

Company registration number: 05589479

Charity registration number: 1120354

South West Grid for Learning Trust

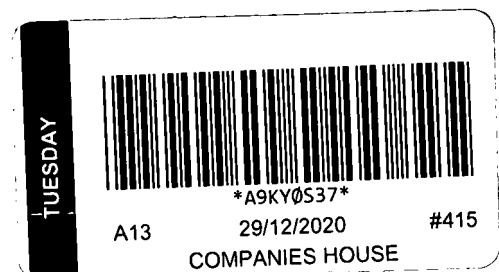
(A company limited by share capital)

Annual Report and Financial Statements

for the Year Ended 31 March 2020



Thompson Jenner LLP
Statutory Auditors
28 Alexandra Terrace
Exmouth
Devon
EX8 1BD



South West Grid for Learning Trust

Contents

Reference and Administrative Details	1
Trustees' Report	2 to 14
Statement of Trustees' Responsibilities	15
Independent Auditors' Report	16 to 18
Statement of Financial Activities	19 to 20
Balance Sheet	21
Statement of Cash Flows	22
Notes of the Financial Statements	23 to 44

South West Grid for Learning Trust

Reference and Administrative Details

Trustees	R Bond A C Coghlan P Fletcher N Goddard (resigned 4 February 2020) C McDonald P D Nathan (resigned 21 August 2019) S Smith S P Taylor S Wainwright A E Brittan J Briscoombe
Secretary	R Bond
Principal Office	Belvedere House Woodwater Park Pynes Hill Exeter EX2 5WS The charity is incorporated in England and Wales.
Company Registration Number	05589479
Charity Registration Number	1120354
Solicitors	Shoosmiths LLP West One 114 Wellington Street Leeds LS1 1BA
Bankers	Lloyds TSB Bank Plc 234 High Street Exeter Devon EX4 3ZB
Auditor	Thompson Jenner LLP Statutory Auditors 28 Alexandra Terrace Exmouth Devon EX8 1BD

South West Grid for Learning Trust

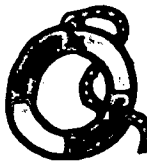
Trustees' Report for the Year Ended 31 March 2020

The Trustees present their report and the financial statements for the year ended 31 March 2020. The Trustees, who are also directors for the purposes of company law, who served during the year and up to the date of this report are set out on page 1 of the accounts. This report details the activities undertaken by the South West Grid for Learning (the Trust) team over the course of the year in the delivery of the key objectives contained within the business plan.

The Schools Internet Service (SIS), historically a key activity of the Trust, continues to progress the new arrangements created with RM Education, the incumbent provider of the technical SIS solution, to help facilitate further operational and commercial innovation within the service and allow the Trust to focus greater energy in online safety and security.



SWGfL Online Safety and Security activities continued to progress with a number of highlights during the year:-



Acted on behalf of the United Nations ITU to support the production of Child Online Protection guidelines and their implementation for the Government of Ukraine

360 degree safe passed 14,000 registered schools, and over 350 schools have now achieved the Online Safety Mark accreditation.

Safer Internet Day 2020 reached 50% of UK children with events at Liverpool and Everton football clubs, and unprecedented media coverage.

Provision of Sophos security software, as part of the Trust's new focus on security and based on the existing aggregated purchasing arrangement has passed 330,000 licences, saving schools an estimated £1 million and helping to ensure that market-leading security solutions are available to schools at affordable prices.



Barefoot

The Trust's contract with BT to deliver the Barefoot Computing programme was renewed again for the financial year 2020/2021 and over 790 workshops were delivered covering more than 11,800 teachers.

Feedback from over 4,400 teachers who attended workshops showed that 98% of teachers intended to use the Barefoot resources, and that 95% felt more confident teaching Computer Science after the workshop.

A new more structured management team within BT has meant a new emphasis on Barefoot, aiming to reach 10 million children by 2025 as part of the BT's Skills for Tomorrow programme, which launched in September 2019.

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

Schools Internet Service

There continues to be in excess of 1000 schools throughout the region who are connected to the internet using the SIS, designed to provide best value with a range of Core Services, with safety and security for all school ages being of prime importance. This service delivery continued to be a major feature of the work of the team. A similar service continues to be available to the full range of groups working within Local Authorities on behalf of all children including youth centres, libraries and all establishments involving pupils relating to social care.

The need for additional bandwidth continues to grow within schools year on year, and effective teaching and learning and wider school operations become more and more closely linked to fit-for-purpose technology, the suitability of an internet service, combining not only the right level of performance at an affordable price, but also the support, safety, security and contractual provisions required, becomes increasingly important.

The working relationship with RM Education continued to evolve during the year, and regular reviews throughout the year have shown the work done in improving the quality and reliability of the service, and introduction of new connectivity products, has been successful.

"Working with SWGfL provides the Trust with a single point of contact, they understand our schools and the problems we face."

Carol Chapman - Chief Operating Officer First Federation

The SIS customer base has again remained stable throughout the year, despite the continued increase of marketplace competition and ever increasing pressure on school budgets.

Service Developments

The RM SafetyNet filtering platform has continued to meet the requirements set out by the Department for Education ([Keeping Children Safe in Education](#)) and the needs of schools.

The Trust continues to work on the Assisted Monitoring Service (AMS), designed to assist schools with the monitoring of user activity within their setting and detect and advise on any serious issues.

Future Plans

With an ever changing marketplace, the Trust's aims continue to be ensuring that schools are given the best possible service and that investment is made to take advantage of new developments and opportunities that benefit schools.

Work continues to be done on working closer with RM as well as the ongoing migration of SIS to direct relationships with RM with the key aspects of the service changing to include:

- Contractual arrangements: after migration, school contracts will be directly with RM, rather than with the Trust;
- Invoicing processes: rather than being invoiced for the SIS Core Service by the Trust and for Optional Services by RM, schools will be invoiced for both by RM.
- Customer Services: whilst RM have always provided the technical elements of SIS (including the Service Desk), the Trust has undertaken the customer services and account management. After migration, RM will undertake these elements.
- Safety and security: the filtering, firewall and other technical safety and security features offered will remain. The Trust continues to offer an exciting new range of security and data protection products, services, tools and resources.

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

Partnership and Engagement

Significant effort has been invested in maintaining and creating new partnerships for SWGfL. Most notably new partnerships with Roblox and TikTok resulted in new and exciting resources. Existing partnership connections have been maintained that have led to new resource developments.

Work with international partners has been continuing, noting the ITU cooperation with different governments of Europe and writing bids with international partners. Committed work has continued in the INSAFE community which is still going strong. Work with national partners and NGO's as well as continual representation on various conferences, either as speakers or attendees was also undertaken. Two colleagues have become members of the IEEE P7004 working group, developing international standards for Child and Student Data Governance. SWGfL has been represented on IGF in Berlin, SIF in Brussels as well as many other conferences, with great success promoting the work of UKSIC and SWGfL.

