

THE BRIDGE LONDON TRUST LIMITED
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE BRIDGE LONDON TRUST LIMITED

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THE BRIDGE LONDON TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS

| | |
|--|--|
| Members | David Tait John Skeritt (resigned 17 December 2018) Helen Rayfield Amy Loveng (appointed 17 December 2018) |
| Trustees | David Tait, Chair Kurt Ma Tom Adcock Penny Barratt, CEO Simon Hesketh (Resigned 2 September 2019) Jillian Simms (appointed 13 June 2019) 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 Harry Reid, Chief Financial Officer Ed Ashcroft, Head of School, The Bridge ILS Sharon Rabinarain, Interim Head of School, The Bridge Secondary School (ceased acting - 31/12/2018) 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 (appointed - 01/01/2019) |
| Independent Auditors | Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT |
| Bankers | Lloyds Bank PLC London EC2R 8AU |

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2019

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 2019. 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 seven separate locations. Together the Schools had a roll of 481 in the October 2019 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 is referred to as the Board. The Charitable Company operates as the Bridge London Trust, the trading names by which the schools within the trust are known are as follows;

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

The Board delegates powers to Local Governing Boards ('LGBs') to which Governors are appointed. These LGBs are responsible for 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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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.

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

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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 5 and 19.

Objectives, strategies and activities

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

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

Our success in fulfilling our aims can be measured by:

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

Public benefit

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

Strategic report

Achievements and performance

The Trust continued its aim to ensure that students make good progress.

This is evident through:

- Summative data analysis.
- Formative assessment which informs data reports.
- Parent reports.
- Team Around the Child (TAC) meetings.

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.

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

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.

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 2019 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 2019, total expenditure of £12,758,504 (2018 - £10,879,087) 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 £340,816. This deficit along with actuarial losses on defined benefit pension scheme of £2,869,000, alongside the depreciation charge of £1,165,188 added to prior year reserves of £105,009,618 provides overall cumulative reserves as at 31 August 2019 of £100,634,614

At 31 August 2019 the net book value of fixed assets was £109,689,686 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 £10,204,000. 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.

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

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 £596,837. 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 2019 was £923,082.

Investment policy

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

Principal risks and uncertainties

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

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

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;

THE BRIDGE LONDON TRUST LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

- 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;
- 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.

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, on 12 December 2019 and signed on its behalf by:

David Tait
(Chair of Directors)

THE BRIDGE LONDON TRUST LIMITED

GOVERNANCE STATEMENT

Scope of responsibility

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

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 9 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 | 9 | 9 |
| Kurt Ma | 7 | 9 |
| Tom Adcock | 6 | 9 |
| Penny Barratt, CEO | 8 | 9 |
| Simon Hesketh | 7 | 9 |
| Jillian Simms | 2 | 2 |
| Peter Meerstadt | 7 | 9 |
| Gillian Jones | 0 | 0 |

Simon Hesketh resigned as a Director with effect from 2 September 2019. Jillian Simms was appointed as a Director at the Board meeting held on 13 June 2019.

The present Board is composed of members that provide a broad of 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 Jillian Simms and will appoint another education professional in the coming financial year.

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, Audit and Risk Committee. Responsibility for oversight of day to day operational input for teaching and learning lies with the Local Governing Bodies leaving strategic planning, finance, estates and HR in the control of the Board.

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 2019 included;

- Reports from Schools' Challenge Partner reviews;
- 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

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Board has undertaken self-evaluation of the effectiveness of its governance during 2018/19 with much of its focus during the year being on consolidating the Trust, ensuring continued robust management of its finances and developing the range of educational data submitted to the Board. The Board intends to integrate self-evaluation as part of its annual processes.

Review of value for money

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

The Accounting Officer consider how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board 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 the following:

- Making use of Public Sector purchasing framework for the purchase of IT equipment for Schools.
- Reviewed the outsourced IT contract with the resulting improvement in effectiveness, efficiency and economy.
- Driving efficiencies by deploying the same contractors over multiple schools where the needs are similar.
- The introduction of a new trust wide cloud based accounting software to ensure transparent and consistent financial reporting across all Schools. The integration of the cloud based finance system with the cloud based budgeting software has increased efficiency.
- The introduction of a new cloud based HR System has assisted in unifying processes across the Trust, staff have immediate access to payslips, and other HR related matters through the cloud based portal.
- Within the coming financial year the Trust work with suppliers to obtain improved pricing and discounts through collective purchasing.
- The introduction of a new cloud based Management Information System (MIS) which has resulted in significant savings and increased accessibility in comparison with the previous MIS.

