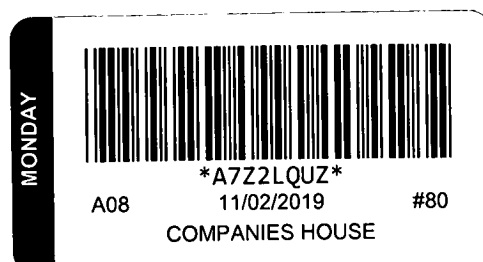


THE BRIDGE LONDON TRUST LIMITED

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018



THE BRIDGE LONDON TRUST LIMITED

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THE BRIDGE LONDON TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS, DIRECTORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2018

Members	David Tait John Skeritt Helen Rayfield
Trustees	David Tait, Chair Penny Barratt, CEO Kurt Ma Tom Adcock Simon Hesketh Imogen Clark (resigned 1 March 2018) Dirk Meerstadt (appointed 17 July 2018)
Company registered number	08343491
Company name	The Bridge London Trust Limited
Registered and principal office	251 Hungerford Road London N7 9LD
Accounting Officer	Penny Barratt
Senior management team	Penny Barratt, Chief Executive Officer Harold Reid, Chief Financial Officer Ed Ashcroft, Head of school, The Bridge ILS Sharon Rabinarain, Interim Head of School, The Bridge Secondary School Penny Doswell, Head of School the Bridge Primary School Rosie Whur, Head of School The Bridge Satellite Provision Jo Stephens, Head of School The Bridge Hungerford School Gary Morrissey, Teaching School Director
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank PLC London EC2R 8AU

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 AUGUST 2018

The Directors present their Annual Report together with the financial statements and Auditor's Report of The Bridge London Trust (TBLT, the Trust, the Charitable Company) for the year ended 31 August 2018. The Annual Report serves the purposes of both a Trustee Report, and a Directors' Report under company law.

The Trust operates four academies, one of which is a mainstream two form entry primary school, the remaining three are special schools that cater for pupils aged 5- 19 with autism and learning difficulties serving a catchment area primarily in Islington, North London. The special schools are The Bridge School, The Bridge Integrated Learning Space and the Bridge Satellite Provision, the mainstream primary school is The Bridge Hungerford School (the Schools or the Academies), all schools are located over seven separate locations. Together the Schools had a roll of 618 in the 2018 school census.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are its primary governing documents. The Trustees of The Charitable Company are also the Directors for the purposes of company law, they are of the opinion that the title of Director better suits their corporate responsibilities, nevertheless the terms Trustee and Director are interchangeable and the Board of Directors is referred to as the Board. The Charitable Company operates as the Bridge London Trust, the trading names by which the schools within the trust are known are as follows;

The Bridge Primary School
The Bridge Secondary School
The Bridge School London
The Bridge Integrated Learning Space
The Bridge Satellite Provision
The Bridge Hungerford School
The Bridge Teaching School

The Board delegates powers to Local Governing Boards ('LGBs') to which Governors are appointed. These LGBs are responsible for achieving and maintaining the outstanding delivery of Teaching and Learning which is the accepted norm that has been achieved historically in the Trust schools.

Members' Liability

Each Member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a Member, or within one year after they cease to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a Member.

Directors' and Officers' Indemnities

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

Method of Recruitment and Appointment or Election of Directors and Governors

The arrangements are as set out in the Articles and Funding Agreement. Directors are appointed for a fixed term. The Executive Head Teacher is also the Chief Executive Officer (CEO). Governors to the LGBs are also appointed for a fixed term and include Parent and Staff Governors. During the current year the Trust has not been able to elect a Parent Governor for the ILS and the Staff Governors are elected to office or appointed if there are insufficient candidates offering themselves for election.

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2018

Policies and Procedures Adopted for the Induction and Training of Directors and Governors

The Charitable Company is committed to providing adequate opportunities for Directors and Governors to undertake and receive suitable training so as to enable them to perform their role effectively. To this end the Trust is to provide an internal programme of continued professional development led by experienced training providers and including members of the Trust Leadership Team.

All new Directors are entitled to an induction to the role, according to their need, which may include, introductory sessions, mentoring and formal courses. This process will involve a meeting with the Chair of Directors and the CEO. All Directors are provided with access to policies and procedure documents that are appropriate to the role they undertake.

Organisational Structure

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department of Education.

The Board, which meets on at least 6 occasions per year is responsible for the strategic direction of the Trust. It reviews progress towards educational objectives and results; approves major expenditure requests; sets the budget for the following year and sets the organisational staffing structure. A committee of the Board agrees the performance objectives of the CEO, and reviews them.

Even after the appointment of a Chief Financial Officer ('CFO') the CEO has remained the designated Accounting Officer and has oversight for the day to day financial management of the Charitable Company. This includes all expenditure, budget monitoring and all financial matters. Responsibility for lower levels of expenditure is delegated to specific budget holders who are responsible for managing their own departments within their allocated budgets. A system of financial controls is in place to manage this process.

Each School is managed on a daily basis by a Head of School the level of oversight by the CEO is based on the needs of the individual school. It is agreed annually in a review with the Head of School and sanctioned by the Board. There is a Senior Leadership Team ('SLT') that meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Board as required for approval. The members of the SLT have specific responsibilities to manage certain aspects of the Trust as well as the individual Schools.

Arrangements for setting pay and remuneration of key management personnel

Key management personnel include Directors and those staff to whom the Directors have delegated significant authority and responsibility in the day-to-day running of the Trust.

