

THE BRIDGE LONDON TRUST LIMITED

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

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**THE BRIDGE LONDON TRUST LIMITED
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	David Tait Daniel Rose (appointed 3 March 2020) Helen Rayfield Amy Loveng Thomas Adcock (appointed 16 December 2019)
Directors	David Tait, Chair Kurt Ma Thomas Adcock Penny Barratt, CEO Simon Hesketh (resigned 2 September 2019) Jillian Simms Peter Meerstadt Gillian Jones (appointed 23 September 2019)
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 Lauren Sutcliffe, Assistant Head of 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 Julian Matthews, Head of School, The Bridge Secondary School Lizelle Oppermann, Assistant Head of School Anna Hewitt, Assistant Head of School Jo Lambert, Deputy Head of School Jody Tranter, Assistant Head of School Tom Andrews, Assistant Head of School Jenny Gaze, Assistant Head of School Sharon Rabinarain, Assistant Head of School
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
(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Directors present their Annual Report together with the financial statements and Auditor's Report of The Bridge London Trust (TBLT, the Trust or the Charitable Company) for the year ended 31 August 2020. The Annual Report serves the purposes of both a Trustees' 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 serving a catchment area primarily in Islington, North London, that cater for pupils aged 5-19 with autism and learning difficulties. 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 five separate locations. Together the Schools had a roll of 446 in the October 2020 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. The terms Trustee and Director are interchangeable and the Board of Directors are 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 maintaining the outstanding delivery of Teaching and Learning which 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

Director's benefit from indemnity insurance purchased at the Trust's expense, through the Risk Protection Arrangement, to cover liability of Directors by virtue of any rule of law that would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust.

Method of recruitment and appointment or election of Directors

The arrangements are as set out in the Articles and Funding Agreement. Directors are appointed for a fixed term. Governors to the LGBs are also appointed for a fixed term and include Parent and Staff Governors.

**THE BRIDGE LONDON TRUST LIMITED
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Structure, governance and management (continued)

Policies adopted for the induction and training of Directors

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 provides an internal programme of continued professional development led by experienced training providers 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 Trustees are provided with access to policies and procedure documents that are appropriate to the role they undertake as Directors.

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 governance structure is on two levels; The Board and its Committees and then Local Governing Bodies. The Board is responsible for the strategic decision making of the Trust and for ensuring that high standards of corporate governance are maintained. It exercises its powers and functions by addressing such matters as policy and strategy development, adopting the annual Trust Improvement Plan and 3 year budget, monitoring and making decisions about the direction of the Trust. It also appoints senior staff and reviews progress towards educational objective. A committee of the Board agrees the performance objectives of the CEO, and reviews them.

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.

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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the period	8
Full-time equivalent employee number	8

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	8
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£
Total cost of facility time	190,697
Total pay bill	381,394
Percentage of total pay bill spent on facility time	50 %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	50 %
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Related parties and other connected charities and organisations

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 Academy'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

The Trust does not have a formal sponsor.

**THE BRIDGE LONDON TRUST LIMITED
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Structure, governance and management (continued)

Engagement with employees (including disabled persons)

The Directors recognise that our employees are fundamental and core to our business and delivery of high quality education. Our success depends on attracting, retaining and motivating employees. The Directors factor the implications of decisions on employees and the wider workforce, where relevant and feasible. Where appropriate, the Trust consults on matters such as policy, pay, health, safety and welfare with the relevant support staff and teaching trades unions.

The Trust provides information to employees generally by way of email, memoranda and staff meetings. Information is channelled via leadership meetings and staff briefings. Employees are encouraged to familiarise themselves with Ofsted reports, available from the Trust website and student progress and attainment statistics, when they are made available.

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitude and abilities. In the event of employees becoming disabled then every effort is made to retrain them in order that their employment within the Trust may continue.

Engagement with suppliers, customers and others in a business relationship with the Trust

The Directors have implemented clear policies and procedures for dealing fairly with suppliers. Formal orders are placed and agreed payment terms always adhered to. To ensure service continuity during and after the current coronavirus outbreak the Trust has, where possible, followed the guidelines of the Government Procurement Policy Note (PPN) that sets out information and guidance for public bodies on payment of their suppliers.

The Directors consider pupils and parents to be their "customers". Whilst pupils encounter engagement on a daily basis, engagement with parents is carried out through regular newsletters and face to face meetings.

Objectives and activities

Objects and aims

The 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 2 and 19.

**THE BRIDGE LONDON TRUST LIMITED
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Objectives and activities (continued)

Objectives, strategies and activities

During the year the Trust has worked towards these aims through the following activities:

- 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:

- Successful staff recruitment with minimal turnover.
- Improved pupil numbers.
- Full complement of policies.
- Outstanding OFSTED Report (The Bridge School).
- DfE advisor and Challenge Partner reports detailing the improvement at the Satellite Provision.
- Improved attainment results at Hungerford School.

