local Authorities. Next year LGfL will further integrate its SuperCloud with a range of national and international digital service providers through the development of its Internet Service Provision (ISP).

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 and building a National Grid for Learning. Alongside growth, LGfL continues to enjoy very high levels of retention with remarkably few customers leaving LGfL for alternative supply in a very competitive market.

Continued met growth means that LGfL remains one of the largest providers of connectivity to schools in the UK. The day-to-day impact of LGfL within schools and Multi Academy Trusts continues to grow alongside its growing national presence supported increasing levels of consumption of LGfL's bundled products including cybersecurity and safeguarding products amongst its incumbent customer base.

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 collaborations remain a cornerstone of LGfL's DNA with over 100 companies 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 alongside major UK partners including the National Cyber Security Centre.

LGfL has continued to pioneer and promote the successful use of technology in schools to deliver positive educational outcomes. Highlights this year included the National EdTech Hubs programme where LGfL supported and funded monthly regional events that brought together educational thought leaders and best practices.

A continuing focus in the EdTech programme has remained the successful integration of Pedagogy and digital resources (PedTech) and the use of Artificial Intelligence. This work has generated a substantial number of case studies that are publicly available on our website and social media channels.

LGfL continues to provide a number of pan London and regional services 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 an ongoing transformation of the organisation underpinned by a continuous modernisation of IT systems, continuing process redesign and automation as well as cultivating a modern, flexible workforce as part of a Fit for the Future programme.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

LGfL's operating model is evolving with a focus on the development of Intellectual Property (IP) and a continuing transition from Public Sector Service Commissioner to diversified Digital Services Provider. This underlying change in LGfL's operating model will enable tailored and low-cost service delivery to schools.

In an uncertain world, LGfL's ability to identify and manage risk is critical. Thoughtful risk mitigation has been a significant factor to LGfL's continuing success informing key developments such as the acquisition of its national fibre network and national technology leadership during COVID where LGfL provided over 200,000 new and refurbished devices to schools at a time of national emergency.

KEY PERFORMANCE MEASURES

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

Outcome	By March 31 2024
Financial Indicators	
Approximate Value of LGfL's Tangible and Intangible Assets	£36.148 Million
Net Assets	£2.533 Million
Pension Fund Liability	£0
Savings and Value for Money	
Estimated Licences & Services Freely Distributed to Schools	1.2 Million
Estimated Saving / Additional Value to Schools Per Annum	£7 Million
Development of National Grid for Learning	
Estimated Daily Reach of LGfL Services to Children, Teachers and Support Staff	1.7 million
Peak Internet Transit	146 Gbps
Schools Upgraded for Free as Part of Pledge 2020	2,498
Schools Receiving a Free Bandwidth Upgrade (FYE 24)	174
Total Free Bandwidth Delivered to Schools as part of the Bandwidth Bonanza (FYE 24)	38.01 Gbps
Standard Connection Speed of Secondary Schools to the Internet (FYE 24)	1 Gbps
Standard Connection Speed of Primary Schools to the Internet (FYE 24)	100 – 500 Mbps
Average Connection Speed of Special Schools to Internet (FYE 24)	100 – 300 Mbps
Percentage Availability of the LGfL Core Network	99.993%
Keeping Children Safe in Education	
Estimated Web Requests Filtered Each Day	2.5 Billion
Approximate Daily Active Devices	800,000
Indicative Pages Blocked Each Day	250,000
Questions Answered by Children Using Safeskills	605,000
Tackling Inequality - Free School Meals	
Pupil Premium Funding identified for Schools	£32,381,970
Pupil Premium Funding identified since the inception of the Pupil Eligibility Checker (inception to 31 March 2024)	£203,658,960
Energising Teaching and Learning - Continuous Professional Development (CPD)	
Training Events	232
Delegates Booked	13,385
Local Government Shared Services - Applications for School Places	
Applications for Secondary School Places Processed	106,461
Applications for Reception School Places	105,018
Total Number of Applications Processed for School Places (all phases) (17,961 for nursery, junior and 14-19)	229,440

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

LGfL – THE NATIONAL GRID FOR LEARNING

LGfL was established to deliver broadband within the London region as part of government policy to ensure internet connectivity offered great performance and value for money.

12 Regional Broadband Consortia's (RBC's) were set-up across England to realise that vision. LGfL delivered national policy by letting contracts (i.e. commissioning services) to telecommunications and infrastructure companies who undertook the lion's share of the work on behalf of LGfL.

Today, LGfL is accelerating its transformation from regional broadband Service Commissioner to national Digital Services Provider. Due to continuing growth LGfL is moving ever closer to a position where the majority of customers are based outside of London underlining LGfL's position as a National Grid for Learning with an estimated 1.7 million potential users of its network every day accessing resources via over 800,000 plus devices.

LGfL's National Grid for Learning is 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 and dedicated MPLS cloud. By design, network contention is minimised which results in LGfL providing a consistent level of performance, even during peak hours of the day.

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. LGfL's network engineering also means that schools can consume security patches and software updates from their providers without interrupting classroom activities through new developments such as network peering.

The LGfL IPVPN delivers additional security for schools by encrypting all traffic and directing it through LGfL's SuperCloud which ensures that the inbound and outbound internet traffic is monitored by viruses, hacking activity and data exfiltration. LGfL's control of traffic also supports the work of JANET and National Cyber Security Centre (NCSC) allowing LGfL to respond proactively to alerts generated from school and MAT use of the infrastructure.

LGfL has centralised firewall management systems within its SuperCloud that enable oversight of inbound and outbound traffic as well as delivering intelligence as to which ports are being used for what service and application. This level of knowledge regarding the configuration and use of school firewalls enables LGfL to manage network traffic and take steps, where necessary, to protect schools proactively as well as identify vulnerabilities that could be exploited.

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. 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, 2498 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. Schools benefitted from the programme over the course of the year. These bandwidth upgrades mean that LGfL schools remain at the forefront of broadband and digital services provision.

The purchase of the VMo2 fibre network provides a long term platform to continuously increase the bandwidth that is available for schools at marginal or no cost. As a result, LGfL will be proactively upgrading thousands of schools to meet growth and the changing landscape of Education.

The acceleration of schools to cloud based systems and services means that individual schools have potentially hundreds, if not thousands of users, who are now dependent on their internet connection to deliver a positive learning experience and manage the school efficiently. LGfL has recognised the critical nature of connectivity and continuing investments have been made year to year to ensure the reliable operation of LGfL's network including delivering increases in network resilience, capacity as well as delivering resilient lines into schools, often at no additional cost.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

LGfL ACQUISITION OF A NATIONAL FIBRE NETWORK

As we move into the future, LGfL recognises the need to continually innovate and provide greater flexibility to schools in terms of connectivity. A more diverse range of connectivity products and services are being offered to schools and Multi Academy Trusts that harness Software Defined Networking (SDN) as well as satellite provision.

This year, LGfL fundamentally changed strategic direction by investing more than £30M to acquire its own fibre network as opposed to renting fibre from Vmo2. The fibre acquisition was the first of its kind for a charity and required approval by an Act of Parliament.