Pay and remuneration of key management personnel is decided by a variety of contributory factors, such as the school group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appointment and pay policies.

All amendments to key management's pay and remuneration is approved by a committee of the Board.

Trade Union Facility Time

There are trade union representatives on most of the school sites, however only two members of staff in the last year were trained and recognised by their Trade Union. These staff receive Trade Union Facility Time. One member of staff receives half an hour per week. The other is a Trade Union representative who works across the Local Authority. He has a day a week out of school on Trade Union duties, however the school receives compensation through School's Forum for this release time.

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2018

Related Parties and other Connected Charities and Organisations

Owing to the nature of the Trust's operations and the composition of the Board being drawn from local public and private sector organisations, it is inevitable that from time to time transactions will take place with organisations in which Directors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procedures. Any transaction where the Director may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with the following organisations during the academic year in pursuit of its charitable activities:

- The Bridge Charity
- The Tallow Chandlers
- CBW

The Trust does not have a formal sponsor.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The Multi Academy Trust's object is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing academies that offer a broad and balanced curriculum and care for pupils of different abilities between the ages of 5 and 19.

Objectives, Strategies and Activities

The objectives of the Board are to maintain financial probity and solvency. With this in mind the intention is to attract more schools to the MAT and thereby increase efficiency and reduce the spend per pupil on central and administrative costs. Any such school joining will both share our values and deliver outstanding teaching and learning or have the ambition to do so.

During the year the School has worked towards these aims by:

- Pupil recruitment.
- Staff recruitment.
- Embedment of procedures and policies.
- Development of curriculum and assessment procedures.

Our success in fulfilling our aims can be measured by:

- Both schools at capacity.
- Successful staff recruitment with minimal turnover.
- Full complement of policies.
- Outstanding DfE adviser report (ILS).
- Outstanding Challenge Partners report (The Bridge School).

Public Benefit

The Directors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's objectives and aims and in planning future activities for the year. The directors consider that the Trust's aims are demonstrably to the public benefit.

STRATEGIC REPORT

Achievements and Performance

The Trust aims for every school to work towards being outstanding as judged by Ofsted. The Bridge School remains outstanding. The Bridge Integrated Learning Space gained an outstanding judgement in October 2017. The Satellite Provision is a new school and has not yet been inspected. Hungerford School is a sponsored academy. At the point of conversion in May 2018 it had been judged inadequate.

Pupil progress is measured, across the Trust, using national data and 'soft data'. The soft data measures pupil well-being and behaviour. Overall data shows good progress for all the special schools. The data specifically reviewed is

- Parent reports
- Summative data and analysis
- Formative data

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2018

Key Performance Indicators

In addition to academic performance above, Directors receive financial reports containing financial data which include; consolidated management accounts, cash flow forecast, individual academy forecast outturn reports with commentary for any significant variations. The board monitors income and expenditure to ensure that no unlicensed deficits arise for individual schools and reserves are maintained in line with policy, it also reviews performance of each School compared to aims, strategies and financial budgets.

Going Concern

After making appropriate enquiries, the Board has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial Review

The principal source of funding for the Trust is the General Annual Grant (GAG), pupil top-up funding and other grants that it receives from the Education & Skills Funding Agency (ESFA) for each School. For the year ended 31 August 2018 the Trust received £8,460,432 of GAG and other funding (excluding capital). A high percentage of this income is spent on wages and salaries and support costs to deliver the Trust's primary objective of the provision of education for the public benefit. During the year the Trust spent £7,776,676 on staffing.

At 31 August 2018 the net book value of fixed assets was £110,842,520 and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

The Trust brought forward from 2016/17, £138,884 of restricted funds and £187,736 unrestricted funding. The carry forward at the end of the 2017/18 financial year is £311,623 of restricted funding and £492,774 of unrestricted funding.

Due to the accounting rules for the Local Government Scheme under FRS102, the Trust is recognising significant pension fund deficit of £6,795,000. This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

Reserves Policy

The Directors are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Directors monitor estimated year-end carry forward figures by way of monthly financial reports from the Chief Financial Officer. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of reserves that are to be carried forward excluding the amount held in fixed assets is £804,397 of which £311,623 is restricted. The Directors have determined that this is equivalent to four weeks' expenditure and is therefore adequate to give comfort as to the MAT's ability to meet on going operating costs. The pension fund reserve liability amounted to £6,795,000. The Directors take the view that this is wholly disproportionate to the operation of four schools and a teaching school that any payments related to the reduction of this deficit should be funded directly by the ESFA.

Investment Policy

The aim of the policy will be to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise the Trust's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Directors do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors maintain a risk register identifying the major risks to which the Trust is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk register process is undertaken on an annual basis and the internal control systems and the exposure to risks are monitored on behalf of the Directors at key Board meetings. The principal risks facing the Trust are outlined below; those facing the Schools at an operational level are addressed by its systems and by internal financial and other controls.