During the latter part of the financial year lettings were suspended due to the social distancing restrictions that were put in place due to the Covid-19 pandemic.

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

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.

A key indicator of performance is the outcome at an Ofsted inspection. The Bridge School, the largest school in the Trust, was judged for a fourth consecutive time, to be outstanding.

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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Strategic report (continued)

Achievements and performance (continued)

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.

In making this statement the Board of Trustees have taken into due consideration the effects upon the Trust of the COVID-19 pandemic, the partial closure of the School during the period and the changes in practices introduced from the 2020 Autumn term.

Further consideration on the Trust's ability to continue as a going concern as a result of the COVID-19 pandemic can be found in Note 1.2.

Promoting the success of the company

The Directors have an obligation to act in a way most likely to promote the success of the Charitable Company. Details regarding engagement with employees, suppliers, parents, pupils and other connected parties have been covered in separate notes within the Trustees' Report. The obligation to assess the likely consequences of decisions in the longer term is noted within the reserves policy below as Directors balance the needs of current and future cohorts.

The Directors have identified reputational and ethical areas as key risks and their actions in these areas are covered within Principal risks and uncertainties later within this Strategic Report.

**THE BRIDGE LONDON TRUST LIMITED
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Strategic report (continued)

Achievements and performance (continued)

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), in the form of recurrent grants, the use of which is limited to specific purposes. The grants received from the ESFA during the year ended 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Income and expenditure for the year includes capital income, depreciation and pension scheme adjustments which are accounting adjustments and not included when operational budgets are agreed with the ESFA.

During the year ended 31 August 2020, total expenditure of £13,241,065 (2019 - £12,758,508) was met by recurrent grant funding, other incoming resources and funding carried forward from reserves. This expenditure has supported the key objectives of the Trust, with budgets being set in line with operational requirements. During the financial year it has been necessary to refine staffing structures required to deliver objectives within the funding available.

The deficit of income over expenditure, excluding depreciation, for the year was £629,080. This deficit along with actuarial gains on defined benefit pension scheme of £405,000 the depreciation charge of £1,165,866 combined with prior year reserves of £100,634,614 provides overall cumulative reserves as at 31 August 2020 of £99,244,668.

At 31 August 2020 the net book value of fixed assets was £108,533,727 and movements in tangible fixed assets are shown in Note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

Due to the accounting rules for the Local Government Scheme under FRS102, the Trust is recognising significant pension fund deficit of £10,571,000. 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. In discussion with a DfE pensions expert, the Directors have rejected the proposal to employ staff by way of a service provision agreement, thereby reducing the exposure of the Trust to future defined benefit liability.

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 three year budget plan identifies how any carry forward will be allocated in the plan for the following two academic years, including the identification of any funds earmarked for a specific project or purpose.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £775,866. The Directors take the prudent view that depending upon the need to finance educational improvement plans, the Trust should hold a cash contingency. Any such contingency should equate to 5% of expenditure, and any surplus is to be made available to invest in the development of the MAT.

The Trust's balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds at 31 August 2020 was £1,131,819.

**THE BRIDGE LONDON TRUST LIMITED
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**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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 ESFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

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 reduced as 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, 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 student 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 achieving outstanding teaching and learning. 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 a non-paying Director 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;

THE BRIDGE LONDON TRUST LIMITED
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DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

- 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 the main risk to the Trust is an annual cash flow funding of part of the deficit. Directors take these payments into account when setting the annual budget plan.
- exposure to an infectious virus or bacteria places students, staff or external visitors at significant health risk – the Directors regularly monitor and review the comprehensive Covid-19 risk assessment and make every effort to keep the Schools open when and wherever possible.

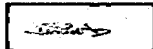
The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

Disclosure of information to Auditors

Insofar as the Directors are aware:

- there is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- that 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 Auditors are aware of that information.

The Directors' Report, incorporating a Strategic Report, was approved by the Board of Directors and signed on its behalf by:



David Tait (Dec 11, 2020, 11:43am)

David Tait
Chair of Directors

Date: 11 Dec 2020

THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT

Scope of responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that The Bridge London Trust Limited 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.

As Directors, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board 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 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 has formally met 11 times during the period.

Attendance during the period at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
David Tait, Chair	10	11
Kurt Ma	6	11
Thomas Adcock	9	11
Penny Barratt, CEO	11	11
Simon Hesketh	0	11
Jillian Simms	10	11
Peter Meerstadt	8	11
Gillian Jones	10	11

The present Board is composed of members that provide a broad range of financial, legal and business knowledge and leadership. The Board has recognised its need to develop direct professional educational knowledge and has therefore appointed Gill Jones, who is an experienced strategic leader, senior manager, school improvement professional, inspector, head teacher and teacher with over 45 years successful experience in education.