SWGfL podcast has been launched and is now in Season 2, with ten tracks and over 600 listens across them. A great array of new, valuable content, resources and guidance has been published to the SWGfL website. Engaging with the local community of educational professionals was found to be important. "Loop" sessions were organised with the goal of reaching out to the local community, which had a good attendance in Plymouth and our offices in Exeter.

Increasing engagement with some of our already developed tools and services, as well as developing additional content to help users, is going to be the task of team Elevate. First on the list is the tool Whisper.

Work has continued on maintaining good relationships with media which saw mentions and articles in BBC, Education technology, PTE+ and other online publications.

Social media has seen a steady rise in numbers of followers and the audience size has increased significantly from last year.

Education Services

Following the introduction of the new Computing curriculum in England in 2014, teachers continue to struggle with confidence in this subject area, particularly with coding and programming. There continues to be huge appetite for support in these areas.

Barefoot Computing

The Trust's responsibility is to manage and deliver the Barefoot workshops in schools. These are free after-school workshops delivered by a network of over 1,200 trained volunteers (over 850 from BT). The volunteer delivers a 90minute introductory session to the Barefoot resources and website, to all of the teaching staff within the primary school. The Trust also trains and manages all volunteers and manages the new programming workshop facilitation.

Barefoot

During the year 790 workshops were delivered to over 11,800 teachers. Feedback from over 4,400 teachers who attended a workshop in the last year indicated that:

- 98% of teachers intended to use the Barefoot resources; and
- 95% of teachers reported their confidence in teaching Computer Science had increased.

Alongside the delivery of workshops, this year the Trust has also focused on:

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

- The launch of four new resources since March 2019, Pizza party in June, Code cracking in September, Data dash and Colourful kits in February this year.
- Updating all of the resources available on the website
- Managing the translation of all of our remaining resources into Welsh. All new resources released will be translated as part of this process, as part of an agreement with Welsh Government. The team have the ability to edit the resources, proof read and upload to the website.
- Updating and redesigning the first computational thinking workshop to make it more user friendly. We have also retrained volunteers on how to deliver this.
- Updating all of the internal processes; and have created a whole new area on the Google Drive for the Programming workshop, allowing Ambassadors access to training materials.
- Creating a secure area in SWGfL where we hold all of the resources from Barefoot for BT.
- Working more closely with an external web development agency on the Barefoot website, which launched in January 2019, including new areas to the custom CRM within the site.

National College of Computing in Education (NCCE)

The roll-out of the next Barefoot programming workshop has been very successful in its first year. This was launched via the CAS network of English Ambassadors in July 2019 at the BT tower. The Ambassadors are either practicing teachers or leaders of Computing within Primary Education.

The workshop introduces the three key skills of selection, sequence and repetition when programming with Scratch and lasts for about an hour. It is being delivered through our CAS network of Ambassadors, and we have trained over 100 to run these. The funding for this has been provided by the NCCE who have partnered with BT.

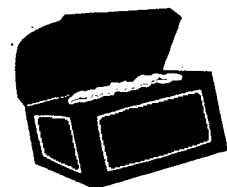
The Trust is heavily involved in all processes around the rollout of this workshop, including helping to build a section on the CRM for Ambassadors, and providing training and support to help Ambassadors fulfil their role. One member of the team works solely on this side of the project, utilising her teaching background.

Over the last year the trust has been working very closely with CAS, BCS and NCCE and continue to have regular engagement with them.

In October 2019, one of our top volunteers who's delivered 87 workshops' for Barefoot, helped a group of children to live stream computer code to the largest screen in Europe, the Piccadilly lights in London. This one-day event won bronze for an Outdoor Media Award for 'Installation and Experience'

Online Resources

The Trust also continues to directly support a small range of online learning resources, including Swiggle, a search engine aimed at Key Stage 2 learners (aged 7-11). Swiggle provides a safer searching platform for young users, and incorporates a range of innovative features. It is free to use, and free of advertising.



Online Safety Services

The Trust's online safety activities and successes during the year included some significant highlights, seeing the reputation and expertise drawn upon both nationally and internationally to provide advice, guidance and resource to a wide range of organisations, and some innovative service releases. Notable landmarks over the last year have been:

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

- Self Review: 360 degree safe marked its 10th birthday by publishing a landmark report reflecting on a decade of online safety in UK schools;
- Child Online Protection Report, authored on behalf of the United Nations ITU, for the Government of Ukraine together with a report summarising the child online protection measures in South East European countries; and
- Safer Internet Day reached 3 million children (49%) children in the UK and 26% of parents. 19% of these children went on to speak to someone about something that had been worrying them online.



Strategic Work

The Trust has continued to support Government departments including Department for Education; Department for Digital, Culture, Media and Sport; Home Office; as well as the Scottish and Welsh Governments. This support spanned both policy and awareness activities. The Trust continues to organise and support the safeguarding teams across the four national governments, enabling sharing and collaboration of strategy and policy. The Trust's work in support of the Welsh Government focused on 360Cymru as well as content for the Hwb online safety area, both in line with their published Action Plan.

The Trust continued its support of the United Nations International Telecommunications Union (ITU) in their Child Online Protection Initiative. This involved working with the Ukraine Government and their stakeholders in producing a National Assessment and Strategy Report. A further report was commissioned by the ITU to summarise the child online protection activities across South East European countries. Additionally, the Trust was invited to lead the revision of its global Child Online Protection guidelines for policymakers.

Online Safety Tools and services

The Trust's award winning online safety tools, apps, services and resources were updated during 2019. Most notably a brand new version of Whisper® was released, adding anonymous messaging support to the already successful anonymous reporting mechanism. Whisper® was made available as a discrete service for the first time

Over this period, the Trust delivered 159 training sessions to a total of 7270 children, 1977 staff and 1062 parents

360 degree safe

In November 2019, 360 degree safe marked its tenth anniversary. The usual annual assessment report highlighting school online safety policy and practice that draws on the 14,000 schools using the system, recognised this landmark with a reflection back over the last decade. Authored by Prof Andy Phippen, the report looked back on the last 10 years charting the progress made across all schools as well as continuing to highlight the strengths and weaknesses of schools today. A major update project was initiated to introduce new features as well as refine the structure and content.

The Trust was commissioned to significantly upgrade the UAE Aqdar eSafe school programme, developing new features to coincide with the programme being rolled out to all UAE schools. In addition the Trust was commissioned to design and develop the content for eSafe Home; tools and information to support families in the UAE

SELMA

The Trust, alongside its European partners, completed the two year SELMA project in October 2019. The project that promoted tolerance and mutual understanding and respect within and between diverse

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

communities. It did this through a holistic empowerment approach that tackled (online) hatred among young people, not only in schools but also in out-of-school context that impact on well-being.