Owning its own fibre means that LGfL can now deliver virtually unlimited speeds to the majority of LGfL connected schools. This investment is both timely and essential. The demand for bandwidth is continuing to rise as schools embrace cloud technology, particularly for their Management Information Systems, and consume high quality video streams in the classroom to support teaching and learning. The purchase of LGfL's fibre network means that the majority of LGfL connected schools have access to speeds of up to 10 Gbps and LGfL will continue to upgrade thousands of connections to higher speeds for free, or marginal cost, as part of its bandwidth bonanza.

In addition, owning the fibre enables LGfL to set the market price to schools. This is good news for schools as the charitable focus for LGfL will be to deliver financial stability, as opposed to annual price increases, for LGfL schools that are provisioned with LGfL owned fibre.

MANAGING THE NATIONAL GRID FOR LEARNING

The scale and complexity of LGfL's National Grid for Learning requires sophisticated monitoring and oversight.

This year, the management and control of LGfL's National Grid for Learning has been enhanced following the integration of LGfL networking equipment best in class network monitoring platforms. These systems deliver real time performance metrics via a range of dashboards, alarms and graphs encompassing latency, round trip delay and packet loss enabling efficient and timely remediation of faults as well as key consumption metrics such as network traffic loads, traffic destination and utilisation.

The capabilities of LGfL's monitoring systems have been enhanced this year with deeper and wider integration into non network services including filtering, load balancing, disk storage and power management. This is an essential development as the increasingly complex architecture of cloud based systems often means that identifying faults and performance bottlenecks requires a deep forensic understanding of Local Area Networks (LAN), Wide Area Networks (WAN), datacentre centre performance (e.g. loading) as well as application level monitoring.

Managing the insights provided by LGfL's monitoring systems enables LGfL to deliver a proactive and positive service by proactively identifying, for example, which sites are reaching their maximum allowed bandwidth or are experiencing excessive packet loss which will negatively impact the learning experience of children.

LGfL SUPERCLOUD

LGfL's connectivity is designed and built to route all schools via its private SuperCloud which hosts a range of massively scaled platforms, extending to over 1.7 million users, that deliver low cost and educational focused solutions to thousands of schools.

The routing of school's network traffic via LGfL's SuperCloud enables LGfL to wrap multiple layers of Cyber Security around its high-speed fibre connectivity into an out of its network including Distributed Denial of Service (DDoS) protection.

LGfL's SuperCloud encompasses filtering, internet usage reporting, managed firewalls, hosted email services (StaffMail), secure mail relays, email scanning (MailProtect), remote access (Freedom2Roam) and identity management.

LGfL also manages some of the largest deployments of Software as a Service (SaaS) solutions to schools in the world for Sophos, Malwarebytes, CISCO Meraki and Adobe Creative Cloud. Typical SaaS deployments for LGfL run into hundreds of thousands of devices.

As part of its development of a SuperCloud for schools, continuing upgrades have been made to the LGfL datacentres that host the services. These investments have ensured that services within the LGfL SuperCloud are designed for high reliability and throughput.

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Over the course of the current financial year SuperCloud capacity was almost doubled to meet the needs of schools. New load balancing technology has been added to manage traffic flows to ensure they can be processed by SchoolProtect and LGfL can respond efficiently to peaks and troughs in demand across its range of digital services.

Next year, LGfL is planning a migration of all its datacentres to world class facilities within Equinix which is part of a wider strategy of creating foundations for long term success.

LGfL's DEVELOPMENT AS AN EDUCATIONAL INTERNET SERVICE PROVIDER (ISP)

Alongside the development of its SuperCloud, LGfL is building and optimising its Internet Service Provision to schools to improve throughput, increase resilience and reduce latency to its SuperCloud.

Over the coming financial year, LGfL will implement London Internet Exchange (LINX) peering for schools and will seek to integrate directly with Microsoft, Google, and major Content Delivery Networks (CDN).

Peering is important for schools and LGfL because it means that internet traffic does not need to transit across the public internet. Instead, school traffic destined for Microsoft and Google Cloud Services, for example, is routed directly to the appropriate destination by LGfL's SuperCloud. This shortens the network routes for schools which increases performance and is more secure as less network traffic is visible to the public facing internet.

Caching services will also be introduced within LGfL's SuperCloud. Caching is a further performance enhancement for LGfL. With caching, software updates can be made available accessible within LGfL's SuperCloud. Due to the shorter network route between the schools and the caching service this is better than pulling downloads from a peering connection and significantly better than the public internet. Efficient and speedy downloads of updates will allow schools to consume these updates without affecting the performance of their access to cloud and internet services generally.

SAVING SCHOOLS MONEY

The economic outlook remains challenging within the UK and globally. Interest rates are volatile and higher than they were pre Covid. Energy costs continue to be amongst the highest ever. Shipping costs have been impacted by global conflicts including war in the middle east. These economic stresses have led to unpredictable costs and inflationary pressures impacting companies in the UK and globally which have translated into increased costs and charges to consumers.

LGfL, as a not-for-profit Charitable Trust, plays a key role to play in shielding schools and other customers from these market and financial pressures/ Central to this is LGfL's ability to leverage its aggregated buying power on behalf of thousands of schools as well as drawing upon its experience in procurement and contract management. Key successes that have positively impacted schools include:-

- LGfL has not increased broadband prices since 2016. The Board remains committed to holding prices over the next financial year as well
- LGfL bundles a number of key products, at no additional cost, with its broadband connection to add further value. 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 larger MATs, they would cost a lot more money. Over the course of this financial year, LGfL distributed an estimated 1.265 million licences freely to schools worth approximately £7.116 M per annum which is money that can be invested back in front line teaching and learning.
- LGfL encourages schools to consume the bundled products and make financial savings through by promoting the savings through its online Savings Calculator (<https://savings.lgfl.net>) which enables headteachers and IT professionals to assess usage and to ensure that opportunities are not missed to save money. The product has been further enhanced this year to include more information and make it easier for schools and MATs to benchmark their prices against alternative providers to LGfL
- 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. During COVID, for example, LGfL introduced pricing for Chromebooks which was approximately 30-40% better than the standard market price and which ultimately led to over 200,000 new and refurbished laptops being delivered to schools during the pandemic

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TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

- 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 174 upgrades have been delivered free, or very low cost, to schools. Following the purchase of VMo2 fibre this year, it is anticipated that there will be a significant acceleration of upgrades in terms of number and scale with LGfL including free transition to multi gbps services in future
- 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. This financial year witnessed a significant expansion of LGfL's work to embrace Governors who became a vital part of the safeguarding support for schools with the introduction of Keeping Children Safe in Education
- LGfL's scale means that it is generally able to negotiate contract terms that are much more favourable than standard contracts offer which offers an important, albeit largely invisible benefit to schools.

KEEPING SCHOOLS SECURE

Globally, security threats are on the rise and the risks are now greater than ever for schools and Multi Academy Trusts. In the last 12 months, for example, a number of schools and Multi Academy Trusts have been the unfortunate victims of widely publicised ransomware attacks which have proven costly and very disruptive to the education of children.