The Directors report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT (continued) FOR THE PERIOD ENDED 31 AUGUST 2018

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As a Multi Academy Trust, the level of financial risk is manageable. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

The Directors assess the other principal risks and uncertainties facing the Trust as follows:

- the Trust has considerable reliance on continued Government funding through the ESFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms;
- failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Directors continue to review and ensure that appropriate measures are in place to mitigate these risks;
- reputational - the continuing success of the Trust is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Directors ensure that student progress and outcomes are closely monitored and reviewed;
- safeguarding and child protection - the Directors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline;
- staffing - the success of the Trust is reliant on the quality of its staff and the Directors monitor and review policies and procedures and recruitment to ensure continued development and training of staff as well as ensuring there is clear succession planning;
- fraud and mismanagement of funds - the Directors have appointed Carter Backer Winter LLP to carry out independent and external checks on financial systems and records as required by the Academies Financial Handbook. All finance staff receive training to keep up to date with financial practice requirements and develop their skills in this area;
- financial instruments – the Trust only deals with bank balances, cash and trade creditors, with limited trade (and other) debtors. The risk in this area is considered to be low; and
- defined benefit pension liability – as the Government has agreed to meet the defined benefit pension liability of any school ceasing to exist. This is of comfort to the pension fund members and administrators or liquidators in the event of insolvency, however it does not assist Directors in the running of the MAT. In 2017-18 The Bridge School had to make a payment of £152,500 as contribution to the pension deficit, such payments are variable, hard to budget for and reduce the Directors' ability to provide education for the pupils. The Directors take the view that any such repayments of the deficit should be financed directly by the ESFA.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Fundraising

The Trust raises additional funds through fundraising. This involves annual events, annual donations from supporters and grant applications. The annual events include a black tie dinner and charity concert. The annual donations are from; the Seckforde Foundation who undertake an annual sponsored bike ride on behalf of the Trust, support from the Tallow Chandlers Livery Company who are presently supporting a vocational project and support from the Fanmaker's Livery Company who this year purchased iPads for our Satellite School. Successful grant bids provided play equipment at the ILS and sensory equipment at the Primary School.

Plans for Future Periods

The Trust consisted of two Schools from May 2017, as at 31.08.18 it has four schools. The financial year 2018/19 is considered to be a year of consolidation, thereafter there are plans for the Trust to expand.

THE BRIDGE LONDON TRUST LIMITED

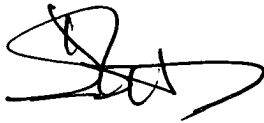
**DIRECTORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2018**

AUDITORS

Insofar as the Directors are aware:

- there is no relevant audit information of which the Charitable Company's Auditor is unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

The Directors' Report, incorporating a Strategic Report, was approved by the Board of Directors on 17/12/18 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to be 'David Tait', with a stylized, sweeping flourish at the end.

**David Tait
Chair of Directors**

THE BRIDGE LONDON TRUST LIMITED

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Directors, we acknowledge we have overall responsibility for ensuring that The Bridge London Trust Ltd has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to the Chief Executive, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Bridge London Trust Limited and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors has formally met 9 times during the period. Attendance during the period at meetings of the Board of Directors was as follows:

Trustee	Meetings attended	Out of a possible
David Tait, Chair	9	9
Penny Barratt, CEO	8	9
Kurt Ma	6	9
Tom Adcock	6	9
Simon Hesketh	8	9
Imogen Clark	5	5
Dirk Meerstadt	1	1

Imogen Clark resigned as a Director with effect from 1 March 2018 having been appointed by the Board as the Chair of the Local Governing Body of The Bridge School within the Trust. Dirk Meerstadt was appointed as a Director at the Board meeting held on 17 July 2018.

The present Board is composed of members that provide a broad of range of financial, legal and business knowledge and leadership. There is a recognition of the need to develop the Board's direct professional educational knowledge with this to be addressed by appropriate additions to the membership of the Board in the year ahead.

The intention of the Board is to continue to keep the number of directors fairly limited, thereby reducing the need for committees and promoting a collegiate system of decision making. The Board has benefited from detailed financial reports provided by the Chief Financial Officer following their appointment to the Trust in February 2018 with detailed review of these to be undertaken by the Finance, Audit and Risk Committee. Responsibility for oversight of day to day operational input for teaching and learning lies with the Local Governing Bodies leaving strategic planning, finance, estates and HR in the control of the Board.

The Board has not undertaken a formal self-evaluation of the effectiveness of its governance during 2017/18 with much of its focus during the year being on consolidating the Trust, ensuring robust management of its finances and completing the integration of Hungerford School into the trust. The Board intends to conduct a self-evaluation in the early part of 2019.

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Trust has delivered improved value for money during the year by the following:

- Negotiating better energy rates through the use of Islington Energy Services.
- Establishing Preferred Agency Staff suppliers with better negotiated rates.

THE BRIDGE LONDON TRUST LIMITED

GOVERNANCE STATEMENT (continued)

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and how to manage them efficiently, effectively and economically. The system of internal control has been in place in The Bridge London Trust Limited for the period 1 September 2017 to 31 August 2018 and up to date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Directors has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Directors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks, that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Directors.

THE RISK AND CONTROL FRAMEWORK

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the finance audit and risk committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board of Directors has considered the need for a specific internal audit function and has decided: not to appoint an internal auditor. However, the Directors have appointed Carter Backer Winter LLP (of which Director, Thomas Adcock, is a partner) to undertake the work of reviewing financial control. Its role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks to be carried out in the current period include:

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. In particular the checks carried out in the current period included:

- A quarterly review of actual vs budget income and expenditure;
- a quarterly review of any deficit that arises;
- quarterly testing of purchases;
- quarterly testing of payroll;
- quarterly testing of income; and
- a quarterly review of capital expenditure.

On a quarterly basis, the reviewer will report to the Board of Directors through the Finance, Audit and Risk Committee on the discharge of the Board of Directors' financial responsibilities.

The Internal Auditor has delivered their schedule of work as planned.