Revenge Porn Helpline

The Helpline continues to see a steady rise in cases with 2019/20 seeing a 34% increase on 2018/19 and the removal of 25,400 images (with a current total of 59,000 removed). The Helpline continues to play an important role globally in the work of stopping the spread of non-consensual content while supporting victims in the UK, with Sophie Mortimer, manager of the Helpline, attending Facebook's Global Safety and Well-being Summit in New York in May 2019 and the International Conference on Supporting Victims of Online Sex Crimes hosted by the Women's Human Rights Institute of Korea in Seoul.

UK Safer Internet Centre

Online safety continues to attract a high priority in the media and politics. February 2019 saw the publication, by the Department for Digital, Culture, Media and Sport and Home Office, of the latest Government's response to Online Harms White Paper. UK Safer Internet Centre was widely referenced in the strategy and continues to actively engage with government, having met and briefed a number of Ministers over the last twelve months.

UK Safer Internet Centre is a partnership between SWGfL, Childnet and IWF, first launched in 2011, co funded by the European Commission, it is now in its fifth phase with the aim to make the Internet a great place.



For the Trust, this involves operating the Professionals Online Safety Helpline as well as delivering resources, content and training. In the year the Trust completed a 63 'Online Safety Live' briefing sessions across the UK, welcoming 3,214 delegates with 98% 'feeling better equipped to protect children users and their

organisation'. This brings the total of briefing events to 471 since 2013 and the delegates totalling 21,496.

The important definitions of 'appropriate filtering' and appropriate monitoring', first published in 2016, received an update in 2019 together with refined responses from many of the filtering and monitoring providers operating across the UK.

The Professionals Online Safety Helpline managed 655 cases, across 1,448 contacts.

The UK safer Internet Centre was invited to address presentations and conferences in a number of European countries as well as at the British Council conference in Cairo, Facebook's Global Safety and Wellbeing Summit in New York and the International Conference on Image Based Sexual Abuse hosted by the Advocacy Center for Online Sexual Abuse Victims (Women's Human Rights Institute for Korea) in Seoul.



The Trust also formally released the 'Reporting Harmful Content' national reporting hub in December 2019 at an event in London. The service supports those victims of legal but harmful online content, providing guidance as to reporting content and independent mediation

for any complaints.

Information Security and Data Protection Services

The increasing requirements for organisations to ensure appropriate security measures are in place to protect their systems and data from threats, and comply with applicable legislation, create opportunities for the Trust to provide a range of valuable services.

Often service users consider these issues alongside online safety, and the Trust can therefore capitalise on the quality, reputation and success of online safety services in providing this new catalogue.

Including (i) advice and guidance for services users; (ii) a range of professional services; (iii) a collection of security products; and (iv) managed services (for service users who need additional support in using the security products), the catalogue of services is intended to address a wide range of security and data protection requirements.

Advice and Guidance

Work commenced in the latter stages of the year to create and provide advice and guidance on different aspects of security and data protection, via the Trust's website.

Professional Services

This area will grow to include a range of services, and during the year pilot work began with an Academy Trust to design and deliver an in-depth information security review, identify strengths and weaknesses, and create a work plan to assist the Academy Trust in improving their security posture.

Security Products

The provision of the existing security software continued to be a focus during the year, with a significant number of schools choosing to benefit from significant savings in respect of Sophos security products. Over 330,000 licences have now been provided through this aggregated scheme.

The Trust will continue to work on this, with plans for a new security product range from TrendMicro, Data Protection Officer services and exploration of a new security self-review tool already forecast.

Customer Experience and Engagement

Development of our applications has continued apace this year, to facilitate major development pieces such as the revamp of 360 degree safe and eSafe Schools, with a particular focus on reporting on aggregated data. Our internal capability in the area has greatly increased and we now have a platform to roll out more sophisticated reporting across a range of products and services in the coming year.

This will support our continued transformation into a more data driven organisation, and open up new opportunities through our ability to lead the way in discovering trends and meeting emerging needs. As well as having more data to hand to steer our own performance, it will better place us as a leading organisation to industry and governments with "state of the nation" datasets and reports.

Our engagement and capability with web service delivery tracking software such as Google Analytics has improved across the year, with this data being used across the board in planning and development conversations. Greater usage of this data in improving customer engagement, conversion, and retention will be a focus of this year.

We have also been working towards a more unified customer experience, with customers now able to access a number of products and services through the provision of an account on the SWGfL website,

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

and we continue to work towards managing customers as “grid customers” as opposed to them being siloed within a particular product. We still have much work to do to be able to have a unified view of our customers across all the products and services we provide, but we have made big steps towards this goal.

The new website we delivered last year has enabled us to see everything we do in one place which has helped us organise and leverage more value out of our content. This shows in the data as we have seen a 49% increase in users, and a 71% increase in page views.

Across our entire estate of websites, users are up 31%, and page views up 46%. We served 5 million pages overall, and 78% of these page views were for Swiggle, which continues to gain significant usage since its revamp just over a year ago (Users up 26% and page views up 44%).

Whilst some of these gains are signs of the shift to digital, our work in streamlining and optimising our digital estate, along with increased usage of performance data, shows we have made progress. The responsiveness of the digital team combined with the creativity of the wider team has enabled us to stand up new services such as Report Harmful Content and Project Evolve which have been a significant part of the numbers above. The team at the Trust is dedicated to supporting the advancement of education through the use of technology; and committed to ensuring that the services provided not only meet the needs of users now but continue to improve and evolve to meet requirements in the future.

The overall communications strategy has continued to evolve, and ongoing work to provide different user groups with useful and important information has been successful.

The team at the Trust is dedicated to supporting the advancement of education through the use of technology; and committed to ensuring that the services provided not only meet the needs of users now but continue to improve and evolve to meet requirements in the future.

The overall communications strategy has continued to evolve, and ongoing work to provide different user groups with useful and important information has been successful.

Website

A significant project to overhaul the website commenced in the latter stages of the year, intended to make the Trust's broad range of services easier to discover, understand and use. The website saw over 134,997 new users during the year (an increase of 8.09%), and the focus for the year ahead will be to create even more engaging and relevant content to help users learn more about what the Trust can do to assist them.

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

Stakeholder Engagement

Through a range of approaches, including digital and in-person, stakeholders and service users have received updates in respect of changes to products, services, legislation and technology. Monthly newsletters provide a range of information, and their effectiveness is monitored closely by the team at the Trust.

Direct engagement with current and prospective users, as well as partners and other agencies, continues to strengthen the relationships the Trust has with organisations around the region and the UK.

Structure, Governance and Management

Legal Status

The South West Grid for Learning Trust was incorporated on 11 October 2005 as a company limited by guarantee and is governed through the Memorandum & Articles of Association. The Trust commenced its activities on 1 December 2006 after the completion of a successful transfer from the previous consortium and was successfully registered as a charity with the Charity Commission in 2006. The Trustees consider it appropriate to prepare accounts in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Organisation Structure

The Trustee Board is in place to govern and steer the work of the Trust. Representation on the Board has been considered throughout the year alongside the Trust's constitution. The Finance and Audit Sub-Committee continues to effectively support the full Trustee Board in reviewing and scrutinising financial performance and operations.