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 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements.

Capacity to handle risk

The Board 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 is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board.

THE BRIDGE LONDON TRUST LIMITED

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;
- delegation of authority and segregation of duties; and
- identification and management of risks.

The Board has considered the need for a specific internal audit function and has decided to appoint an Internal Auditor. The Directors have appointed Carter Backer Winter LLP, (of which Trustee, Thomas Adcock, is a partner) to undertake the work of reviewing financial controls in place across the Trust. This work has been completed on a pro-bono basis.

The reviewer'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 include:

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

The Internal Auditor will report to the Board through the Finance, Audit and Risk Committee on the operation of the systems of control and on the discharge of the Board's financial responsibilities.

THE BRIDGE LONDON TRUST LIMITED

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 a non-paid Director
- 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, Audit and Risk committee and a plan to ensure continuous improvement of the system is in place.

Approved by the Board of Trsutees on 12 December 2019 and signed on their behalf by:

David Tait
Chair of Directors

Penny Barratt
Accounting Officer

THE BRIDGE LONDON TRUST LIMITED

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Bridge London Trust Limited I have considered my responsibility to notify the 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 2018.

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 2018.

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
Accounting Officer

Date: 12 December 2019

THE BRIDGE LONDON TRUST LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2019

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 & 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 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of Directors on 12 December 2019 and signed on its behalf by:

David Tait
(Chair of Directors)

THE BRIDGE LONDON TRUST LIMITED

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

Opinion

We have audited the financial statements of The Bridge London Trust Limited (the 'Trust') for the period ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our Report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

THE BRIDGE LONDON TRUST LIMITED

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, and the Governance 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.

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.

THE BRIDGE LONDON TRUST LIMITED

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

Auditors' responsibilities for the audit of the financial statements

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

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

13 December 2019

THE BRIDGE LONDON TRUST LIMITED

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 & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This Report is made solely to The Bridge London Trust Limited and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Bridge London Trust Limited and 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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

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 2018 to 2019 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 2018 to 31 August 2019 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: 13 December 2019

THE BRIDGE LONDON TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---|------|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants: | 3 | | | | | |
| Transferred on conversion | | - | - | - | - | 29,335,640 |
| Other donations and capital grants | | 13,887 | 212,613 | - | 226,500 | 271,223 |
| Charitable activities | 4 | 10,593,249 | - | 14,202 | 10,607,451 | 9,093,945 |
| Teaching schools | 27 | 47,500 | - | 191,565 | 239,065 | 267,576 |
| Other trading activities | 5 | - | - | 178,489 | 178,489 | 227,791 |
| Investments | 6 | - | - | 999 | 999 | 849 |
| Total income | | 10,654,636 | 212,613 | 385,255 | 11,252,504 | 39,197,024 |
| Expenditure on: | | | | | | |
| Charitable activities | 9 | 11,167,620 | 1,309,686 | - | 12,477,306 | 10,579,198 |
| Teaching schools | 27 | - | - | 281,202 | 281,202 | 299,889 |
| Other expenditure | | - | - | - | - | - |
| Total expenditure | | 11,167,620 | 1,309,686 | 281,202 | 12,758,508 | 10,879,087 |
| Net (expenditure) /income | | (512,984) | (1,097,073) | 104,053 | (1,506,004) | 28,317,937 |
| Transfers between funds | 18 | (12,384) | 12,384 | - | - | - |
| Net movement in funds before other recognised gains/(losses) | | (525,368) | (1,084,689) | 104,053 | (1,506,004) | 28,317,937 |
| Other recognised gains/(losses): | | | | | | |
| Actuarial (losses)/gains on defined benefit pension schemes | 24 | (2,869,000) | - | - | (2,869,000) | 628,000 |
| Net movement in funds | | (3,394,368) | (1,084,689) | 104,053 | (4,375,004) | 28,945,937 |

THE BRIDGE LONDON TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

| | Restricted funds 2019 £ | Restricted fixed asset funds 2019 £ | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------------------|----------------------------------|---|------------------------------------|-----------------------------|-----------------------------|
| Note | | | | | |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | (6,483,377) | 111,000,221 | 492,774 | 105,009,618 | 76,063,681 |
| Net movement in funds | (3,394,368) | (1,084,689) | 104,053 | (4,375,004) | 28,945,937 |
| Total funds carried forward | <u>(9,877,745)</u> | <u>109,915,532</u> | <u>596,827</u> | <u>100,634,614</u> | <u>105,009,618</u> |