A new and worrying development is the increasing use of Artificial Intelligence (AI) to identify and attack vulnerabilities and this has potentially far-reaching consequences for any school, MAT and Service Provider such as LGfL.

LGfL has always architected its connectivity to deliver a secure and trusted connection to schools. Over time, LGfL has integrated multiple additional levels of security, generally at no additional cost, into its connection to schools as part of its SuperCloud. As a result, LGfL has a unique, multi layered, defensive shield that protects children called CyberCloud.

LGfL's CyberCloud includes filtered internet access, anti-virus, ransomware countermeasures, encrypted cloud backup, firewalls, DDOS protection, secure email services as well as monitoring via a Security Operations Centre (SOC).

A key focus for LGfL is also to empower schools and MATs so they can manage and remediate risk themselves which is an essential user centric layer of the overall defensive shield that a school requires.

LGfL's support to schools and MATs includes 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 one of those key cybersecurity toolkits. This 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.

A vital dimension of managing security is to empower schools and MATs to understand their risks and put in place effective remediation proactively. As part of its product bundle for broadband, LGfL enables schools to self-assess their security posture. Key initiatives to support schools include:-

- the **Security Scorecard** platform which performs a multi-dimensional assessment of key security and vulnerability indicators which are collated to provide an aggregate score. The higher the score, the more secure the school is. Schools are also provided with a visualisation of those risks. Hundreds of schools ran the Security Scorecard platform over the course of the year helping them to identify weaknesses and vulnerabilities and take appropriate action
- **Free Vulnerability Scans** for schools enabling the proactive identification of weaknesses and potential vectors of attack into the schools. A significant number of potential vulnerabilities were identified in the course of the financial year that schools remediated with LGfL's help.

LGfL has, in parallel, invested to increase its organisational capacity and technical capabilities to support schools and partners 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 across the National Grid for Learning.

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Remediating Cybersecurity risks requires multi agency collaboration. LGfL routinely partners with key agencies such as the National Cyber Security Centre (NCSC) to promote best practices respond effectively when proactive alarms are raised so that schools and MATs can take prompt action where they are required to do so. In recent years LGfL has collaborated to produce important and ground breaking research such as a national audit of Cybersecurity readiness in schools and MATs.

KEEPING CHILDREN SAFE

2023 was a key year for schools with the refresh of new government guidelines (Keeping Children Safe in Education (KCSIE)). KCSIE has fundamentally changed how schools manage their safeguarding arrangements and prevent inappropriate use of the internet. In its wider role, LGfL responded to the following consultations:

- **Safeguarding in the Early Years Foundation Stage** statutory framework. In particular, LGfL identified that there was no mention in the statutory guidance on online safeguarding, despite the near-universal access to digital media in the early years
- **Review into Relationships, Sex and Health Education.** This is a key area of the curriculum for safeguarding generally, and online safety.

Much of the safeguarding guidance relies on technology solutions to deliver the desired outcomes in a cost effective and sustainable way. Consequently, online safety, and appropriate use of the internet, remains a critical focus for LGfL with an estimated user base of approximately 1.7 million children, teachers and support staff harnessing LGfL's network to access the internet safely every day.

Filtering at LGfL's scale is an enormous challenge with an estimated 800,000 devices making 2.5 billion web requests every day, of which approximately 250,000 pages are blocked. Aside from the sheer scale and volume of web traffic being processed, internet filtering is an increasingly complex technical undertaking as content and cloud providers are making it harder and harder to filter the internet by introducing technical countermeasures to lock out systems that categorise websites.

LGfL has continued with significant investment 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 over blocking. A new filtering platform, called SchoolProtect, was built and launched in the previous financial year and will be fully rolled out by the summer of 2024.

The pandemic changed where children learn with a sharp uptake in internet-based learning in homes and community settings. However, this brought additional risks with children accessing content outside the immediate control of schools and then day to day observation of teachers. This safeguarding risk drove innovation and 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.

Alongside its technical products and services LGfL offers a wider centre of safeguarding excellence including, grooming for sexual or child criminal exploitation, tackling extremism and neglect. A training portfolio and collection of resources provides CPD and materials for the classroom, for specialists and generalist staff to support these key themes.

Increasingly, LGfL is the destination for schools' main Designated Safeguarding Leads to receive their training, updates and advice, including on the latest legislation and statutory guidance. Important content developments this year have included:-

- **Safer Internet Day** witnessed the launch of a new video and board game for schools which was demonstrated at the Bett Show (sid.lgfl.net.)
- A refresh of the saferesources.lgfl.net portal which delivers a large volume of useful policies and reference material that can be easily downloaded by schools and governors

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A free online product called SafeSkills (safeskillsinfo.lgfl.net) continues to be popular as it enables schools to test their knowledge and awareness of security and safety matters. Over the course of this financial year 605,000 questions have now been answered by 7107 children.

TACKLING EXTREMISM

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). Consequently, Our collaborations with the DfE Prevent team and Counter Terrorism Policing has enabled LGfL to shape best practice for schools across England. This year LGfL has:-

- Contributed to a **DfE roundtable** to help them support schools which become the focal point of community tensions, both locally and online
- Developed **curriculum resources to safeguard young people from extremism**, for primaries and secondaries
- Empowered staff across the UK through **virtual CPD training on online radicalisation**
- Supported schools **on policy and practice** through the development of self-assessment tools and templates
- Presented at **education conferences to shape best practice in complying with the Prevent Duty**
- Developed resources for schools, youth centres and community groups to **promote parental engagement and awareness around online safety**

NEGLECT

This is a relatively new area of safeguarding focus for LGfL and an important one. Neglect continues to be one of the most prevalent types of harm that children experience and that schools identify. Along with the suite of free training sessions we already offer schools about neglect, off the back of the ongoing economic pressures being faced in the UK, we have now developed and deliver a course on the relationship between poverty and neglect. This has been very popular and generated positive feedback.

This year LGfL has developed a resource for schools to use to upskill school staff on writing reports and records relating to neglect. This has been very well received. Alongside this, LGfL has developed 2 new spotlight case studies on affluent neglect. These resources are used for staff CPD and were developed as a result of feedback from schools and MATs that there was a lack of support in this area.

ENERGISING TEACHING AND LEARNING

Since its inception in 2001, curriculum services and resources, as with the technology services portfolio, have been at the heart of LGfL's offer to schools, MATs and Local Authorities.

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, effectively integrating the latest digital technology into everyday teaching and learning requires careful and focused support to help evolve pedagogy which LGfL's Curriculum Team is well placed to provide alongside a growing network of lead schools from the EdTech Hubs programme. (pedtech.lgfl.net)

Over the course of this financial year, LGfL has continued to collaborate 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 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 going forward.