The Chief Executive Officer continues to provide overall leadership and direction for the charity, alongside the Senior Management Team through the creation and embedding of a clear long term strategy.

The Trust holds an annual general meeting in addition to other board meetings. Not more than 15 months elapses between the date of one annual general meeting of The Trust and that of the next.

Objectives

The strategic plan clearly sets out the key objectives and actions identified to be undertaken by the team over the coming years. Building on the current successes is a central feature of the plan, along with the aim to continue to advance education, safety and security through the services offered to schools and the wider learning community.

The Trust is a charity dedicated to empowering the safe and secure use of technology through innovative services, tools, content and policy, nationally and globally. The Trust's vision is for everyone to be able to benefit from technology, free from harm.

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

The key objectives for the year ahead are:

1. To continue to provide education and training, alongside raising public awareness of such services available;
2. Build on the innovative services, tools and products portfolio provided;
3. Conduct and publish leading edge research into online threats and harms;
4. Work in partnership and collaborate with stakeholders nationally and internationally; and
5. Provide direct help and support by responding to calls, alerts and notifications of online situations.

The delivery of services that are beneficial to a wide range of users, organisations, groups, individuals and stakeholders, in order to generate revenue and meet charitable objectives, will continue to drive and shape these objectives for the future.

Risk Management

The Trust has implemented and continues to review the risk management processes in place. In the context of the changing landscape and market, the Trust has identified that medium to long term risks require greater analysis and mitigation and consequently a suitable methodology has been put in place.

National Representation

The Trust also continues to be both represented and influential at national level, attending the National Education Network (NEN) Managers group, and chairing the NEN Technical Strategy and Safeguarding groups.

How Activities Deliver Public Benefit

The Trustees confirm that they have complied with their duty in section 17(5) of the 2011 Charities Act to have due regard to the guidance on public benefit published by the Charities Commission.

The overriding vision and purpose of the Trust is 'the advancement of education and/or the advancement of health and the saving of lives, in each case for solely charitable purposes by any means through or otherwise relating to the effective and/or safe use of information and communication technologies (including but not limited to the provision of broadband connectivity; e-Learning facilities; education materials; information and knowhow on the effective use of information and communication technologies by educational establishments; information and knowhow relating to e-Safety issues and relating to information and communication technologies.'

In delivering that vision, the Trust has continued throughout the 2019/20 financial year to:

- Maintain and where appropriate, enhance a managed service of broadband connectivity and associated services;
- Provide a range of quality online tools and resources and the opportunity to access learning materials through the NEN for learners in the region;
- Provide a range of quality advice and supporting tools and services to enables learners and other stakeholders to use the Internet safely;
- Deliver in partnership with member Local Authorities a core entitlement to all learners across the region; and
- Procure services on behalf of Local Authorities and schools that will demonstrate best value.

The opportunity to access the same services is made available to the full range of groups working within member Local Authorities on behalf of all children. These include youth centres, libraries and all establishments involving pupils relating to social care.

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

Financial Review

The finance systems have continued to evolve over the year and processes and procedures in relation to financial accounting in various areas were enhanced to improve the quality of financial processing.

This includes the upgrading of the Trust finance system which is now in place, plus continued efforts to improve internal reporting on key factors (including debtors and cash flow forecasting) have resulted in improved business processes.

Financial Results

The results for the year and the Trust financial position at the end of the year are shown in the attached financial statements which show that as at 31 March 2020 the Trust had net assets of £1,150,708.

The major part of the Trust's income is still derived from Schools Internet Services provided to Local Authorities and directly to schools. In managing its finances, the Trust aims to achieve best value in all areas of expenditure and works hard to minimise its operational costs and maximise its income from alternative services in order to ensure best value for schools.

An appropriate expenditure and procurement policy is in place to ensure future expenditure continues to represent value, and this policy will be reviewed and updated as required.

Reserves Policy

The Trust seeks to maintain a level of reserves which is consistent with its responsibilities and liabilities as an employer and to provide a resource to manage future risk in regard to changes in the operating environment.

In order to protect long term sustainability, the Trust also considers any provision required to enable it to cover working capital demands and other significant expenditure so that it can continue to deliver its charitable objectives.

The Trustees assess the appropriateness of this reserves policy on a regular basis to ensure that changes to the operating environment and their impact are incorporated into the reserves so that the Trust can continue to provide its charitable objectives for the future. Previously, in order to meet this reserve objective, a fund of £1 million to £1.2 million has been calculated as sufficient. The attached financial statements show an unrestricted reserve of £1,043,900 which is considered to be reasonable and consistent with the Trust's objectives and reserves policy.

Investment Policy

Funds held by the Trust are held with banks in short term deposits which offer reasonable rates of interest and which comply with the credit rating policy adopted by the Trustees.

Financial Risk Management Objectives and Policies

The charity's principal financial instruments comprise the bank balance, trade creditors, deferred income and trade debtors. The main purpose of these instruments is to raise funds for the charity's charitable objectives.

South West Grid for Learning Trust

Trustees' Report for the Year Ended 31 March 2020

Price Risk, Credit Risk, Liquidity Risk and Cash Flow Risk

Funding received in foreign currencies is subject to a price risk management policy through the use of FOREX mechanisms.

Trade debtors are managed in respect of credit and cash flow by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditor liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

As a responsible employer the Trust keeps its pension obligations and liabilities under review. During the year 2012 / 2013 the Trust took the reluctant but necessary step of closing membership of the Avon Local Government Pension Scheme to new members in order to reduce its future exposure to the potential of increased and increasing pension deficits. The actuarial valuation has had a significant impact on the Trust's balance sheet and whilst there has been minimal change to the deficit recovery plan agreed previously, this remains a significant risk. As a result, SWGfL continues to monitor its liability under the Avon Pension Scheme for those staff and former staff involved in the scheme. We are reviewing, with advice, our continued involvement in the scheme and alternatives in order to try and limit the Trusts exposure to the unpredictability of the financial markets. This work will be ongoing over the next twelve months.

An alternative money purchase pension scheme has been implemented for new employees with employer contributions capped at 7.5%. This scheme is understood to be compliant with auto enrolment requirements.

Conclusions

Over the last twelve months the Trust has continued to deliver its charitable objectives in an environment of continued pressure on local authorities, schools and the wider public sector.

Ongoing successes with projects regionally, nationally and internationally demonstrate the skill and expertise of the team.

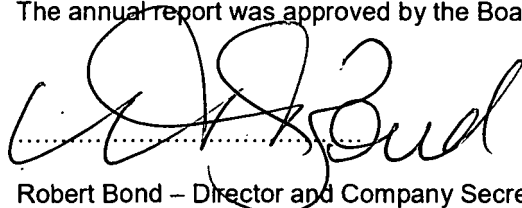
The Trust has continued to drive improvements within each of the business units, culminating in good customer service as well as the introduction of new products and services and in contractual service delivery.