THE BRIDGE LONDON TRUST LIMITED

GOVERNANCE STATEMENT (continued)

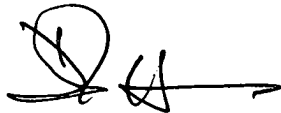
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

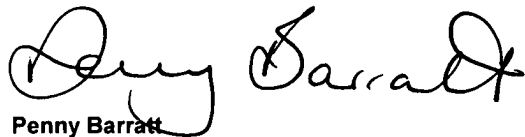
- The work of the External Auditors;
- the financial management and governance self-assessment;
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and ensure continuous improvement of the system is in place.

Approved by the Board of Directors on 17/12/18 and signed on their behalf, by:



David Tait
Chair of Directors



Penny Barratt
Accounting Officer

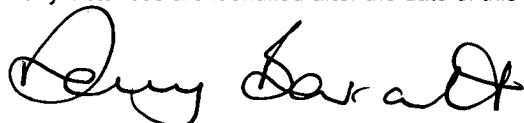
THE BRIDGE LONDON TRUST LIMITED

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bridge London Trust Limited I have considered my responsibility to notify the academy trust Board of Directors and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.



Penny Barratt
Accounting Officer

THE BRIDGE LONDON TRUST LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE PERIOD ENDED 31 AUGUST 2018

The Directors of the Charitable Company for the purposes of company law are responsible for preparing the Directors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting 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;
- 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 Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors on 17/12/18 and signed on its behalf by:



David Tait
Chair of Directors

THE BRIDGE LONDON TRUST LIMITED

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BRIDGE LONDON TRUST LIMITED

OPINION

We have audited the financial statements of The Bridge London Trust Limited (the Trust) (the 'Academy Trust') for the period ended 31 August 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, 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, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the period 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

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 Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

THE BRIDGE LONDON TRUST LIMITED

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BRIDGE LONDON TRUST LIMITED

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Directors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

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

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

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.

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.

THE BRIDGE LONDON TRUST LIMITED

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE BRIDGE LONDON TRUST LIMITED

USE OF OUR REPORT

This report is made solely to the Trust'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 Trust'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 Trust and the Trust's Members, as a body, for our audit work, for this report, or for the opinions we have formed.

Gary Miller (Senior Statutory Auditor)
for and on behalf of

Price Bailey LLP
Chartered Accountants and Statutory Auditors
Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

18 December 2018

THE BRIDGE LONDON TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BRIDGE LONDON TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 17 September 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Bridge London Trust Limited during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Bridge London Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bridge London Trust Limited and the ESFA those matters we are required to state in a 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 Bridge London Trust Limited and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE BRIDGE LONDON TRUST LIMITED'S AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Bridge London Trust Limited's funding agreement with the Secretary of State for Education dated 21 April 2017, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

THE BRIDGE LONDON TRUST LIMITED

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE BRIDGE LONDON TRUST LIMITED AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Reporting Accountant

Price Bailey LLP

Chartered Accountants

18 December 2018

THE BRIDGE LONDON TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE PERIOD ENDED 31 AUGUST 2018**

	Note	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations & capital grants:						
Transferred on conversion	2	(1,305,000)	30,470,950	169,690	29,335,640	55,124,734
Other donations and capital grants	2	5,581	265,642	-	271,223	21,409,616
Charitable activities	3	9,081,488	-	12,457	9,093,945	2,928,960
Teaching schools	26	71,845	-	195,731	267,576	74,177
Other trading activities	4	-	-	227,791	227,791	109,743
Investments	5	-	-	849	849	306
TOTAL INCOME		7,853,914	30,736,592	606,518	39,197,024	79,647,536
EXPENDITURE ON:						
Charitable activities		9,201,590	1,104,818	272,790	10,579,198	3,687,328
Teaching schools	26	299,889	-	-	299,889	33,099
TOTAL EXPENDITURE	6	9,501,479	1,104,818	272,790	10,879,087	3,720,427
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		(1,647,565)	29,631,774	333,728	28,317,937	75,927,109
Transfers between funds	17	(8,696)	37,386	(28,690)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		(1,656,261)	29,669,160	305,038	28,317,937	75,927,109
Actuarial gains/(losses) on defined benefit pension schemes	23	628,000	-	-	628,000	(5,000)
NET MOVEMENT IN FUNDS		(1,028,261)	29,669,160	305,038	28,945,937	75,922,109
RECONCILIATION OF FUNDS:						
Total funds brought forward		(5,455,116)	81,331,061	187,736	76,063,681	141,572
TOTAL FUNDS CARRIED FORWARD		(6,483,377)	111,000,221	492,774	105,009,618	76,063,681

THE BRIDGE LONDON TRUST LIMITED
REGISTERED NUMBER: 08343491

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	13		110,842,520	81,322,218
CURRENT ASSETS				
Debtors	14	764,824	308,997	
Cash at bank and in hand		1,814,870	1,151,504	
		<u>2,579,694</u>	<u>1,460,501</u>	
CREDITORS: amounts falling due within one year	15	<u>(1,350,318)</u>	<u>(857,760)</u>	
NET CURRENT ASSETS			1,229,376	602,741
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>112,071,896</u>	<u>81,924,959</u>
CREDITORS: amounts falling due after more than one year	16		<u>(267,278)</u>	<u>(267,278)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			111,804,618	81,657,681
Defined benefit pension scheme liability	23	<u>(6,795,000)</u>	<u>(6,795,000)</u>	<u>(5,594,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>105,009,618</u>	<u>76,063,681</u>
FUNDS OF THE ACADEMY				
Restricted income funds:				
Restricted income funds	17	311,623	138,884	
Restricted fixed asset funds	17	<u>111,000,221</u>	<u>81,331,061</u>	
Restricted income funds excluding pension liability		111,311,844	81,469,945	
Pension reserve		<u>(6,795,000)</u>	<u>(5,594,000)</u>	
Total restricted income funds			<u>104,516,844</u>	<u>75,875,945</u>
Unrestricted funds	17		<u>492,774</u>	<u>187,736</u>
TOTAL FUNDS			<u>105,009,618</u>	<u>76,063,681</u>