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 with detailed review of these undertaken by the Finance 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.

Each Board meeting includes a report from the Chief Executive Officer and a report from the Chief Financial Officer. Broadly, matters discussed during the year to 31 August 2020 included;

- Report from OFSTED;
- Review of the performance of Schools both educationally and financially;
- Growth Strategy;
- Strategic Risks, mitigations and contingencies;
- Leadership and capacity.

THE BRIDGE LONDON TRUST LIMITED
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GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Finance Committee is a sub-committee of the main board of Directors.

Attendance during the period at meetings was as follows:

Director	Meetings attended	Out of a possible
David Tait	3	3
Thomas Adock	3	3
Penny Barratt	3	3
Kurt Ma	0	3

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.

PPN 04/20 acknowledges that the coronavirus (COVID-19) outbreak is not a short term crisis and states that while the supplier relief provisions set out in PPN 02/20 may still be appropriate, contracting authorities, such as The Trust, and their suppliers now also need to work in partnership to plan an exit from any support and transition to a new, sustainable, operating model. The Bridge London Trust did not choose to enter any financial interventions with its suppliers.

The Accounting Officer considers how the Academy 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 has delivered improved value for money during the year by:

- Reviewed and challenged staff costs leading to a reduction in the forecasted deficit;
- Driving efficiencies by deploying the same contractors over multiple Schools where the needs are similar;
- Working with suppliers to obtain improved pricing and discounts through collective purchasing.

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 on-going 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 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 2019 to 31 August 2020 and up to the 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 on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 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 BRIDGE LONDON TRUST LIMITED
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GOVERNANCE STATEMENT (CONTINUED)

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 setting against the forecasts and of major purchase plans, capital works and expenditure programmes;
- targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines; and
- identification and management of risks.

The Board of Directors has decided to employ Kreston Reeves as Internal Auditor.

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:

- Testing of payroll;
- Testing of income;
- Testing of Purchase Systems;
- Testing of Control Account / Bank Reconciliations;
- Testing of Internal Financial Controls.

The Internal Auditor is due to report quarterly to the Board of Directors, through the Finance Committee on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities and annually prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress.

There were no significant findings reported in the year.

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GOVERNANCE STATEMENT (CONTINUED)

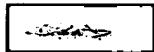
Review of effectiveness

As Accounting Officer, the Chief Executive 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 work of the Internal Auditors;
- the financial management and governance self-assessment process;
- the school resource management self-assessment tool; and
- 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by the Board of Directors and signed on their behalf by:



David Tait (Dec 11, 2020, 11:43am)

David Tait
Chair of Directors



Penny Barratt (Dec 13, 2020, 4:20pm)

Penny Barratt
Accounting Officer

Date: 11 Dec 2020

**THE BRIDGE LONDON TRUST LIMITED
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bridge London Trust Limited I have considered my responsibility to notify the Trust Board and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the 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 2019.

I confirm that I and the Trust Board are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2019.

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 Trust Board and the ESFA.

Penny Barratt

Penny Barratt (Dec 13, 2020, 4:20pm)

Penny Barratt
Accounting Officer

Date: 13 Dec 2020

THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2020

The Directors (who are also 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 Academies Accounts Direction published by the Education and 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 period. 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the 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 and signed on its behalf by:



David Tait (Dec 11, 2020, 11:43am)

David Tait

Chair of Directors

Date: 11 Dec 2020

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**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') for the period ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 issued by the Education and 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.

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BRIDGE LONDON TRUST LIMITED (CONTINUED)**

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. Other information includes the Reference and Administrative Details, the Directors' Report including the Strategic Report, the Governance Statement and Accounting Officer Statement. 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.

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 Directors' Report including the Strategic 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.

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
BRIDGE LONDON TRUST LIMITED (CONTINUED)**

Responsibilities of trustees

As explained more fully in the Directors' Responsibilities Statement, 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 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.

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 its 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

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 14 December 2020

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BRIDGE
LONDON TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 17 September 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 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 ESFA, for our work, for this Report, or for the conclusion we have formed.

Respective responsibilities of The Bridge London Trust Limited's Accounting Officer 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE BRIDGE
LONDON TRUST LIMITED AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by 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:

- Assessment of the risk of material irregularity, impropriety and non-compliance.
- Consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance and how the Trust complies with the framework of authorities.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity, propriety and compliance.
- 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, in order to support the regularity conclusion, including governance, internal controls, procurement and the application of income.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has 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