The Trust has delivered good financial performance for the year, capitalising on new opportunities as well as existing charity activity to maintain positive levels of income whilst controlling expenditure and improving the processes for managing the key financial aspects of the operation of the Trust, resulting in a healthy balance sheet.

The control over the running costs reflects an ongoing need to ensure all services delivered by the Trust are highly cost effective, but has also increased pressures and demands on the team.

It is pleasing to note that, despite these pressures, the team have remained focussed, committed and motivated to ensure the continued success of the Trust. They are to be congratulated for their efforts.

The annual report was approved by the Board on 3/12/20 and signed on its behalf by:



Robert Bond – Director and Company Secretary

South West Grid for Learning Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of South West Grid for Learning Trust for the purposes of company law) are responsible for preparing the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 trustees are required to:

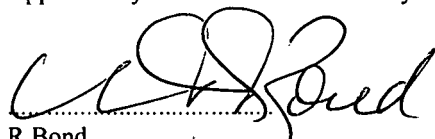
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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.

Disclosure of information to auditor

Each trustee has taken steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information. The trustees confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the trustees of the charity on 3/12/20 and signed on its behalf by:



R Bond
Company Secretary and Trustee

South West Grid for Learning Trust

Independent Auditor's Report to the Members of South West Grid for Learning Trust

Opinion

We have audited the financial statements of South West Grid for Learning Trust (the 'charity') for the year ended 31 March 2020, which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is United Kingdom Accounting Standards, comprising Charities SORP - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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 trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

South West Grid for Learning Trust

Independent Auditor's Report to the Members of South West Grid for Learning Trust

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees report.

We have nothing to report in respect of the following matters where 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 trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 12], the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the charity's internal control.

South West Grid for Learning Trust

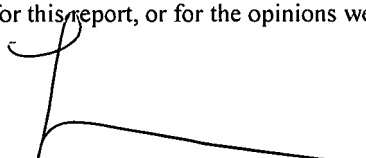
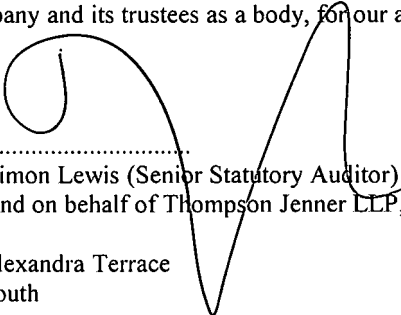
Independent Auditor's Report to the Members of South West Grid for Learning Trust

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the charity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the charity audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's trustees, 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 charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Mr Simon Lewis (Senior Statutory Auditor)
For and on behalf of Thompson Jenner LLP, Statutory Auditor

28 Alexandra Terrace
Exmouth
Devon
EX8 1BD

Date: 16/12/20.....

South West Grid for Learning Trust

Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
Income and Endowments from:				
Charitable activities	2	4,545,588	444,321	4,989,909
Investment income	3	<u>13,191</u>	<u>-</u>	<u>13,191</u>
Total income		<u>4,558,779</u>	<u>444,321</u>	<u>5,003,100</u>
Expenditure on:				
Charitable activities	4	<u>(4,369,910)</u>	<u>(725,998)</u>	<u>(5,095,908)</u>
Total expenditure		<u>(4,369,910)</u>	<u>(725,998)</u>	<u>(5,095,908)</u>
Net income/(expenditure)		188,869	(281,677)	(92,808)
Transfers between funds		(337,486)	337,486	-
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes		<u>(14,000)</u>	<u>-</u>	<u>(14,000)</u>
Net movement in funds		(162,617)	55,809	(106,808)
Reconciliation of funds				
Total funds brought forward		<u>1,206,517</u>	<u>(55,809)</u>	<u>1,150,708</u>
Total funds carried forward	20	<u><u>1,043,900</u></u>	<u><u>-</u></u>	<u><u>1,043,900</u></u>

South West Grid for Learning Trust

Statement of Financial Activities for the Year Ended 31 March 2020 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

Comparative Statement of Financial Activities for the Year Ended 31 March 2019

	Note	Unrestricted funds £	Restricted funds £	Total 2019 £
Income and Endowments from:				
Charitable activities	2	5,217,491	328,019	5,545,510
Investment income	3	11,694	-	11,694
Total income		<u>5,229,185</u>	<u>328,019</u>	<u>5,557,204</u>
Expenditure on:				
Charitable activities	4	<u>(4,934,637)</u>	<u>(658,013)</u>	<u>(5,592,650)</u>
Total expenditure		<u>(4,934,637)</u>	<u>(658,013)</u>	<u>(5,592,650)</u>
Net income/(expenditure)		294,548	(329,994)	(35,446)
Transfers between funds		(274,185)	274,185	-
Other recognised gains and losses				
Actuarial gains/(losses) on defined benefit pension schemes		<u>(134,000)</u>	<u>-</u>	<u>(134,000)</u>
Net movement in funds		(113,637)	(55,809)	(169,446)
Reconciliation of funds				
Total funds brought forward		<u>1,320,154</u>	<u>-</u>	<u>1,320,154</u>
Total funds carried forward	20	<u>1,206,517</u>	<u>(55,809)</u>	<u>1,150,708</u>

All of the charity's activities derive from continuing operations during the above two periods.

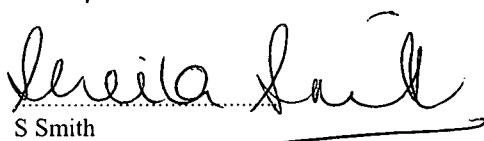
The funds breakdown for 2019 is shown in note 20.

South West Grid for Learning Trust

(Registration number: 05589479)
Balance Sheet as at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	11	9,523	12,251
Tangible assets	12	11,713	2,662
Investments	13	<u>1</u>	<u>1</u>
		<u>21,237</u>	<u>14,914</u>
Current assets			
Stocks	14	123,078	107,013
Debtors	15	926,286	1,121,197
Cash at bank and in hand		<u>2,526,250</u>	<u>2,050,337</u>
		3,575,614	3,278,547
Creditors: Amounts falling due within one year	16	<u>(1,445,951)</u>	<u>(1,118,753)</u>
Net current assets		<u>2,129,663</u>	<u>2,159,794</u>
Net assets excluding pension liability		2,150,900	2,174,708
Pension scheme liability	18	<u>(1,107,000)</u>	<u>(1,024,000)</u>
Net assets including pension liability		<u>1,043,900</u>	<u>1,150,708</u>
Funds of the charity:			
Restricted funds		-	(55,809)
Unrestricted income funds			
Unrestricted funds		<u>1,043,900</u>	<u>1,206,517</u>
Total funds	20	<u>1,043,900</u>	<u>1,150,708</u>