The financial statements on pages 18 to 39 were approved by the Directors, and authorised for issue, on 17/12/18 and are signed on their behalf, by:



David Tait, Chair
Chair of Directors

THE BRIDGE LONDON TRUST LIMITED

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	19	699,446	22,616,130
Cash flows from investing activities:			
Interest received		1,306	1,306
Purchase of tangible fixed assets		(37,386)	(21,650,580)
Net cash used in investing activities		(36,080)	(21,649,274)
Change in cash and cash equivalents in the period		663,366	966,856
Cash and cash equivalents brought forward		1,151,504	184,648
Cash and cash equivalents carried forward		1,814,870	1,151,504

The notes on pages 21 to 39 form part of these financial statements.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Bridge London Trust Limited constitutes a public benefit entity as defined by FRS 102.

1.2 Company status

The Trust is a company limited by guarantee. The Members of the Company are named on page 1. In the event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per member. The registered office is 251 Hungerford Road, London, N7 9LD.

1.3 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

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

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Income

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

Grants are included in the Statement of Financial Activities incorporating Income and Expenditure Account 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.

General Annual Grant is recognised in full in the Statement of Financial Activities incorporating Income and Expenditure Account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risk and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants.

Where assets are received on the transfer of an existing academy into the Trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within Income and donations and capital grants.

1.5 Expenditure

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

Expenditure on charitable activities are costs incurred on the Trust's educational operations, including support costs and those costs relating to the governance of the Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 Going concern

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities incorporating Income and Expenditure Account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	35 - 125 years straight line
Furniture and fixtures	-	10 years straight line
Plant and equipment	-	10 years straight line
Motor vehicles	-	10 years straight line
Computer equipment	-	4 years straight line

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

1.8 Taxation

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Liabilities and provisions

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

1.12 Financial instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.13 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities incorporating Income and Expenditure Account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The Directors make 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.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Transferred on conversion	(1,305,000)	30,470,950	169,690	29,335,640	55,124,734
Donations	5,581	-	-	5,581	21,345,845
Capital grants	-	265,642	-	265,642	63,771
Subtotal	5,581	265,642	-	271,223	21,409,616
	(1,299,419)	30,736,592	169,690	29,606,863	76,534,350
Total 2017	(5,321,450)	81,626,119	229,681	76,534,350	

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	3,302,180	-	3,302,180	507,772
Start Up Grants	97,500	-	97,500	35,000
Other DfE/ESFA grants	589,067	-	589,067	191,019
	<u>3,988,747</u>	<u>-</u>	<u>3,988,747</u>	<u>733,791</u>
Other government grants				
Local authority grants	5,091,490	-	5,091,490	2,191,383
	<u>5,091,490</u>	<u>-</u>	<u>5,091,490</u>	<u>2,191,383</u>
Other income				
Catering Income	-	12,457	12,457	2,951
Other income	1,251	-	1,251	835
	<u>1,251</u>	<u>12,457</u>	<u>13,708</u>	<u>3,786</u>
	<u>9,081,488</u>	<u>12,457</u>	<u>9,093,945</u>	<u>2,928,960</u>
Total 2017	<u>2,926,009</u>	<u>2,951</u>	<u>2,928,960</u>	

4. OTHER TRADING ACTIVITIES

	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	-	71,223	71,223	14,502
Other income generated	-	156,568	156,568	95,241
	<u>-</u>	<u>227,791</u>	<u>227,791</u>	<u>109,743</u>
Total 2017	<u>-</u>	<u>109,743</u>	<u>109,743</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	849	849	306
Total 2017	<u>306</u>	<u>306</u>	

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of education:					
Direct costs	6,334,676	-	271,605	6,606,281	2,287,267
Support costs	1,185,696	1,690,657	1,096,564	3,972,917	1,400,052
Teaching schools	256,304	-	43,585	299,889	33,099
	<u>7,776,676</u>	<u>1,690,657</u>	<u>1,411,754</u>	<u>10,879,087</u>	<u>3,720,418</u>
Total 2017	<u>2,642,362</u>	<u>416,727</u>	<u>661,330</u>	<u>3,720,419</u>	

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs - educational operations	6,606,281	2,287,267
Support costs - educational operations	3,972,917	1,400,052
Total	<u>10,579,198</u>	<u>3,687,319</u>

	2018 £	2017 £
Analysis of support costs		
Staff costs	1,185,696	470,162
Depreciation	988,034	309,452
Technology costs	248,809	51,204
Premises costs	702,623	281,526
Other costs	798,118	270,292
Governance costs	49,637	17,416
Total	<u>3,972,917</u>	<u>1,400,052</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Trust	988,034	289,765
Auditors' remuneration - audit	9,725	7,500
Auditors' remuneration - other services	8,010	6,500

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	5,557,049	1,821,707
Social security costs	502,793	166,799
Operating costs of defined benefit pension schemes	1,107,732	395,858
	<u>7,167,574</u>	<u>2,384,364</u>
Agency staff costs	574,152	158,810
Staff restructuring costs	34,950	-
Seconded staff costs	-	99,188
	<u>7,776,676</u>	<u>2,642,362</u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	<u>34,950</u>	<u>-</u>

b. Staff numbers

The average number of persons employed by the Trust during the period was as follows:

	2018 No.	2017 No.
Teachers	46	14
Administration and support	172	66
Management	13	4
	<u>231</u>	<u>84</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £ 60,001 - £ 70,000	4	2
In the band £ 70,001 - £ 80,000	1	0
In the band £110,001 - £120,000	1	0

d. Key management personnel

The key management personnel of the Trust comprise the Directors and the Senior Management Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £1,076,436 (2017 - £384,706).