Date: 14 December 2020

THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

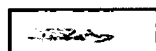
	Note	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and capital grants	3	2,211	33,788	-	35,999	226,500
Charitable activities	4	10,908,871	-	28,654	10,937,525	10,607,451
Teaching schools	28	48,500	-	110,376	158,876	239,065
Other trading activities	5	-	-	275,979	275,979	178,489
Investments	6	-	-	2,748	2,748	999
Total income		10,959,582	33,788	417,757	11,411,127	11,252,504
Expenditure on:						
Charitable activities		11,595,977	1,275,378	73,042	12,944,397	12,477,306
Teaching schools	28	48,500	-	213,176	261,676	281,202
Total expenditure		11,644,477	1,275,378	286,218	13,206,073	12,758,508
Net (expenditure) /income		(684,895)	(1,241,590)	131,539	(1,794,946)	(1,506,004)
Transfers between funds	18	(57,407)	9,907	47,500	-	-
Net movement in funds before other recognised gains/(losses)		(742,302)	(1,231,683)	179,039	(1,794,946)	(1,506,004)
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	25	405,000	-	-	405,000	(2,869,000)
Net movement in funds		(337,302)	(1,231,683)	179,039	(1,389,946)	(4,375,004)
Reconciliation of funds:						
Total funds brought forward		(9,877,745)	109,915,532	596,827	100,634,614	105,009,618
Net movement in funds		(337,302)	(1,231,683)	179,039	(1,389,946)	(4,375,004)
Total funds carried forward		(10,215,047)	108,683,849	775,866	99,244,668	100,634,614

THE BRIDGE LONDON TRUST LIMITED
REGISTRATION NUMBER 08343491
(A COMPANY LIMITED BY GUARANTEE)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	14	108,533,727	109,689,686
Current assets			
Debtors	15	639,724	677,917
Cash at bank and in hand		1,817,225	1,710,116
		<u>2,456,949</u>	<u>2,388,033</u>
Creditors: amounts falling due within one year	16	(1,175,008)	(1,176,515)
Net current assets		<u>1,281,941</u>	<u>1,211,518</u>
Total assets less current liabilities		<u>109,815,668</u>	<u>110,901,204</u>
Creditors: amounts falling due after more than one year	17	-	(62,590)
Net assets excluding pension liability		<u>109,815,668</u>	<u>110,838,614</u>
Defined benefit pension scheme liability	25	(10,571,000)	(10,204,000)
Total net assets		<u>99,244,668</u>	<u>100,634,614</u>
Funds of the Trust			
Restricted funds:			
Fixed asset funds	18	108,683,849	109,915,532
Restricted income funds	18	355,953	326,255
Pension reserve	18	(10,571,000)	(10,204,000)
Total restricted funds		<u>98,468,802</u>	<u>100,037,787</u>
Unrestricted income funds	18	<u>775,866</u>	<u>596,827</u>
Total funds		<u>99,244,668</u>	<u>100,634,614</u>

The financial statements on pages 22 to 50 were approved and authorised for issue by the Directors and are signed on their behalf, by:



David Tait (Dec 11, 2020, 11:43am)
David Tait
Chair of Directors

Date: 11 Dec 2020

The notes on pages 25 to 50 form part of these financial statements.

THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	20	114,268	(93,369)
Cash flows from investing activities	21	(7,159)	(11,385)
Change in cash and cash equivalents in the period		107,109	(104,754)
Cash and cash equivalents at the beginning of the period		1,710,116	1,814,870
Cash and cash equivalents at the end of the period	22, 23	<u>1,817,225</u>	<u>1,710,116</u>

The notes on pages 25 to 50 form part of these financial statements

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 Trust, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust's functional and presentational currency is Pounds Sterling.

1.2 Going concern

Following the year end the Trust has been affected to a limited extent by restrictions imposed by the UK Government in response to the COVID-19 pandemic.

The Trust derives the majority of its income from local and national government grant funding which is secured for a number of years, under the terms of the Trust Funding Agreement with the Secretary of State for Education. This will ensure that the Trust can continue operating for a period of at least 12 months following the date of this report. The financial statements do not contain any adjustments that would be required if the Trust were not able to continue as a going concern.

1.3 Company status

The Trust is a Company limited by guarantee. The Members are noted on page 3. In event of the Trust being wound up, the liability in respect of the guarantee is limited to £10 per Member.

1.4 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 the 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
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Income

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

• **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

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

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

• **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

1.6 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.

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.7 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 Part 11, chapter 3 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.

1.8 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets 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 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. 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 each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following bases:

Long-term leasehold property	- 35 - 125 years straight line
Furniture 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.

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
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.11 Liabilities

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

1.12 Provisions

Provisions are recognised when the Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

1.13 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 bases 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 15. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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 cost as detailed in notes 16 and 17. 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 instrument.

**THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. Accounting policies (continued)

1.14 Pensions

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer 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 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.

2. 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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. 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.

THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from donations and capital grants

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Donations	2,211	-	2,211
Government grants	-	33,788	33,788
	<u>2,211</u>	<u>33,788</u>	<u>35,999</u>
	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	13,887	-	13,887
Government grants	-	212,613	212,613
	<u>13,887</u>	<u>212,613</u>	<u>226,500</u>

4. Funding for the Trust's provision of education

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
DfE/ESFA Grants			
General Annual Grant (GAG)	3,910,956	-	3,910,956
Start up grants	44,000	-	44,000
Other DfE / ESFA grants	721,665	-	721,665
	<u>4,676,621</u>	<u>-</u>	<u>4,676,621</u>
Other Government Grants			
Local Authority grants	6,232,250	-	6,232,250
	<u>6,232,250</u>	<u>-</u>	<u>6,232,250</u>
Other Income			
Catering income	-	28,654	28,654
	<u>-</u>	<u>28,654</u>	<u>28,654</u>
Total 2020	<u>10,908,871</u>	<u>28,654</u>	<u>10,937,525</u>

THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

4. Funding for the Trust's provision of education (continued)

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
DfE/ESFA Grants			
General Annual Grant (GAG)	4,644,735	-	4,644,735
Start up grants	56,000	-	56,000
Other DfE / EFA grants	507,882	-	507,882
	<hr/> 5,208,617	<hr/> -	<hr/> 5,208,617
Other Government Grants			
Local Authority grants	5,384,632	-	5,384,632
	<hr/> 5,384,632	<hr/> -	<hr/> 5,384,632
Other Income			
Catering income	-	14,202	14,202
	<hr/> -	<hr/> 14,202	<hr/> 14,202
Total 2019	<hr/> 10,593,249 <hr/>	<hr/> 14,202 <hr/>	<hr/> 10,607,451 <hr/>

5. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £
Hire of facilities	76,554	76,554
Other income generated	199,425	199,425
	<hr/> 275,979 <hr/>	<hr/> 275,979 <hr/>
	Unrestricted funds 2019 £	Total funds 2019 £
Hire of facilities	71,606	71,606
Other income generated	106,883	106,883
	<hr/> 178,489 <hr/>	<hr/> 178,489 <hr/>

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FOR THE YEAR ENDED 31 AUGUST 2020

6. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £
Interest receivable	2,748	2,748

	Unrestricted funds 2019 £	Total funds 2019 £
Interest receivable	999	999

7. Expenditure

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £
Provision of Education:				
Direct costs	8,734,767	-	153,053	8,887,820
Support costs	1,245,964	2,184,829	625,784	4,056,577
Teaching school	-	-	261,676	261,676
Total 2020	9,980,731	2,184,829	1,040,513	13,206,073

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Provision of Education:				
Direct costs	7,669,525	-	191,119	7,860,644
Allocated support costs	1,742,294	2,274,902	599,466	4,616,662
Teaching school	-	-	281,202	281,202
Total 2019	9,411,819	2,274,902	1,071,787	12,758,508

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FOR THE YEAR ENDED 31 AUGUST 2020

8. Charitable activities

	2020 £	2019 £
Direct costs	8,887,820	7,860,644
Support costs	4,056,577	4,616,662
	<u>12,944,397</u>	<u>12,477,306</u>
	2020 £	As restated 2019 £
Support staff costs	1,245,964	1,742,294
Depreciation	1,165,866	1,165,218
Premises costs	1,018,963	1,109,684
Technology costs	69,593	96,111
Other costs	539,982	468,180
Governance costs	15,959	27,690
Legal costs	250	7,485
	<u>4,056,577</u>	<u>4,616,662</u>

9. Net (expenditure)/income

Net (expenditure)/income for the period includes:

	2020 £	2019 £
Operating lease rentals	1,544	1,158
Depreciation of tangible fixed assets	1,165,866	1,165,218
Fees paid to Auditors for:		
- audit	10,500	10,020
- other services	8,400	8,428
	<u>10,944</u>	<u>18,606</u>

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10. Staff

a. Staff costs

Staff costs during the period were as follows:

	2020 £	2019 £
Wages and salaries	6,262,671	6,412,835
Social security costs	587,493	604,431
Pension costs	1,896,444	1,404,527
	<u>8,746,608</u>	<u>8,421,793</u>
Agency staff costs	1,189,570	962,236
Staff restructuring costs	44,553	27,790
	<u>9,980,731</u>	<u>9,411,819</u>
Staff restructuring costs comprise:		
Redundancy payments	<u>44,553</u>	<u>27,790</u>

All redundancy payments were made under statutory guidelines.

b. Staff numbers

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

	2020 No.	2019 No.
Teachers	45	55
Administration and support	173	181
Management	17	16
	<u>235</u>	<u>252</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. Staff (continued)

b. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	42	51
Administration and support	124	125
Management	16	15
	<u>182</u>	<u>191</u>

c. Higher paid staff

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	6	4
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	-
In the band £90,001 - £100,000	2	1
In the band £130,001 - £140,000	1	1

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 and employer national insurance contributions) received by key management personnel for their services to the Trust was £1,520,178 (2019 £1,226,239). Included in the above are employer National Insurance contributions of £134,028 (2019 - £116,106) and employer pension contributions of £245,966 (2019 - £154,880).