The financial statements on pages 18 to 42 were approved by the trustees, and authorised for issue on 14/12/20 and signed on their behalf by:


S Smith
Trustee

South West Grid for Learning Trust

Statement of Cash Flows for the Year Ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash expenditure		(106,808)	(169,446)
Adjustments to cash flows from non-cash items			
Depreciation		7,159	2,813
Amortisation		2,728	1,389
Investment income	3	<u>(13,191)</u>	<u>(11,694)</u>
		(110,112)	(176,938)
Working capital adjustments			
(Increase)/decrease in stocks	14	(16,065)	78,502
Decrease in debtors	15	194,911	708,111
Increase/(decrease) in creditors	16	738,730	(197,673)
Increase/(decrease) in retirement benefit obligation net of actuarial changes	18	83,000	151,000
(Decrease)/increase in deferred income		<u>(411,532)</u>	<u>161,579</u>
Net cash flows from operating activities		<u>478,932</u>	<u>724,581</u>
Cash flows from investing activities			
Interest receivable and similar income	3	13,191	11,694
Purchase of intangible fixed assets	11	-	(13,640)
Purchase of tangible fixed assets	12	<u>(16,210)</u>	<u>(3,228)</u>
Net cash flows from investing activities		<u>(3,019)</u>	<u>(5,174)</u>
Net increase in cash and cash equivalents		475,913	719,407
Cash and cash equivalents at 1 April		<u>2,050,337</u>	<u>1,330,930</u>
Cash and cash equivalents at 31 March		<u><u>2,526,250</u></u>	<u><u>2,050,337</u></u>

All of the cash flows are derived from continuing operations during the above two periods.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

South West Grid for Learning Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The trustees have considered the impact of COVID-19 and do not consider it to have a material impact on the balances included within the financial statements.

In addition, the trustees do not consider it to cast any significant doubt upon the charity's ability to continue to trade as a going concern.

The trustees have taken both reactive and proactive measures in order to mitigate any risks associated with COVID-19 including managing cashflow to ensure that debts can be paid when they fall due, managing staffing levels and monitoring key customer and supplier activity.

The trustees have implemented a robust system of procedures and controls in order to deal with any associated risks.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing group accounts

The charity has taken advantage of the exemption in The Charities (Accounts and Reports) Regulations 2008 from the requirement to prepare consolidated financial statements, on the grounds that the inclusion of the subsidiary undertaking is not material for the purposes of giving a true and fair view.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Income and endowments

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition is met.

Deferred income

Deferred income represents amounts received for future periods and is released to incoming resources in the period for which, it has been received. Such income is only deferred when:

- The donor specifies that the grant or donation must only be used in future accounting periods; or
- The donor has imposed conditions which must be met before the Charity has unconditional entitlement.
- The income received from charitable activities relates to a future period

Investment income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

	2020	2019
E - Safety	36%	35%
UK Safer Internet Centre	10%	10%
Barefoot	21%	21%
Licencing	5%	5%
Schools Internet Service	23%	23%
SELMA	5%	5%
Cyber Discovery	0%	1%

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity 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 charity 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.

Intangible assets

Intangible assets are stated in the Balance Sheet at cost less accumulated amortisation and impairment. They are amortised on a straight line basis over their estimated useful lives.

Tangible fixed assets

Individual fixed assets costing £250.00 or more are initially recorded at cost.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Computer software	20% Straight line basis

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	33% Straight line basis

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the charity. All intra-group transactions, balances, income and expenses are eliminated on consolidation. In accordance with Section 35 of FRS 102, Section 19 of FRS 102 has not been applied in these financial statements in respect of business combinations effected prior to the date of transition.

Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the charity does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Foreign exchange

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in the statement of financial activities in the period in which they arise except for:

- 1) exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- 2) exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

Hire purchase and finance leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

Pensions and other post retirement obligations

The charity operates a defined benefit pension scheme. This scheme is now closed to new members as a defined benefit contribution scheme has been implemented for new members. The assets of the scheme are held separately from those of the charity in an independently administered fund.

Current service costs, past service costs and gains and losses on settlements and curtailments are charged to appropriate resources expended categories in the statement of financial activities. Past service costs are recognised over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs, the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss is recognised in the statement of financial activities during the period in which the settlement or curtailment occurs.

The interest cost and the expected return on assets are shown as a net amount as other finance costs or income. Net pension finance costs are allocated to appropriate resources expended categories in the statement of financial activities. Net pension finance income is recognised as an incoming resource in the statement of financial activities. Actuarial gains and losses are recognised immediately as other recognised gains and losses in the statement of financial activities.

Pension scheme assets are valued at fair value at the balance sheet date. Fair value is based on market price information and in the case of quoted securities is the published bid price. Pension scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted to their present value using a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The pension scheme deficit is recognised in full on the balance sheet.

The charity operates a defined contribution pension plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

2 Income from charitable activities

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General £	£	£	£
E-Safety	565,035	-	565,035	600,137
UK Safer Internet Centre	-	378,489	378,489	284,917
SELMA	-	65,832	65,832	43,102
Barefoot	347,323	-	347,323	336,550
Licencing	173,854	-	173,854	106,451
Schools Internet Service	3,458,786	-	3,458,786	4,105,421
Operational	590	-	590	16,000
Cyber discovery	-	-	-	52,932
	<u>4,545,588</u>	<u>444,321</u>	<u>4,989,909</u>	<u>5,545,510</u>

3 Investment income

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Interest receivable and similar income;			
Interest receivable on bank deposits	<u>13,191</u>	<u>13,191</u>	<u>11,694</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

4 Expenditure on charitable activities

	Unrestricted funds		Restricted funds	Total 2020	Total 2019
	General		funds		
	£		£	£	£
E-Safety	482,844		-	482,844	429,196
UK Safer Internet Centre	-		659,678	659,678	559,102
SELMA	-		66,320	66,320	98,911
Barefoot	331,050		-	331,050	292,779
Licencing	160,101		-	160,101	98,105
Schools Internet Service	3,395,915		-	3,395,915	4,107,457
Cyber discovery	-		-	-	7,100
	<u>4,369,910</u>		<u>725,998</u>	<u>5,095,908</u>	<u>5,592,650</u>

	Activity undertaken directly		Activity support costs	Total 2020	Total 2019
	£		£	£	£
E-Safety	325,471		157,373	482,844	429,195
UK Safer Internet Centre	616,520		43,158	659,678	559,103
Barefoot	239,503		91,547	331,050	292,779
Licencing	138,304		21,797	160,101	98,105
Schools Internet Service	3,295,651		100,264	3,395,915	4,107,457
SELMA	44,523		21,797	66,320	98,911
Cyber discovery	-		-	-	7,100
	<u>4,659,972</u>		<u>435,936</u>	<u>5,095,908</u>	<u>5,592,650</u>