As part of the EdTech hubs programme, LGfL has produced an exciting range of case studies regarding the schools use of technology. This includes a Digital Strategy toolkit which can be viewed at <https://dtt.lgfl.net>

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LGfL has delivered an extensive Continuous Professional Development (CPD) programme for schools, which are delivered across a range of subjects, and specialisms which aim to support schools on known challenges relating to everyday teaching and learning, mental health and well-being and efficient organisational use of digital technology. Many of these programmes are delivered in partnership with key suppliers and highly regarded experts in their field at no cost to schools which is another way in which LGfL saves money for schools.

Other Curriculum Team highlights this year have included:-

- LGfL and EdTech UK hosted inaugural Edtech Hubs Summit at Samsung KX in November 2023 with hundreds of schools in attendance
- LEO Academy Trust launched their PedTech Impact report on the role of EdTech to support high quality everyday Teaching & Learning. In parallel, LGfL published a video support portal which features all the key senior leaders and teachers involved in the report
- At the BETT 2024 conference, LGfL presented alongside Dr Fiona Aubrey Smith and LEO Academy Trust CEO regarding the PedTech Impact report.

LGfL also produced a range of exciting new resources for schools and MATs:-

- LGfL's 'M Room' resource features at Imperial War Museum as part of an espionage exhibition
- The launch of new bereavement resources for SEND pupils in partnership with Child Bereavement UK.
- The production of unique royal resources in partnership with the Royal Collection Trust for schools relating to the Coronation
- The Robotics pilot in partnership with Shape Robotics culminated in a celebration event at Samsung Kings Cross in March 2024 resulting in the establishing a new Centre of Excellence in Robotics at St Joseph's primary school in Islington

Free curriculum product consumption within the broadband bundle remains high and a change in the reporting for Busythings suggests it is potentially even more popular in schools than previously thought. Access arrangements have changed to both Busythings and Just 2 Easy (J2E) to make it easier for young learners to use their Google or Microsoft log in's which has also helped the adoption of the platforms.

PROMOTING WELLBEING

LGfL has shared a wide range of freely available materials for promoting mental health and wellbeing including the award-winning resources developed with Child Bereavement UK which help schools support children, their families and the wider school community dealing with a family bereavement. The LGfL Child Bereavement toolkit (<https://childbereavement.lgfl.org.uk>) has been of significant value to schools who have to manage bereavement related issues every week. The toolkit has been enhanced this year following feedback from stakeholders.

TACKLING INEQUALITY

LGfL sets aside support for supporting greater inclusion through the IncludedED service. This team produces targeted content and resources to support schools inclusive practice for all learners including new case studies featuring symbol used with the LGfL Widgit resource database. Universal Design for Learning principles have been adopted at the foundation of LGfL's inclusive approach with a dedicated UDL portal which have been made freely available to all schools

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 remains 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.

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Over the course of the current year the FSM Checker has identified nearly £32.38M of potential Pupil Premium Funding and since its inception in 2014 over £203.7M. 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.

2023/24 was the twentieth year of operation of the Pan-London Admissions Coordinated Service for the 33 London Local Authorities and 5 adjoining authorities, which successfully handled over 229,000 applications in the last admissions round.

Underpinning this service are two central IT systems provided by LGfL:-

- the **Pan London Coordinated Admissions Register** processes parental applications for school places. Using this 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
- 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.

A number of functionality improvements were made to both platforms this year as part of an ongoing programme of continuous improvement.

LONDON PUBLIC SERVICE NETWORK

London Grid Limited (LGL) provides connectivity for councils and a range of public bodies across London and nationally. Most London Borough's continue to depend on LGfL for access to the internet and the Health National Network.

Just over half of London now uses the Govroam Wi-Fi service which enables remote workers to access IT systems and platforms securely using local wireless networks.

This year 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.

Following a review of power consumption and future capacity needs, LGfL is implementing a change in its datacentre strategy to lower its carbon footprint, increase capacity and enable the delivery of a new generation of cloud enabled networks to support the needs of schools and public bodies.

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.

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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, LGfL is a diversified and national Digital Services Provider.

The transformation from a government funded agency to a commercial, self-sustaining business has necessitated fundamental and far-reaching changes which have taken place over several years.

LGfL's ability to adapt its business model in a flexible and nimble way to meet the needs of schools and customers is a contributory factor in achieving high levels of customer retention and staying relevant in a highly competitive market.

FIT FOR THE FUTURE

Much of the internal transformation from Service Commissioner to Service Provider is being addressed through LGfL's Fit for the Future programme and the expansion of the LGfL technical and service delivery teams such as the Safeguarding and Cybersecurity Centres of Excellence that LGfL is developing.

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. There have also been improvements to the website with a focus on making it easier to navigate the site and making LGfL more visible in search enquiries. This year has witnessed a continuing focus on process automation, on line service delivery and systems integration.

Building on progress last year, LGfL has continued to review its processes and re-engineer them for the CRM system to provide greater support for 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 and this supports informed engagement with schools and MATs.

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 this year 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. As planned, LGfL introduced new Asset and Contract Management modules within the finance system that have enabled automation of key tasks such as depreciation and deferred income management.

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. A major step forward has been made in the use of business intelligence, analytics and data visualisation platforms. These developments are supporting the effective stewardship and management of LGfL's customers and supply chain partners.

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. This is set to continue as LGfL continues to invest in building a strong and sustainable services portfolio to meet the needs of schools and MATs.

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.

As part of its workforce transformation has been a review of LGfL's Defined Benefit Scheme and it is expected that LGfL will close its current scheme to new members and move to a Defined Contribution Scheme, in line with most companies, in future.

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SUPPLY CHAIN TRANSFORMATION

The pandemic underlined the need for all organisations to ensure that robust supply chains were in place to ensure reliable service delivery in an uncertain world. This is a continuing requirement given recent global disruptions resulting from the continuing war in Ukraine, high energy prices, exchange rate volatility and much higher rates of inflation.

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 this year to drive improvements in reliability, operations, finance and innovation.

Contracts with our key strategic partners have been reviewed and updated this year. Key changes have included securing improved value for money, improved contract terms and conditions along with improvements in governance and stewardship which enable supplier performance to be closely managed. Stewardship of LGfL's supplier ecosystem has been further enhanced by the development of the business intelligence tools and capabilities referenced earlier as part of the Fit for the Future programme.

As in previous years, when contracts reach renewal or extension milestones, a significant focus is given to improving terms, addressing areas of poor performance and containing costs. Contract Reviews are therefore 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 and also Local Authorities with new partnerships such as Community Fibre.

This year, LGfL awarded a contract to Community Fibre to deliver connectivity to schools in London alongside other Alternative Network Providers (ALTNETS) to provide schools with lower cost connectivity, particularly in areas where traditional providers have a limited presence. Satellite connectivity has proven invaluable and cost effective in hard-to-reach coastal towns and rural areas.

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 LGfL 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 ground-breaking innovation in future years that will transform education and deliver positive outcomes to schools.

The use of open-source code has been invaluable this year in building a new generation of network monitoring services that have enabled LGfL to reduce outages and identify performance concerns on its national network that previously were very difficult to find.