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11. Central services

The Trust has provided the following central services to its Academies during the period:

- Educational leadership support
- HR management
- Financial management
- Property management
- Procurement
- ICT management
- Legal and governance
- Marketing

The Trust charges for these services on the following basis:

The charges for these services on the basis of 6% of income, the charge is also used as a mechanism for the efficient recharge of other expenditure. Where this percentage is not deemed to be an appropriate method, the basis of the recharge is either pupil numbers or a proportion of the full amount as a recharge of expenditure on the schools behalf.

All services charged by the Trust represent internal recharges within the Multi Academy Trust, and as such are not within the scope of VAT.

The actual amounts charged during the period were as follows:

	2020 £	2019 £
The Integrated Learning Space	105,586	84,555
The Bridge Primary School	230,263	202,083
The Bridge Secondary School	237,385	155,697
Hungerford Primary	158,931	130,786
The Bridge Satellite Provision	68,656	68,656
Total	800,821	641,777

12. Directors' remuneration and expenses

One or more Directors has been paid remuneration or has received other benefits from an employment with the Trust. The Chief Executive only receive remuneration in respect of services they provide undertaking the role of Chief Executive under their contract of employment. The value of Directors' remuneration and other benefits was as follows:

		2020	2019
Penny Barratt	Remuneration	135,000 - 140,000	120,000 - 125,000
	Pension contributions paid	30,000 - 35,000	20,000 - 25,000

During the period ended 31 August 2020, no Director expenses have been incurred (2019 - £NIL).

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13. Directors' and Officers' insurance

In accordance with normal commercial practice, the Trust has purchased insurance to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £10,000,000 on any one claim and the cost for the period ended 31 August 2020 was included in the total insurance cost.

14. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2019	111,786,033	239,247	76,368	53,138	112,154,786
Additions	-	-	9,907	-	9,907
At 31 August 2020	111,786,033	239,247	86,275	53,138	112,164,693
Depreciation					
At 1 September 2019	2,341,881	64,394	45,634	13,191	2,465,100
Charge for the period	1,116,505	23,925	20,122	5,314	1,165,866
At 31 August 2020	3,458,386	88,319	65,756	18,505	3,630,966
Net book value					
At 31 August 2020	108,327,647	150,928	20,519	34,633	108,533,727
At 31 August 2019	109,444,152	174,853	30,734	39,947	109,689,686

15. Debtors

	2020 £	2019 £
Trade debtors	444,149	286,892
VAT recoverable	355	120,146
Prepayments and accrued income	195,220	270,879
	639,724	677,917

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16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	26,858	217,006
Other creditors	132,991	116,360
Other taxation and social security	145,720	151,465
Accruals and deferred income	806,848	614,993
ESFA creditor: abatement of GAG	62,591	76,691
	<u>1,175,008</u>	<u>1,176,515</u>

Deferred income totalling £455,734 (2019 - £476,730) is recognised at 31 August 2020. This comprised of income received in advance for SEN funding and student placement fees for one year.

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

	2020 £	2019 £
Bills of exchange	-	62,590
	<u>-</u>	<u>62,590</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 arose from the regulations in connection with converting schools and not from primary legislation. The amount was fully provided for in the previous year on the basis that funding under the same regulations will be available to cover this liability in future years. The Director's undertook negotiations to remove the obligation, which resulted in the liability being reduced and restated by the ESFA as an abatement of GAG repayable in installments.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted fund	677,698	307,381	(73,042)	-	-	912,037
Teaching school	(80,871)	110,376	(213,176)	47,500	-	(136,171)
	<u>596,827</u>	<u>417,757</u>	<u>(286,218)</u>	<u>47,500</u>	<u>-</u>	<u>775,866</u>
Restricted general funds						
General Annual Grant (GAG)	326,255	3,910,956	(3,823,851)	(57,407)	-	355,953
Start Up Grant	-	44,000	(44,000)	-	-	-
Other DfE/ESFA grants	-	721,665	(721,665)	-	-	-
Other Government grants	-	6,232,250	(6,232,250)	-	-	-
Other restricted funds	-	2,211	(2,211)	-	-	-
Teaching school	-	48,500	(48,500)	-	-	-
Pension reserve	(10,204,000)	-	(772,000)	-	405,000	(10,571,000)
	<u>(9,877,745)</u>	<u>10,959,582</u>	<u>(11,644,477)</u>	<u>(57,407)</u>	<u>405,000</u>	<u>(10,215,047)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	109,826,605	-	(1,165,866)	9,907	-	108,670,646
CIF	13,203	-	-	-	-	13,203
DFC	75,724	33,788	(109,512)	-	-	-
	<u>109,915,532</u>	<u>33,788</u>	<u>(1,275,378)</u>	<u>9,907</u>	<u>-</u>	<u>108,683,849</u>
Total Restricted funds	<u>100,037,787</u>	<u>10,993,370</u>	<u>(12,919,855)</u>	<u>(47,500)</u>	<u>405,000</u>	<u>98,468,802</u>
Total funds	<u>100,634,614</u>	<u>11,411,127</u>	<u>(13,206,073)</u>	<u>-</u>	<u>405,000</u>	<u>99,244,668</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

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

Unrestricted funds

This represents income which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Directors.