Included in the expenditure analysed above are governance costs of £14,504 (2019 - £20,059) which relate directly to charitable activities. See note 5 for further details.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

5 Analysis of governance and support costs

Charitable activities expenditure

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	General £	£	£	£
Employment costs	210,038	36,775	246,813	202,059
Establishment costs	112,930	19,773	132,703	121,013
Legal and Professional	41,087	7,194	48,281	46,567
Travel and subsistence	629	110	739	1,281
Computer expenses	5,559	973	6,532	3,400
Advertising and promotion	739	129	868	320
	<u>370,982</u>	<u>64,954</u>	<u>435,936</u>	<u>374,640</u>

Governance costs

	Unrestricted funds	Total 2020	Total 2019
	General £	£	£
Audit fees			
Audit of the financial statements	11,500	11,500	11,500
Other fees paid to auditors	3,004	3,004	8,056
Legal fees	-	-	503
	<u>14,504</u>	<u>14,504</u>	<u>20,059</u>

6 Net incoming/outgoing resources

Net outgoing resources for the year include:

	2020 £	2019 £
Operating leases - other assets	76,297	79,317
Audit fees	11,500	11,500
Other non-audit services	7,816	12,867
Depreciation of fixed assets	7,159	2,813
Amortisation of software	<u>2,728</u>	<u>1,389</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

7 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any reimbursed expenses or any other benefits from the charity during the year.

8 Staff costs

The aggregate payroll costs were as follows:

	2020 £	2019 £
Staff costs during the year were:		
Wages and salaries	841,143	821,136
Social security costs	80,811	78,974
Pension costs	140,286	77,632
	<u>1,062,240</u>	<u>977,742</u>

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2020 No	2019 No
Administration	<u>32</u>	<u>32</u>

28 (2019 - 25) of the above employees participated in the Defined Contribution Pension Schemes.

3 (2019 - 3) of the above employees participated in the Defined Benefit Pension Schemes.

The number of employees whose emoluments fell within the following bands was:

	2020 No	2019 No
£60,001 - £70,000	<u>3</u>	<u>3</u>

The total employee benefits of the key management personnel of the charity were £267,945 (2019 - £263,149).

9 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>11,500</u>	<u>11,500</u>
Other fees to auditors		
All other non-audit services	<u>7,816</u>	<u>12,867</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

10 Taxation

The charity is a registered charity and is therefore exempt from taxation.

11 Intangible fixed assets

	Software £	Total £
Cost		
At 1 April 2019	13,640	13,640
At 31 March 2020	13,640	13,640
Amortisation		
At 1 April 2019	1,389	1,389
Charge for the year	2,728	2,728
At 31 March 2020	4,117	4,117
Net book value		
At 31 March 2020	9,523	9,523
At 31 March 2019	12,251	12,251

Amortisation of intangible fixed assets is included within expenditure on charitable activities.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

12 Tangible fixed assets

	Furniture and equipment £	Total £
Cost		
At 1 April 2019	95,612	95,612
Additions	<u>16,210</u>	<u>16,210</u>
At 31 March 2020	<u>111,822</u>	<u>111,822</u>
Depreciation		
At 1 April 2019	92,950	92,950
Charge for the year	<u>7,159</u>	<u>7,159</u>
At 31 March 2020	<u>100,109</u>	<u>100,109</u>
Net book value		
At 31 March 2020	<u>11,713</u>	<u>11,713</u>
At 31 March 2019	<u>2,662</u>	<u>2,662</u>

13 Fixed asset investments

	2020 £	2019 £
Shares in group undertakings and participating interests	<u>1</u>	<u>1</u>

Shares in group undertakings and participating interests

	Subsidiary undertakings £	Total £
Cost		
At 1 April 2019	<u>1</u>	<u>1</u>
At 31 March 2020	<u>1</u>	<u>1</u>
Net book value		
At 31 March 2020	<u>1</u>	<u>1</u>
At 31 March 2019	<u>1</u>	<u>1</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Details of undertakings

Details of the investments in which the charity holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Holding	Proportion of voting rights and shares held	Principal activity
Subsidiary undertakings			
Edtesa Limited	Ordinary	100%	Dormant

14 Stock

	2020 £	2019 £
Stocks	<u>123,078</u>	<u>107,013</u>

The cost of stock recognised as an expense in the year amounted to £138,304 (2019 - £79,373).

15 Debtors

	2020 £	2019 £
Trade debtors	370,431	244,314
Prepayments	433,904	579,253
Accrued income	37,010	188,034
VAT recoverable	74,258	109,561
Other debtors	<u>10,683</u>	<u>35</u>
	<u>926,286</u>	<u>1,121,197</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	800,414	60,092
Other creditors	150,639	152,405
Accruals	12,674	12,500
Deferred income	482,224	893,756
	<u>1,445,951</u>	<u>1,118,753</u>
	2020	2019
	£	£
Deferred income at 1 April 2019	893,756	732,177
Resources deferred in the period	235,934	601,571
Amounts released from previous periods	<u>(647,466)</u>	<u>(439,992)</u>
Deferred income at year end	<u>482,224</u>	<u>893,756</u>

17 Obligations under leases and hire purchase contracts

Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Land and buildings		
Within one year	38,915	56,790
Between one and five years	<u>127,617</u>	<u>14,198</u>
	<u>166,532</u>	<u>70,988</u>
Other		
Within one year	14,738	22,744
Between one and five years	<u>-</u>	<u>8,798</u>
	<u>14,738</u>	<u>31,542</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

18 Pension and other schemes

Defined contribution pension scheme

The Charity operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Charity to the scheme and amounted to £47,000 (2019 - £37,000).

Contributions totalling £6,000 (2019 - £6,000) were payable to the scheme at the end of the year and are included in creditors.

The defined contribution pension scheme liability and expense was allocated between charitable activities and restricted and unrestricted funds based on the activities performed by each individual member of staff.

Defined benefit pension schemes

Avon Pension Fund

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds.

The date of the most recent comprehensive actuarial valuation was 31 March 2019.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £117,000 (2019 - £64,000).

The total cost relating to defined benefit schemes for the year included in the cost of an asset was £- (2019 - £-).