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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. The key risks that LGfL is currently managing are related to:-

- Responding effectively to pandemics
- Brexit and trade relations
- Market threats
- Managing growth sustainably
- Managing inflationary pressures
- Ensuring a positive organisational climate
- Keeping pace with technology and market change
- Mitigating cyberthreats
- Ensuring supply chain resilience
- Disaster Recovery (DR) planning and simulation

RESPONDING EFFECTIVELY TO PANDEMICS

The worldwide COVID pandemic severely disrupted the global economy. Massive public borrowing and spending continues to negatively impact the economic outlook with underlying inflationary pressures driving up costs for all suppliers and companies.

LGfL has taken steps to increase resilience against COVID-19's continuing and related supply dysfunction by diversifying its partners and broadening the range of products available to meet service needs and adopting a conscious strategic move away from supplier monopolies along with greater self sufficiency.

BREXIT AND TRADE RELATIONS

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

MARKET THREATS

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 such as fttp and contentionless Gigabyte Passive Optical Network (GPON) are a key competitive risk to LGfL.

This market threat is growing as a significant amount of government and private sector investment is going into building out alternative fibre networks. This includes the rise of Fibre to the Premise (fttp) and contentionless GPON services as a cost-effective means of accessing the internet for smaller schools compared to symmetrical leased lines.

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 Providers (Alt Nets) that are growing from the ground up.

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Alt Nets are benefitting from access to BT's ducts via Physical Infrastructure Access (PIA) agreements 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.

Satellite connectivity is becoming a mainstream alternative connectivity option to schools with the emergence of platforms such as Starlink which offer reasonable connection speeds and are particularly impactful in rural areas where the costs of expanding backhaul fibre to remote locations is particularly expensive.

LGfL's risk mitigation is to focus on providing a wider and relevant digital service offering to schools delivering increased value beyond headline speed. LGfL's connectivity broader connectivity and digital services offer enables schools to save money and highly differentiates LGfL from its competition. This year, LGfL has built further market differentiation by building a stronger Internet Service Provision (ISP) to schools and MATs that most of its competitors will struggle to replicate.

Continuing product innovation remains a key risk mitigation too. LGfL is therefore developing a broader portfolio of connectivity products beyond leased lines to encompass lower cost alternatives to leased lines including satellite and fibre to the premise as opposed to offering only one size fits all option.

LGfL also continues to explore alternative telecommunications partners to evaluate whether they can support LGfL where VMo2's network is not available or there are technical reasons why an alternative provider makes sense.

MANAGING INFLATIONARY PRESSURES

Inflation has been volatile and much higher than previous years. This has had negative impacts on the UK economy and all businesses generally driving up prices to consumers.

LGfL's focus on efficiency, increased product optimisation, contract management as well as generating value for money from its supplier base are important mitigations to inflationary pressures as well as the addition of new products and services to increase the value of what LGfL offers schools at no additional cost.

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 both efficient and a high productivity organisation.

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 alongside increased headcount in key areas such as safeguarding.

LGfL has also mitigated the challenges of growth by making use of contingent labour and subject matter experts, particularly for projects and new developments where demands are variable.

ENSURING A POSITIVE ORGANISATIONAL CLIMATE

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 continues to reap the benefit of a positive working culture with low levels of staff turnover.

LGfL has not required a fundamental reorganisation to grow and has worked in partnership with VMo2 and Wavenet to deliver more effectively and efficiently as well as tackle the root causes of problems and failure demand.

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This year the focus has been the continuing 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 is keeping 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 headcount has been added to teams at a sustainable rate and growth will continue in the next financial year and beyond.

KEEPING PACE WITH MARKET & TECHNOLOGY 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.

LGfL is carefully assessing the key platforms that will underpin the next generation of services to schools and this will require significant change management and investment.

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.

Security also extends to LGfL's supply chain and it's important to ensure that problems result from poor practices within it. LGfL has made important changes to its contract including specific security compliance and reporting standards which are reported upon.

ENSURING SUPPLY CHAIN RESILIENCE

With a substantial proportion of current service provision administered through contracts with 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.

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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 and competition for new business.

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.

Adept plc (now part of Wavenet) and VMo2 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 continuing steps to ensure that effective governance and best practices are applied to the key contracts for VMo2 and Adept given the critical role they have in shaping the perception and success of LGfL delivered services.

DISASTER RECOVERY PLANNING AND SIMULATION

There is significant and heightened risk of disruption to services caused by a range of underlying challenges including cyberthreats and global economic instability.

Fundamental changes in supply chains are also occurring as a result of increasing Merger and Acquisition activity in the UK Education Market which can have unintended consequences.

In light of this, LGfL has placed a significant focus this year on modelling future events and working through remediation strategies for these events. This has included, for example, a total failure of a datacentre or the loss of internet connectivity.

The results of these simulations has informed improvements and investments in the platforms and networks that LGfL relies on and this has resulted in a noticeable reduction in outages and disruptive events.

FINANCIAL REVIEW

The Trustees deem that LGfL is a Going Concern.

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

LGfL's financial position compares favourably with its key competitors whose financial position is generally less positive and where there is a heavy reliance on borrowing and debt financing. Whilst there have been some negative movements in some indicators such as Net Current Assets (NCA) these are the result of planned strategic investments and activities which are judged as short term and manageable impacts.

INCOME

LGfL does not receive any of its income (£25.347M) from public fundraising so is not required to comply with any fundraising regulations.

The major part of LGfL's income continues to be derived directly from schools and MATs for the provision of broadband connectivity and related services including internet filtering, e-mail hosting, e-mail filtering, anti-virus protection, web hosting, secure remote access and online educational resources and devices. Income from broadband connectivity has risen in line with forecast and continues to grow at a sustainable rate. Income from BridgeTheDivide has fallen as forecast as LGfL wound down its involvement in hardware and device management with the end of the pandemic.

LGfL's strategy of providing value and financial savings to schools through bundling additional products and services into its core broadband service has been a key part of its success with increasing numbers of schools taking advantage of the freely available products to offset pressures in their budgets.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

As a result, LGfL continues to benefit from very high levels of customer retention for its broadband service. Growing 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. Retention rates for customers are in excess of 99% with the majority of customers having been with LGfL for over 20 years.

Based on historical performance, LGfL is forecast to continue with net growth underpinned by continued expansion in the Home Counties and the Midlands based on a healthy pipeline of future sales leads and retention activity.

BALANCE SHEET

The most significant change in LGfL this year is the transformation of its balance sheet. Following the acquisition of fibre, LGfL has total tangible and intangible assets close to £36.148 M in this financial year compared to £8.642 M in the previous financial year.

Net Current Assets (NCA) is lower but this is due to higher investment, and associated short term liabilities, encompassing including Meraki licences, the purchase of the fixed fibre network and increased levels of deferred income up from £6.241M in the previous financial year to £6.889M in the current financial year due to growth.