Included in the above are employer National Insurance contributions of £102,812 (2017 - £37,011) and employer pension contributions of £129,964 (2017 - £41,744).

10. CENTRAL SERVICES

No central services were provided by the Trust to its academies during the period and no central charges arose.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

11. DIRECTORS' REMUNERATION AND EXPENSES

One or more Directors has been paid remuneration or has received other benefits from an employment with the Trust. The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Directors. The value of Directors' remuneration and other benefits was as follows:

		2018 £	2017 £
Penny Barratt	Remuneration	120,000 - 125,000	60,000 - 65,000
	Pension contributions paid	20,000 - 25,000	5,000 - 10,000

During the period, no Directors received any benefits in kind (2017 - £NIL).

During the period ended 31 August 2018, no Directors received any reimbursement of expenses (2017 - £NIL).

12. DIRECTORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Directors, Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on its business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the year ended 31 August 2018 was included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	L/Term Leasehold Property £	Fixtures and fittings £	Motor Vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2017	81,323,033	208,813	53,138	49,082	81,634,066
Additions	-	12,800	-	24,586	37,386
Assets on conversion	30,463,000	5,250	-	2,700	30,470,950
At 31 August 2018	111,786,033	226,863	53,138	76,368	112,142,402
Depreciation					
At 1 September 2017	282,500	19,688	2,563	7,097	311,848
Charge for the period	942,876	21,036	5,314	18,808	988,034
At 31 August 2018	1,225,376	40,724	7,877	25,905	1,299,882
Net book value					
At 31 August 2018	110,560,657	186,139	45,261	50,463	110,842,520
At 31 August 2017	81,040,533	189,125	50,575	41,985	81,322,218

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

14. DEBTORS

	2018 £	2017 £
Trade debtors	293,557	185,702
VAT repayable	55,611	13,609
Prepayments and accrued income	415,656	109,686
	<u>764,824</u>	<u>308,997</u>

15. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	113,629	-
Other taxation and social security	146,463	105,256
ESFA creditor	133,639	133,639
Other creditors	116,972	73,342
Accruals and deferred income	839,615	545,523
	<u>1,350,318</u>	<u>857,760</u>

Deferred income totaling £356,793 (2017: £424,684) is recognised at 31 August 2018. This comprised of income received in advance for SEN funding and student placement fees for one year.

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

	2018 £	2017 £
ESFA creditor	<u>267,278</u>	<u>267,278</u>

On 1 May 2017 an obligation existed on the conversion of the Bridge School London from a maintained to an academy school within the Bridge London Trust. This has arisen from the regulations in connection with converting schools and not from primary legislation. The amount has been fully provided for on the basis that funding under the same regulations will be available to cover this liability in future years. The Directors take the view that the amount is not payable and have started negotiations to remove the obligation.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Unrestricted funds	146,658	410,787	(44,747)	(28,690)	-	484,008
Teaching School	41,078	195,731	(228,043)	-	-	8,766
	<u>187,736</u>	<u>606,518</u>	<u>(272,790)</u>	<u>(28,690)</u>	<u>-</u>	<u>492,774</u>
Restricted funds						
	Brought forward £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	138,884	3,302,180	(3,120,745)	(8,696)	-	311,623
Other DfE/ESFA Grants	-	589,067	(589,067)	-	-	-
Start up grant	-	97,500	(97,500)	-	-	-
Other Government grants	-	5,091,490	(5,091,490)	-	-	-
Other restricted funds	-	6,832	(6,832)	-	-	-
Teaching School	-	71,845	(71,845)	-	-	-
Pension reserve	(5,594,000)	(1,305,000)	(524,000)	-	628,000	(6,795,000)
	<u>(5,455,116)</u>	<u>7,853,914</u>	<u>(9,501,479)</u>	<u>(8,696)</u>	<u>628,000</u>	<u>(6,483,377)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	81,322,218	-	(988,034)	30,508,336	-	110,842,520
Devolved Formula Capital	8,843	22,588	(31,431)	-	-	-
Condition Improvement Fund	-	243,054	(85,353)	-	-	157,701
Assets transferred on conversion	-	30,470,950	-	(30,470,950)	-	-
	<u>81,331,061</u>	<u>30,736,592</u>	<u>(1,104,818)</u>	<u>37,386</u>	<u>-</u>	<u>111,000,221</u>
Total restricted funds	<u>75,875,945</u>	<u>38,590,506</u>	<u>(10,606,297)</u>	<u>28,690</u>	<u>628,000</u>	<u>104,516,844</u>
Total of funds	<u>76,063,681</u>	<u>39,197,024</u>	<u>(10,879,087)</u>	<u>-</u>	<u>628,000</u>	<u>105,009,618</u>

The specific purposes for which the funds are to be applied are as follows:

Unrestricted funds

This represents income received that does not have restrictions.