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

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

	2020 £	2019 £
Fair value of scheme assets	2,352,000	2,522,000
Present value of defined benefit obligation	<u>(3,459,000)</u>	<u>(3,546,000)</u>
Defined benefit pension scheme deficit	<u>(1,107,000)</u>	<u>(1,024,000)</u>

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2020 £
Present value at start of year	3,546,000
Current service cost	40,000
Past service cost	50,000
Interest cost	89,000
Actuarial gains and losses	(211,000)
Benefits paid	(66,000)
Contributions by scheme participants	<u>11,000</u>
Present value at end of year	<u>3,459,000</u>

Fair value of scheme assets

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

	2020 £
Fair value at start of year	2,522,000
Interest income	63,000
Actuarial gains and losses	(225,000)
Employer contributions	48,000
Contributions by scheme participants	11,000
Benefits paid	(66,000)
Administration expenses	<u>(1,000)</u>
Fair value at end of year	<u>2,352,000</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Analysis of assets

The major categories of scheme assets are as follows:

	2020 £	2019 £
Cash and cash equivalents	52,000	43,000
Equity instruments	1,022,000	1,019,000
Government bonds	132,000	305,000
Other Bonds	214,000	295,000
Property	233,000	245,000
Other	699,000	615,000
	<u>2,352,000</u>	<u>2,522,000</u>

Return on scheme assets

	2020 £	2019 £
Return on scheme assets	<u>(160,000)</u>	<u>150,000</u>

The pension scheme has not invested in any of the charity's own financial instruments or in properties or other assets used by the charity.

Principal actuarial assumptions

The principal actuarial assumptions at the statement of financial position date are as follows:

	2020 %	2019 %
Discount rate	2.40	2.50
Future salary increases	3.60	3.70
Future pension increases	2.20	2.30
Inflation	<u>2.10</u>	<u>2.20</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

Post retirement mortality assumptions

	2020 Years	2019 Years
Current UK pensioners at retirement age - male	23.00	24.00
Current UK pensioners at retirement age - female	25.00	26.00
Future UK pensioners at retirement age - male	25.00	26.00
Future UK pensioners at retirement age - female	<u>27.00</u>	<u>29.00</u>

19 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £1 towards the assets of the charity in the event of liquidation.

The address of its registered office is:

Belvedere House
Woodwater Park
Pynes Hill
Exeter
EX2 5WS

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

20 Funds

	Balance at 1 April 2019 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2020 £
Unrestricted funds						
<i>General</i>						
Unrestricted income fund	2,230,517	4,558,779	(4,300,910)	(337,486)	-	2,150,900
<i>Designated</i>						
Defined benefit pension scheme	(1,024,000)	-	(69,000)	-	(14,000)	(1,107,000)
Total Unrestricted funds	<u>1,206,517</u>	<u>4,558,779</u>	<u>(4,369,910)</u>	<u>(337,486)</u>	<u>(14,000)</u>	<u>1,043,900</u>
Restricted funds						
UKSIC	-	378,489	(659,678)	281,189	-	-
SELMA	(55,809)	65,832	(66,320)	56,297	-	-
Total restricted funds	<u>(55,809)</u>	<u>444,321</u>	<u>(725,998)</u>	<u>337,486</u>	<u>-</u>	<u>-</u>
Total funds	<u>1,150,708</u>	<u>5,003,100</u>	<u>(5,095,908)</u>	<u>-</u>	<u>(14,000)</u>	<u>1,043,900</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £	Balance at 31 March 2019 £
Unrestricted funds						
<i>General</i>						
Unrestricted income fund	2,193,154	5,229,185	(4,917,637)	(274,185)	-	2,230,517
<i>Designated</i>						
Defined benefit pension scheme	(873,000)	-	(17,000)	-	(134,000)	(1,024,000)
Total unrestricted funds	<u>1,320,154</u>	<u>5,229,185</u>	<u>(4,934,637)</u>	<u>(274,185)</u>	<u>(134,000)</u>	<u>1,206,517</u>
Restricted funds						
UKSIC	-	284,917	(559,102)	274,185	-	-
SELMA	-	43,102	(98,911)	-	-	(55,809)
Total restricted funds	<u>-</u>	<u>328,019</u>	<u>(658,013)</u>	<u>274,185</u>	<u>-</u>	<u>(55,809)</u>
Total funds	<u>1,320,154</u>	<u>5,557,204</u>	<u>(5,592,650)</u>	<u>-</u>	<u>(134,000)</u>	<u>1,150,708</u>

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

The UKSIC fund relates to funding from the European Commission along with external sponsors for the operation of the UK Safer Internet Centre in association with the consortium members.

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

21 Analysis of net assets between funds

	Unrestricted funds		Restricted funds	Total funds
	General £	Designated £	£	£
Intangible fixed assets	9,523	-	-	9,523
Tangible fixed assets	11,713	-	-	11,713
Fixed asset investments	1	-	-	1
Current assets	3,547,199	-	28,415	3,575,614
Current liabilities	(1,417,536)	-	(28,415)	(1,445,951)
Pension scheme liability	-	(1,107,000)	-	(1,107,000)
Total net assets	<u>2,150,900</u>	<u>(1,107,000)</u>	<u>-</u>	<u>1,043,900</u>

	Unrestricted funds		Restricted funds	Total funds at 31 March 2019
	General £	Designated £	£	£
Intangible fixed assets	12,251	-	-	12,251
Tangible fixed assets	2,662	-	-	2,662
Fixed asset investments	1	-	-	1
Current assets	2,882,722	-	395,825	3,278,547
Current liabilities	(667,119)	-	(451,634)	(1,118,753)
Pension scheme liability	-	(1,024,000)	-	(1,024,000)
Total net assets	<u>2,230,517</u>	<u>(1,024,000)</u>	<u>(55,809)</u>	<u>1,150,708</u>

22 Analysis of net funds

	At 1 April 2019 £	Financing cash flows £	At 31 March 2020 £
Cash at bank and in hand	<u>2,050,337</u>	<u>475,913</u>	<u>2,526,250</u>
Net debt	<u>2,050,337</u>	<u>475,913</u>	<u>2,526,250</u>
	At 1 April 2018 £	Financing cash flows £	At 31 March 2019 £
Cash at bank and in hand	<u>1,330,930</u>	<u>719,407</u>	<u>2,050,337</u>
Net debt	<u>1,330,930</u>	<u>719,407</u>	<u>2,050,337</u>

South West Grid for Learning Trust

Notes to the Financial Statements for the Year Ended 31 March 2020

23 Financial instruments

Categorisation of financial instruments

	2020 £	2019 £
Financial assets that are debt instruments measured at amortised cost	449,573	353,875
Financial liabilities measured at amortised cost	<u>(942,687)</u>	<u>(184,098)</u>

Items of income, expense, gains or losses

The total interest income for financial assets not measured at fair value through profit or loss is £13,191 (2019 - £11,694).

24 Related party transactions

Other related party transactions

Due to the nature of the Trust's operations procuring services on behalf of the Local Authorities and the board of trustees including representatives from the Local Authorities, transactions inevitably take place between the trust and organisations in which the trustees have an interest.

All transactions are conducted at arms length and no specific transactions have occurred in which a trustee has an individual interest.

The total restricted funds received for each Local Authority relating to broadband growth and maintenance which is unspent at the year end and included within deferred income is as follows;

	2020 £	2019 £
Bournemouth	-	41,000
Devon	112,193	112,193
Gloucester	110,363	110,363
Plymouth	3,403	3,403
Swindon	-	12,447
Torbay	1	1
Wiltshire	7,578	7,578