LGfL operates a Defined Benefit Scheme that is part of the Local Government Pension Scheme. This is a scheme based on career average earnings (CAE)) and, in some cases, a combination of CAE and final salary. Pension contributions to the Balance Sheet remain volatile but positive. The pension fund is in surplus for the second year in a row and not a liability affecting net assets. The overall value of the scheme rose from £1.435M last year to £2.761M this year primarily due to increased yields from bonds.

LGfL has retained significant cash balances of £4.648M at year end to meet business need and has strong liquidity to meet its cash flow needs throughout the financial year without borrowing or use of overdraft facilities.

Net assets have reduced in this year principally because of the short-term liability impacts of the fibre asset purchase. However, net assets will increase for years to come as the financial liabilities associated with the acquisition fall much faster than the rate of depreciation. Long term leasing liabilities for equipment and platforms have fallen in line with forecast and will end in financial year 2025.

CASH FLOW

In the current year, LGfL has continued to retain strong liquidity and cash balances reflecting historic performance.

LGfL's credit worthiness remains strong. Credit control remained strong with LGfL continuing to deliver historic low of levels of debtor (£3.634M) underlying strong performance from the Credit Control Team.

PROFIT AND LOSS

LGfL's investment in fibre means that profitability increases as LGfL has converted rental expenses to long term assets. As a result, LGfL is forecast to return to profitability in the next financial year.

MEDIUM TERM POSITION

LGfL's Medium Term forecasts indicate that LGfL will be in a stable and sustainable financial position for many years to come. As part of those forecasts, options for cutting costs and generating savings have been developed to enable LGfL to adapt to unforeseen circumstances.

The improvements in LGfL's 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.

A review of the pension scheme has taken place and it is planned to close the current Defined Benefit Scheme and replace it with a Defined Contribution Scheme in FYE 26.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

LGfL is also confident that the cost of future infrastructure upgrades, although substantial, will fall. Over the last three refresh cycles, the costs of replacements are generally falling and therefore the cyclical and scale of structural financial demands on LGfL are declining.

GOING CONCERN

Taking into account the Financial Statements set out in the accounts, 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, LGfL has prepared its accounts and financial statements on the basis that the charity is a Going Concern.

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. As such:-

- (I) The purchase of the fibre network from VMo2 has transformed a rental expense into a long-term asset on the balance sheet which will boost profitability in future years as the liabilities diminish at a faster rate than the depreciation charges
- (II) Contract negotiations concluded with LGfL's strategic partners are delivering improved service performance and value for money
- (III) LGfL's leasing liabilities for assets, other than fibre connectivity, will continue to fall with no further or additional borrowing being forecast in the Medium Term
- (IV) LGfL is harnessing multi-year forecasting for cash flow, balance sheet and profit and loss management and constantly reviewing them in the light of changes
- (V) LGfL has embedded the use of core financial statements and forecasting into corporate governance including investment decisions
- (VI) LGfL has a healthy sales pipeline and by harnessing data and LGfL's Customer Relationship Management system it has been able to continue generating net growth
- (VII) LGfL will continue to achieve Best Value and reduced costs from suppliers through market testing, financial and targeted commercial interventions
- (VIII) LGfL will continue to diversify the range of products that it provides to schools and therefore the sources of its income which has continued in the current financial year
- (IX) LGfL will continue focusing on containing the rate of customer attrition through a range of targeted initiatives including flexible pricing, personalised product design and product enrichment
- (X) LGfL will maintain effective investment and project management controls, including stopping initiatives that were not delivering benefit, sweating assets and improving long-term planning
- (XI) LGfL will continue expanding and diversifying LGfL's customer base in schools and across the public sector
- (XII) LGfL will continue improving financial controls within LGfL through review and improvement of processes and
- (XIII) LGfL will continue, as part of its Investment Strategy, to have a diversified and portfolio management approach to balance the needs of Keeping the Lights On, responding to regulatory requirements and Investing in Growth and Retention.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

RESERVES

At the 31 March 2024, LGfL's net assets were £ 2.533 M.

As previously reported in LGfL plans for a periodic depletion of reserves and unrestricted funds to enable the modernisation and upgrade of the schools' network periodically alongside 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 the value of the fund rising from £1.456 M to £2.761 M.

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 purposely to technology innovation and
- (vi) Have capacity to respond to new regulations.

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

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 commenting on the proposed appointment in writing to LGfL prior to the appointment being made.

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

TRUSTEE INDUCTION

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

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

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

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

ORGANISATION

LGfL's Executive Board of five 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 with LGfL officers.

In order to facilitate effective operations, the Chief Executive has delegated authority for all matters including finance, employment, technology services and commercial activity. As such, the operation and development of the company is the responsibility of the Chief Executive, who is accountable to the Board, and the Members.

The Chief Executive manages 9 permanent staff. The combined staffing establishment is 41.16 full time equivalents and 43 posts. LGfL makes appropriate use of contingent labour to meet peaks and troughs in demand as well as provide access to key skills to meet operational and strategic need.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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 was set up to provide access to Trustnet services for the wider public sector, particularly Councils.

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 called 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
Gary Hipple – Elected Representative
Fabio Negro – Elected Representative
Helen Warner – Elected Representative
Sean Green – Elected Representative

Company Secretary: John Jackson

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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
 Kirsty Egan – Head of Transactional Finance
 John Bagley – London Grid Limited Manager
 Paul Smith – Service Delivery Manager
 James Ing - Strategic Project Lead

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.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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.

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:

Signed by:

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Mr P Robinson
Company Chairman
Date: 20-Dec-2024

DocuSigned by:

D6C19478759C499...
Mr J Jackson
Company Secretary

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

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 'charitable company') for the year ended 31 March 2024 which comprise the Statement of financial activities, the Balance sheet, the 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 charitable company's affairs as at 31 March 2024 and of its 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 charitable company 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 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

(A company limited by guarantee)

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

LONDON GRID FOR LEARNING TRUST

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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

(A company limited by guarantee)

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: 23-Dec-2024

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:					
Donations and legacies	4	-	205	205	-
Charitable activities	5	25,347	-	25,347	25,680
Investments		67	-	67	-
Total income		25,414	205	25,619	25,680
Expenditure on:					
Charitable activities	6	26,622	-	26,622	27,785
Total expenditure		26,622	-	26,622	27,785
Net movement in funds before other recognised gains/(losses)		(1,208)	205	(1,003)	(2,105)
Other recognised gains/(losses):					
Actuarial gains on defined benefit pension schemes	22	4	-	4	2,639
Net movement in funds		(1,204)	205	(999)	534
Reconciliation of funds:					
Total funds brought forward		3,532	-	3,532	2,998
Net movement in funds		(1,204)	205	(999)	534
Total funds carried forward		2,328	205	2,533	3,532

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

The notes on pages 36 to 54 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST


(A company limited by guarantee)
REGISTERED NUMBER: 04205579

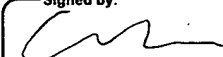
BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	11	1,385	1,099
Tangible assets	12	34,763	7,543
		<u>36,148</u>	<u>8,642</u>
Current assets			
Debtors	14	3,634	3,770
Cash at bank and in hand		4,648	4,486
		<u>8,282</u>	<u>8,256</u>
Creditors: amounts falling due within one year	15	(16,997)	(12,763)
Net current liabilities		<u>(8,715)</u>	<u>(4,507)</u>
Total assets less current liabilities		<u>27,433</u>	<u>4,135</u>
Creditors: amounts falling due after more than one year	16	(24,900)	(603)
Net assets excluding pension asset		<u>2,533</u>	<u>3,532</u>
Total net assets		<u>2,533</u>	<u>3,532</u>
Charity funds			
Restricted funds	17	205	-
Unrestricted funds	17	2,328	3,532
Total funds		<u>2,533</u>	<u>3,532</u>

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:

Signed by:

70BF24F27C804AF...
Mr P Robinson
Trustee

Signed by:

B6235206B4794E7...
Mr G Hipple
Trustee

Date: 20-Dec-2024

The notes on pages 36 to 54 form part of these financial statements.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash provided by operating activities	19	3,925	2,777
Cash flows from investing activities			
Purchase of intangible assets	11	(1,035)	(820)
Purchase of tangible fixed assets	12	(1,544)	(1,701)
Net cash used in investing activities		(2,579)	(2,521)
Cash flows from financing activities			
Repayments of finance leases	15,16	(1,184)	(1,518)
Net cash used in financing activities		(1,184)	(1,518)
Change in cash and cash equivalents in the year		162	(1,262)
Cash and cash equivalents at the beginning of the year		4,486	5,748
Cash and cash equivalents at the end of the year	20	4,648	4,486

The notes on pages 36 to 54 form part of these financial statements

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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.

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.

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.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

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.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the company'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
----------------------	-----------------------------------

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 3 to 14 years straight line

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. Accounting policies (continued)

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 Statement of financial activities.

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

2.9 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 Statement of financial activities as a finance cost.

2.10 Financial instruments

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

2.11 Finance leases

Assets obtained under 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. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.12 Pensions

The company operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 30 June 2022.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the company 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.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

2. – Accounting policies (continued)

2.13 Fund accounting (continued)

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

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 23.

4. Income from donations and legacies

	Restricted funds 2024 £000	Total funds 2024 £000	<i>Total funds 2023 £000</i>
Grants	205	205	-

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

5. Income from charitable activities

	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Main LGfL Income	21,408	21,408	20,739
LGfL Managed Services Income	613	613	565
LGL Income	3,297	3,297	3,656
Bridge the Divide	29	29	720
	<u>25,347</u>	<u>25,347</u>	<u>25,680</u>
Total 2023	<u>25,680</u>	<u>25,680</u>	

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £000	Total 2024 £000	Total 2023 £000
Main LGfL Income	23,303	23,303	22,895
LGfL Managed Services Income	265	265	434
LGL Income	3,040	3,040	3,555
Bridge the Divide	14	14	901
	<u>26,622</u>	<u>26,622</u>	<u>27,785</u>
Total 2023	<u>27,785</u>	<u>27,785</u>	

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7. Analysis of expenditure by activities

	Activities undertaken directly 2024 £000	Support costs 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Main LGfL Income	19,782	3,521	23,303	22,895
LGfL Managed Services Income	182	83	265	434
LGL Income	2,560	480	3,040	3,555
Bridge The Divide	1	13	14	901
	22,525	4,097	26,622	27,785
<i>Total 2023</i>	23,700	4,085	27,785	

Analysis of support costs

	Main LGfL Income 2024 £000	LGfL Managed Services Income 2024 £000	LGL Income 2024 £000	Bridge the Divide 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Net pension scheme finance costs/(income)	-	-	-	-	-	63
Staff costs	1,590	41	242	7	1,880	2,282
Promotions	173	5	26	1	205	253
Rent, Electricity and Rates	416	11	63	2	492	478
Other professional fees	310	8	47	1	366	371
Repairs and maintenance	36	1	5	-	42	28
Other office costs	251	7	38	1	297	411
Insurance	41	1	6	-	48	63
Other	625	7	41	1	674	80
Governance costs	79	2	12	-	93	56
	3,521	83	480	13	4,097	4,085
<i>Total 2023</i>	3,260	150	564	111	4,085	

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

7. Analysis of expenditure by activities (continued)

Analysis of support costs (continued)

During the year ended 31 March 2024, the company incurred the following Governance costs:

£79k (2023: £45k) included within the table above in respect of Main LGfL Income, £12k (2023: £8k) in respect of LGL Income, £Nil (2023: £2k) in respect of Bridge The Divide Income and £2k (2023: £1k) in respect of LGfL Managed Services Income.

8. Auditors' remuneration

	2024 £000	2023 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	38	32
Fees payable to the company's auditor and its associates in respect of: All non-audit services not included above	11	12

9. Staff costs

	2024 £000	2023 £000
Wages and salaries	2,739	2,524
Social security costs	301	290
Operating costs of defined benefit pension schemes	476	870
	3,516	3,684

Staff costs of £724k attributable to development work on the company's IT infrastructure have been capitalised and are included within fixed asset additions.

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

	2024 No.	2023 No.
Administrative staff	43	42

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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

	2024 No.	2023 No.
In the band £60,001 - £70,000	9	8
In the band £70,001 - £80,000	10	6
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	1
In the band £140,001 - £150,000	-	-
In the band £160,001 - £170,000	1	1

Remuneration and benefits received by key management personnel was £1,008k (2023: £966k).

10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 March 2024, no Trustee expenses have been incurred (2023 - £NIL).

11. Intangible assets

	Content & Software £000
Cost	
At 1 April 2023	5,580
Additions	1,035
Disposals	(3,195)
At 31 March 2024	3,421
Amortisation	
At 1 April 2023	4,481
Charge for the year	750
On disposals	(3,195)
At 31 March 2024	2,036
Net book value	
At 31 March 2024	1,385
At 31 March 2023	1,099

The net book value of assets held under finance leases are £13k (2023: £65k).

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

12. Tangible fixed assets

	Fixtures and fittings £000	Office equipment £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 April 2023	63	84	33,767	33,914
Additions	-	30	30,478	30,508
Disposals	(51)	(25)	(16,126)	(16,202)
At 31 March 2024	12	89	48,119	48,220
Depreciation				
At 1 April 2023	59	45	26,267	26,371
Charge for the year	2	15	3,262	3,279
On disposals	(55)	(40)	(16,098)	(16,193)
At 31 March 2024	6	20	13,431	13,457
Net book value				
At 31 March 2024	6	69	34,688	34,763
At 31 March 2023	4	39	7,500	7,543

The net book value of assets held under finance leases are £28,518k (2023: £2,050k).