Other DfE/ESFA grants

This represents funding to be used to help raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

General Annual Grant (GAG)

This represents funding from the ESFA to be used for the normal running costs of the Trust, including education and support costs.

Other government grants

This represents place funding from local councils to be used for the normal running costs of the Trust, including education and support costs.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS (continued)

Other restricted funds

This represents income received in relation to recharges and consulting fees from other schools during the year.

Start up grant

This represents a grant to aid with start up costs for new member Schools to the Trust.

Pension reserve

This reserve represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the Trust on conversion from the state controlled school.

Restricted fixed asset fund

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the DfE where the asset acquired or created is held for a specific purpose.

Devolved Formula Capital (DFC)

This represents funding received from the ESFA specifically for the maintenance and improvements of the Trust's building facilities.

Condition Improvement Fund (CIF)

This represents funding received from the ESFA to cover the cost of safeguarding improvements undertaken during the year.

Assets transferred on conversion

This represents the value of fixed assets transferred on conversion from a Maintained School to an Academy.

Teaching School

This represents funding received for community-focused school funding and facilities income.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
The Integrated Learning Space	395,547	355,472
The Bridge School	263,617	(28,852)
Hungerford Primary	73,039	-
The Bridge Satellite Provision	72,194	-
Total before fixed asset fund and pension reserve	804,397	326,620
Restricted fixed asset fund	111,000,221	81,331,061
Pension reserve	(6,795,000)	(5,594,000)
Total	105,009,618	76,063,681

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

17. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
The Integrated Learning Space	887,656	41,053	121,344	383,742	1,433,795	1,046,672
The Bridge School	3,712,192	924,782	689,485	1,741,838	7,068,297	2,438,390
Hungerford Primary	546,677	69,105	122,818	203,840	942,440	-
The Bridge Satellite Provision	385,211	12,344	69,360	577,227	1,044,142	-
	<u>5,531,736</u>	<u>1,047,284</u>	<u>1,003,007</u>	<u>2,906,647</u>	<u>10,488,674</u>	<u>3,485,062</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
General funds						
Unrestricted funds	568	362,119	(216,029)	-	-	146,658
Teaching School	-	54,731	(13,653)	-	-	41,078
Restricted funds						
	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Balance at 31 August 2017 £
Other DfE and EFA grants	140,653	190,267	(330,920)	-	-	-
General Annual Grant (GAG)	-	507,772	(362,251)	(6,637)	-	138,884
Start up grant	-	35,000	(35,000)	-	-	-
Other Government grants	32,815	2,141,857	(2,174,672)	-	-	-
Other restricted funds	2,779	32,218	(34,997)	-	-	-
Teaching School	-	19,445	(19,445)	-	-	-
Pension reserve	(43,000)	(5,322,000)	(224,000)	-	(5,000)	(5,594,000)
	<u>133,247</u>	<u>(2,395,441)</u>	<u>(3,181,285)</u>	<u>(6,637)</u>	<u>(5,000)</u>	<u>(5,455,116)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	3,352	21,404,628	(309,452)	60,223,690	-	81,322,218
Devolved Formula Capital	4,405	4,438	-	-	-	8,843
Assets transferred on conversion	-	60,217,053	-	(60,217,053)	-	-
	<u>7,757</u>	<u>81,626,119</u>	<u>(309,452)</u>	<u>6,637</u>	<u>-</u>	<u>81,331,061</u>
Total restricted funds	<u>141,004</u>	<u>79,230,678</u>	<u>(3,490,737)</u>	<u>-</u>	<u>(5,000)</u>	<u>75,875,945</u>
Total of funds	<u>141,572</u>	<u>79,647,528</u>	<u>(3,720,419)</u>	<u>-</u>	<u>(5,000)</u>	<u>76,063,681</u>

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	110,842,520	-	110,842,520
Current assets	1,929,219	157,701	492,774	2,579,694
Creditors due within one year	(1,350,318)	-	-	(1,350,318)
Creditors due in more than one year	(267,278)	-	-	(267,278)
Provisions for liabilities and charges	(6,795,000)	-	-	(6,795,000)
	<u>(6,483,377)</u>	<u>111,000,221</u>	<u>492,774</u>	<u>105,009,618</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Unrestricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	81,322,218	-	81,322,218
Current assets	1,263,922	8,843	187,736	1,460,501
Creditors due within one year	(857,760)	-	-	(857,760)
Creditors due in more than one year	(267,278)	-	-	(267,278)
Provisions for liabilities and charges	(5,594,000)	-	-	(5,594,000)
	<u>(5,455,116)</u>	<u>81,331,061</u>	<u>187,736</u>	<u>76,063,681</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	28,317,937	75,927,109
Adjustment for:		
Depreciation charges	988,034	309,453
Dividends, interest and rents from investments	(1,306)	(1,306)
Increase in debtors	(455,827)	(251,217)
Increase in creditors	492,558	1,063,830
LGPS adjustment	1,829,000	5,546,000
Donated assets	(30,470,950)	(59,977,739)
Net cash provided by operating activities	<u>699,446</u>	<u>22,616,130</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	1,814,870	1,151,504
Total	<u>1,814,870</u>	<u>1,151,504</u>

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

21. CONVERSION TO AN ACADEMY TRUST

On 1 May 2018 Hungerford School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Bridge London Trust Limited from Islington Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities incorporating Income and Expenditure Account as Donations - transfer from Local Authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account.