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. The Trust is not subject to GAG carried forward limits.

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.

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.

Teaching School

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

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Total funds analysis by academy

Fund balances for each academy at 31 August 2020 and 31 August 2019 were zero, hence a breakdown by academy is not included in these accounts.

Total cost analysis by Academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
The Intergrated Learning Space	1,374,876	133,075	18,301	138,375	1,664,627
The Bridge School	4,627,635	447,698	44,056	1,045,749	6,165,138
Hungerford Primary	1,585,294	101,720	25,790	378,324	2,091,128
The Bridge Satellite Provision	957,135	102,071	13,753	118,377	1,191,336
Central services	189,827	461,400	7,295	269,456	927,978
Trust	8,734,767	1,245,964	109,195	1,950,281	12,040,207

Comparative information in respect of the preceding period is as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
The Intergrated Learning Space	867,233	210,506	14,070	200,169	1,291,978
The Bridge School	4,261,376	622,733	73,964	1,450,221	6,408,294
Hungerford Primary	1,696,982	284,383	56,451	563,100	2,600,916
The Bridge Satellite Provision	594,328	244,777	12,964	355,613	1,207,682
Central services	249,606	379,895	-	96,686	726,187
Trust	7,669,525	1,742,294	157,449	2,665,789	12,235,057

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NOTES TO THE FINANCIAL STATEMENTS
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18. Statement of funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted fund	484,008	193,690	-	-	-	677,698
Teaching school	8,766	191,565	(281,202)	-	-	(80,871)
	<u>492,774</u>	<u>385,255</u>	<u>(281,202)</u>	<u>-</u>	<u>-</u>	<u>596,827</u>
Restricted funds						
General Annual Grant (GAG)	311,623	4,644,735	(4,617,719)	(12,384)	-	326,255
Start Up Grant	-	56,000	(56,000)	-	-	-
Other DfE/ESFA grants	-	507,882	(507,882)	-	-	-
Other Government grants	-	5,384,632	(5,384,632)	-	-	-
Other restricted funds	-	13,887	(13,887)	-	-	-
Teaching school	-	47,500	(47,500)	-	-	-
Pension reserve	(6,795,000)	-	(540,000)	-	(2,869,000)	(10,204,000)
	<u>(6,483,377)</u>	<u>10,654,636</u>	<u>(11,167,620)</u>	<u>(12,384)</u>	<u>(2,869,000)</u>	<u>(9,877,745)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	110,842,520	136,889	(1,165,188)	12,384	-	109,826,605
CIF	157,701	-	(144,498)	-	-	13,203
DFC	-	75,724	-	-	-	75,724
	<u>111,000,221</u>	<u>212,613</u>	<u>(1,309,686)</u>	<u>12,384</u>	<u>-</u>	<u>109,915,532</u>
Total Restricted funds	<u>104,516,844</u>	<u>10,867,249</u>	<u>(12,477,306)</u>	<u>-</u>	<u>(2,869,000)</u>	<u>100,037,787</u>
Total funds	<u>105,009,618</u>	<u>11,252,504</u>	<u>(12,758,508)</u>	<u>-</u>	<u>(2,869,000)</u>	<u>100,634,614</u>

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NOTES TO THE FINANCIAL STATEMENTS
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19. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	108,533,727	-	108,533,727
Current assets	1,530,961	150,122	775,866	2,456,949
Creditors due within one year	(1,175,008)	-	-	(1,175,008)
Provisions for liabilities and charges	(10,571,000)	-	-	(10,571,000)
Total	(10,215,047)	108,683,849	775,866	99,244,668

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	109,689,686	-	109,689,686
Current assets	1,565,360	225,846	596,827	2,388,033
Creditors due within one year	(1,176,515)	-	-	(1,176,515)
Creditors due in more than one year	(62,590)	-	-	(62,590)
Provisions for liabilities and charges	(10,204,000)	-	-	(10,204,000)
Total	(9,877,745)	109,915,532	596,827	100,634,614

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NOTES TO THE FINANCIAL STATEMENTS
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20. Reconciliation of net expenditure to net cash flow from operating activities

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(1,794,946)	(1,506,004)
Adjustments for:		
Depreciation	1,165,866	1,165,218
Interest receivable	(2,748)	(999)
Movement in debtors	38,193	86,907
Movement in creditors	(64,097)	(378,491)
LGPS adjustment	772,000	540,000
Net cash provided by/(used in) operating activities	114,268	(93,369)

21. Cash flows from investing activities

	2020 £	2019 £
Interest	2,748	999
Purchase of tangible assets	(9,907)	(12,384)
Net cash used in investing activities	(7,159)	(11,385)

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,817,225	1,710,116

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,710,116	107,109	1,817,225
Debt due within 1 year	(76,691)	14,100	(62,591)
Debt due after 1 year	(62,590)	62,590	-
	1,570,835	183,799	1,754,634

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24. 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.