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

13. 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	Holding
London Grid Limited	05122783	9th Floor, 10 Exchange Square Primrose Street, London, England, EC2A 2BR	Dormant.	100%
Let's Get Digital Limited	11158329	9th Floor, 10 Exchange Square Primrose Street, London, England, EC2A 2BR	The company has not yet begun trading.	100%

The financial results of the subsidiaries for the year were:

Names

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

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

14. Debtors

	2024 £000	2023 £000
Due after more than one year		
Prepayments and accrued income	1,199	1,376
	1,199	1,376
Due within one year		
Trade debtors	433	350
Other debtors	628	-
Prepayments and accrued income	1,200	1,433
Other debtors	174	611
	3,634	3,770

15. Creditors: Amounts falling due within one year

	2024 £000	2023 £000
Trade creditors	3,219	3,886
Other taxation and social security	75	71
Obligations under finance lease and hire purchase contracts	4,470	1,267
Other creditors	212	39
Accruals and deferred income	9,021	7,500
	16,997	12,763
	2024 £000	2023 £000
Deferred income at 1 April 2023	6,421	5,929
Resources deferred during the year	7,517	6,421
Amounts released from previous periods	(6,421)	(5,929)
	7,517	6,421

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

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

	2024 £000	2023 £000
Net obligations under finance lease and hire purchase contracts	24,586	10
Accruals and deferred income	314	593

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

16. Creditors: Amounts falling due after more than one year (continued)

	2024 £000	2023 £000
	24,900	603

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2024 £000	2023 £000
Payable or repayable by instalments	5,274	-
	5,274	-

17. Statement of funds

Statement of funds - current year

	Balance at 1 April 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 March 2024 £000
Unrestricted funds						
Designated funds						
Pan London Admissions	180	565	(102)	(278)	-	365
General funds						
General Funds	3,352	24,849	(26,520)	278	4	1,963
Total Unrestricted funds	3,532	25,414	(26,622)	-	4	2,328
Restricted funds						
Mailforce Grant	-	205	-	-	-	205

LONDON GRID FOR LEARNING TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

17. Statement of funds (continued)

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

Restricted Funds
The purpose of the Mailforce Grant is to provide digital solutions for tackling inequality including the provision of devices to disadvantaged children.

Total of funds	3,532	25,619	(26,622)	-	4	2,533
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LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

17. Statement of funds (continued)

Statement of funds - prior 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	334	565	(300)	(419)	-	180
General funds						
General Funds	4,696	25,115	(26,893)	434	-	3,352
Pension reserve	(2,032)	-	(592)	(15)	2,639	-
	<u>2,664</u>	<u>25,115</u>	<u>(27,485)</u>	<u>419</u>	<u>2,639</u>	<u>3,352</u>
Total Unrestricted funds	<u>2,998</u>	<u>25,680</u>	<u>(27,785)</u>	<u>-</u>	<u>2,639</u>	<u>3,532</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £000	Restricted funds 2024 £000	Total funds 2024 £000
Tangible fixed assets	34,763	-	34,763
Intangible fixed assets	1,385	-	1,385
Debtors due after more than one year	1,199	-	1,199
Current assets	6,878	205	7,083
Creditors due within one year	(16,997)	-	(16,997)
Creditors due in more than one year	(24,900)	-	(24,900)
Total	<u>2,328</u>	<u>205</u>	<u>2,533</u>

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	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	3,532	3,532

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

	2024 £000	2023 £000
Net expenditure for the period (as per Statement of Financial Activities)	(1,003)	(2,105)
Adjustments for:		
Depreciation charges	3,279	3,210
Amortisation charges	750	843
Loss on the sale of fixed assets	9	-
Decrease in stocks	-	321
Decrease/(increase) in debtors	136	(598)
Increase in creditors	750	514
Current pension service costs	473	870
Defined benefit pension scheme contributions paid	(402)	(341)
Net pension scheme interest/finance cost	(67)	63
Net cash provided by operating activities	3,925	2,777

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

20. Analysis of cash and cash equivalents

	2024 £000	2023 £000
Cash in hand	4,648	4,486
Total cash and cash equivalents	4,648	4,486

21. Analysis of changes in net debt

	At 1 April 2023 £000	Cash flows £000	New finance leases £000	At 31 March 2024 £000
Cash at bank and in hand	4,486	162	-	4,648
Finance leases	(1,277)	1,184	(28,964)	(29,057)
	3,209	1,346	(28,964)	(24,409)

22. Pension commitments

The company operates a defined benefit pension scheme.

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

	At 31 March 2024 %	At 31 March 2023 %
Discount rate	4.85	4.75
Future salary increases	3.25	3.45
Future pension increases	2.75	2.95

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. Pension commitments (continued)

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 2024 Years	At 31 March 2023 Years
Mortality rates (in years)		
- for a male aged 65 now	23.1	23.2
- at 65 for a male aged 45 now	23.0	23.2
- for a female aged 65 now	24.5	24.6
- at 65 for a female aged 45 now	25.7	25.9

The company's share of the assets in the scheme was:-

	At 31 March 2024 £000	At 31 March 2023 £000
Equities	6,235	6,181
Corporate bonds	4,364	3,197
Property	1,247	959
Cash and other liquid assets	623	320
Total fair value of assets	12,469	10,657

The actual return on scheme assets was £516k (2023 - £299k).

LONDON GRID FOR LEARNING TRUST

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

22. Pension commitments (continued)

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

	2024 £000	2023 £000
Current service cost	476	693
Interest income	(516)	(299)
Interest cost	449	362
Total amount recognised in the Statement of financial activities	409	756

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

	2024 £000	2023 £000
Opening defined benefit obligation	9,222	12,745
Current service cost	473	870
Interest cost	449	362
Contribution by scheme participants	192	175
Actuarial gains	(745)	(5,682)
Benefits paid	(191)	(156)
Experience adjustment	308	908
Closing defined benefit obligation	9,708	9,222

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

	2024 £000	2023 £000
Opening fair value of scheme assets	10,657	10,698
Expected return on assets	516	299
Actuarial gains/(losses)	893	(559)
Contributions by employer	402	341
Contributions by scheme participants	192	175
Benefits paid	(191)	(156)
Experience adjustment	-	(141)
Closing fair value of scheme assets	12,469	10,657

As at the 31 March 2024, the closing position of the defined benefit obligation was a surplus of £2,761k (2023: £1,435k). In line with FRS 102 treatment the surplus has not been recognised. Therefore the derecognised value of £2,761k is included within gains/losses above.

LONDON GRID FOR LEARNING TRUST

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

23. Operating lease commitments

At 31 March 2024 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £000	2023 £000
Not later than 1 year	392	392
Later than 1 year and not later than 5 years	35	427
	<u>427</u>	<u>819</u>

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

	2024 £000	2023 £000
Operating lease rentals	<u>392</u>	<u>392</u>

24. Finance lease commitments

At 31 March 2024 the company had commitments to make future minimum lease payments under non-cancellable finance leases as follows:

	2024 £000	2023 £000
Not later than 1 year	4,470	1,267
Later than 1 year and not later than 5 years	19,312	10
Later than 5 years	5,274	-
	<u>29,056</u>	<u>1,277</u>

25. Related party transactions

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

Permission has been obtained from the Charity Commission in order to pay for the professional services of the Chairman (P Robinson). During the year £8,165 including expenses were paid for these services (2023: £8,162). 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 (2023 - £11k) for the period.