	Restricted funds £	Restricted fixed asset funds £	Unrestricted funds £	Total funds £
Tangible fixed assets				
- Freehold/leasehold land and buildings	-	30,463,000	-	30,463,000
- Other tangible fixed assets	-	7,950	-	7,950
Other assets	-	-	169,690	169,690
LGPS pension surplus/(deficit)	-	(1,305,000)	-	(1,305,000)
Net assets/(liabilities)	-	29,165,950	169,690	29,335,640

The above net assets include £169,690 that is the estimated amount of cash to be transferred.

22. MEMBERS' LIABILITY

Each Member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

23. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Islington. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £115,052 were payable to the schemes at 31 August 2018 (2017 - 71,749) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors.

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £370,341 (2017 - £111,583).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Director-administered funds. The total contribution made for the period ended 31 August 2018 was £644,000 (2017 - £158,000), of which employer's contributions totalled £483,000 (2017 - £107,000) and employees' contributions totalled £161,000 (2017 - £51,000). The agreed contribution rates for future years are 15.8% for employers and 5.5% - 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.90 %	2.50 %
Rate of increase in salaries	3.70 %	3.70 %
Rate of increase for pensions in payment / inflation	2.30 %	2.20 %
Inflation assumption (CPI)	2.20 %	2.20 %

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2018	2017
Retiring today		
Males	23.0	22.9
Females	26.2	26.1
Retiring in 20 years		
Males	25.2	25.1
Females	28.5	28.4

As at the 31 August 2018 the Trust had a pension liability of £6,795,000 (2017 - £5,594,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined benefit obligation in the following way:

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(205,000)	(156,000)
Discount rate -0.1%	205,000	156,000
Mortality assumption - 1 year increase	134,000	102,000
Mortality assumption - 1 year decrease	(134,000)	(102,000)
CPI rate +0.1%	210,000	160,000
CPI rate -0.1%	(210,000)	(160,000)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	542,000	135,000
Other bonds	163,000	45,000
Cash/liquidity	-	-
Property	152,000	33,000
Cash and other liquid assets	4,000	2,000
Other	90,000	23,000
Total market value of assets	951,000	238,000

The actual return on scheme assets was £35,000 (2017 - £10,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(842,000)	(278,000)
Interest income	(145,000)	(46,000)
Interest cost	(2,000)	(1,000)
Total	(989,000)	(325,000)

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2018

23. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening defined benefit obligation	5,832,000	85,000
Upon conversion	1,305,000	5,322,000
Current service cost	842,000	278,000
Interest cost	162,000	49,000
Employee contributions	161,000	51,000
Actuarial (gains)/losses	(540,000)	47,000
Benefits paid	(16,000)	-
Closing defined benefit obligation	7,746,000	5,832,000

Movements in the fair value of the Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	238,000	42,000
Interest income	15,000	2,000
Actuarial losses	88,000	42,000
Employer contributions	483,000	107,000
Employee contributions	161,000	51,000
Benefits paid	(16,000)	(6,000)
Admin expenses	(18,000)	-
Closing fair value of scheme assets	951,000	238,000

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which Directors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Any transactions where the Director has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

During the year ended 31 August 2018, recharges totalling £38,563 (2017 - £22,534) were charged to The Bridge Charity, of which P Barratt is also a Director. The amount owed to the Trust at the year end was £Nil (2017 - £13,007).

During the year ended 31 August 2018 the Bridge School London was part of the Trust and therefore, recharges did not qualify as related party transactions. In the period to May 2017 these totalled £99,188. J Skeritt, H Rayfield and P Barratt are Governors of the school and members of the Trust. Transactions took place at cost and were conducted in accordance with the Academies Financial handbook

During the year, Carter Backer Winter LLP, a limited liability partnership in which Thomas Adcock, a Director of the Trust is a partner, have provided periodic reviews of systems and controls on a pro bono basis as part of their corporate social responsibility. The value of this donation in kind could not be reliably estimated and therefore has not been recognised as income and expenditure in the financial statements

During the year ended 31 August 2018 the Trust was invoiced for services totalling £4,000 via Tigermarque, a company in which S Hesketh (a trustee) has an interest. The Trust made the purchase at arm's length and in entering into the transaction the Trust has complied with the requirements of the Academies Financial Handbook 2017. The element above £2,500 has been provided at 'no more than cost.'

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2018**

25. MEMBERS' LIABILITY

Each member of the Charitable Company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

26. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Agreed Funding Allocations	51,000		-	
School Direct	20,845		19,445	
TOTAL DIRECT INCOME	<u>71,845</u>		<u>19,445</u>	
OTHER INCOME				
Core Programmes	39,570		5,150	
Bespoke Training	9,885		2,900	
Licensed Training	49,936		29,822	
Consultancy	15,615		8,400	
Conference Hire	22,469		8,452	
AET Resources - Income	6,048		8	
Fund Raising Income	17,366		-	
Governor services	34,842		-	
TOTAL OTHER INCOME	<u>195,731</u>		<u>54,732</u>	
TOTAL INCOME		267,576		74,177
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	256,304		-	
Staff development	8,847		14,879	
Other direct costs	18,781		10,506	
TOTAL DIRECT EXPENDITURE	<u>283,932</u>		<u>25,385</u>	
OTHER EXPENDITURE				
Support staff costs	5,509		181	
Other support costs	10,448		7,533	
TOTAL OTHER EXPENDITURE	<u>15,957</u>		<u>7,714</u>	
TOTAL EXPENDITURE		299,889		33,099
(DEFICIT) / SURPLUS FROM ALL SOURCES		<u>(32,313)</u>		<u>41,078</u>
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		41,078		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		<u><u>8,765</u></u>		<u><u>41,078</u></u>