25. Pension commitments

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £130,585 were payable to the schemes at 31 August 2020 (2019 - £112,352) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

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25. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £609,810 (2019 - £443,023).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2020 was £882,000 (2019 - £828,000), of which employer's contributions totalled £683,000 (2019 - £624,000) and employees' contributions totalled £ 199,000 (2019 - £204,000). The agreed contribution rates for future years are 15.8 per cent for employers and 5.5 - 12.5 per cent 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.

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25. Pension commitments (continued)

Principal actuarial assumptions

	2020 %	2019 %
Rate of increase in salaries	3.8	3.5
Rate of increase for pensions in payment/inflation	2.4	2.1
Discount rate for scheme liabilities	1.8	1.8
Inflation assumption (CPI)	2.3	2.0

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

	2020 Years	2019 Years
Retiring today		
Males	22.7	23.1
Females	25.2	26.3
Retiring in 20 years		
Males	24.2	25.3
Females	27.1	28.6

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	(342)	(318)
Discount rate -0.1%	342	327
Mortality assumption - 1 year increase	387	209
Mortality assumption - 1 year decrease	(387)	(205)
CPI rate +0.1%	351	322
CPI rate -0.1%	(351)	(313)

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Share of scheme assets

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

	2020 £	2019 £
Equities	1,795,000	1,069,000
Other bonds	355,000	209,000
Property	540,000	344,000
Cash and other liquid assets	176,000	10,000
Other	387,000	209,000
Total market value of assets	3,253,000	1,841,000

The actual return on scheme assets was £486000 (2019 - £85000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2020 £	2019 £
Current service cost	1,254,000	(955,000)
Interest income	(176,000)	(182,000)
Interest cost	(2,000)	(5,000)
Total amount recognised in the Statement of Financial Activities	1,076,000	(1,142,000)

Changes in the present value of the defined benefit obligations were as follows:

	2020 £	2019 £
At 1 September	12,045,000	7,746,000
Current service cost	1,254,000	955,000
Interest cost	220,000	227,000
Employee contributions	199,000	204,000
Actuarial losses	39,000	2,915,000
Benefits paid	66,000	(2,000)
At 31 August	13,823,000	12,045,000

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NOTES TO THE FINANCIAL STATEMENTS
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25. Pension commitments (continued)

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2020 £	2019 £
At 1 September	1,841,000	951,000
Interest income	42,000	40,000
Actuarial gains	444,000	46,000
Employer contributions	683,000	624,000
Employee contributions	199,000	204,000
Benefits paid	66,000	(2,000)
Administrative expenses	(23,000)	(22,000)
At 31 August	<u>3,252,000</u>	<u>1,841,000</u>

26. Operating lease commitments

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,544	1,544
Later than 1 year and not later than 5 years	3,474	5,018
	<u>5,018</u>	<u>6,562</u>

The following lease payments have been recognised as an expense in the Statement of Financial Activities:

	2020 £	2019 £
Operating lease rentals	<u>1,544</u>	<u>1,158</u>

27. Related party transactions

No related party transactions took place in the period of account, other than certain Director' remuneration and expenses already disclosed in note 12.

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NOTES TO THE FINANCIAL STATEMENTS
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28. Teaching school trading account

	2020 £	2020 £	2019 £	2019 £
Income				
Direct income				
Agreed funding allocations	48,500		47,500	
School Direct	31,501		22,500	
Total direct income	<u>80,001</u>		<u>70,000</u>	
Other income				
Core programmes	-		40,808	
Bespoke training	26,751		29,470	
Conference hire	17,774		18,445	
AET resources - Income	20,056		50,275	
Annual schedule	18,294		23,527	
SEN MA / Teaching Plus	(4,000)		6,540	
Total other income	<u>78,875</u>		<u>169,065</u>	
Total income		158,876		239,065
Expenditure				
Direct expenditure				
Direct staff costs	223,196		243,824	
Other expenditure				
Other support costs	38,480		37,378	
Total expenditure		<u>261,676</u>		<u>281,202</u>
Deficit from all sources		(102,800)		(42,137)
Teaching school balances at 1 September 2019		(33,372)		8,765
Teaching school balances at 31 August 2020		<u>(136,172)</u>		<u>(33,372)</u>