THE BRIDGE LONDON TRUST LIMITED
REGISTRATION NUMBER 08343491

BALANCE SHEET
AS AT 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|---|------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | 14 | 109,689,686 | 110,842,520 |
| Current assets | | | |
| Debtors | 15 | 677,917 | 764,824 |
| Cash at bank and in hand | | 1,710,116 | 1,814,870 |
| | | <u>2,388,033</u> | <u>2,579,694</u> |
| Creditors: amounts falling due within one year | 16 | (1,176,515) | (1,350,318) |
| Net current assets | | <u>1,211,518</u> | <u>1,229,376</u> |
| Total assets less current liabilities | | <u>110,901,204</u> | <u>112,071,896</u> |
| Creditors: amounts falling due after more than one year | 17 | (62,590) | (267,278) |
| Net assets excluding pension liability | | <u>110,838,614</u> | <u>111,804,618</u> |
| Defined benefit pension scheme liability | 24 | (10,204,000) | (6,795,000) |
| Total net assets | | <u>100,634,614</u> | <u>105,009,618</u> |
| Funds of the Trust | | | |
| Restricted funds: | | | |
| Fixed asset funds | 18 | 109,915,532 | 111,000,221 |
| Restricted income funds | | 326,255 | 311,623 |
| | | <u>110,241,787</u> | <u>111,311,844</u> |
| Pension reserve | 18 | (10,204,000) | (6,795,000) |
| Total restricted funds | | <u>100,037,787</u> | <u>104,516,844</u> |
| Unrestricted income funds | 18 | 596,827 | 492,774 |
| Total funds | | <u>100,634,614</u> | <u>105,009,618</u> |

The financial statements on pages 19 to 49 were approved by the Directors, and authorised for issue on 12 December 2019 and are signed on their behalf, by:

David Tait
(Chair of Directors)

The notes on pages 23 to 49 form part of these financial statements.

THE BRIDGE LONDON TRUST LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

| | Note | 2019 £ | 2018 £ |
|---|------|------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash (used in)/provided by operating activities | 20 | (93,369) | 699,446 |
| Cash flows from investing activities | 21 | (11,385) | (36,080) |
| Change in cash and cash equivalents in the period | | (104,754) | 663,366 |
| Cash and cash equivalents at the beginning of the period | | 1,814,870 | 1,151,504 |
| Cash and cash equivalents at the end of the period | 22 | <u>1,710,116</u> | <u>1,814,870</u> |

The notes on pages 23 to 49 form part of these financial statements

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Bridge London Trust Limited meets the definition of a public benefit entity under FRS 102.

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

1.2 Going concern

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

1.3 Company status

The Trust is a Company limited by guarantee. Those Members who are Trustees are noted on page 3. In the event of the Academy 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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.

- **Transfer on conversion**

Where assets and liabilities are received by the Trust on conversion of a maintained school to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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.

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.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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.

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.

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.

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

3. Income from donations and capital grants

| | Restricted funds 2019 £ | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| Donations | | | | |
| Transferred on conversion | - | - | - | 29,335,640 |
| Donations | 13,887 | - | 13,887 | 5,581 |
| Capital grants | 212,613 | - | 212,613 | 265,642 |
| Subtotal | 226,500 | - | 226,500 | 271,223 |
| | 226,500 | - | 226,500 | 29,606,863 |
| Total 2018 | 29,437,173 | 169,690 | 29,606,863 | |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Trust's provision of education

| | Restricted funds 2019 £ | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|--------------------------------|----------------------------------|------------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | 4,644,735 | - | 4,644,735 | 3,302,180 |
| Start up grants | 56,000 | - | 56,000 | 97,500 |
| Other DfE / ESFA grants | 507,882 | - | 507,882 | 589,067 |
| Other Government Grants | | | | |
| Local Authority grants | 5,384,632 | - | 5,384,632 | 5,091,490 |
| Other Income | | | | |
| Catering income | - | 14,202 | 14,202 | 12,457 |
| Other income | - | - | - | 1,251 |
| | <u>10,593,249</u> | <u>14,202</u> | <u>10,607,451</u> | <u>9,093,945</u> |
| Total 2018 | <u>9,081,488</u> | <u>12,457</u> | <u>9,093,945</u> | |

5. Income from other trading activities

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|------------------------|------------------------------------|-----------------------------|-----------------------------|
| Hire of facilities | 71,606 | 71,606 | 71,223 |
| Other income generated | 106,883 | 106,883 | 156,568 |
| | <u>178,489</u> | <u>178,489</u> | <u>227,791</u> |

6. Investment income

| | Unrestricted funds 2019 £ | Total funds 2019 £ | Total funds 2018 £ |
|---------------------|------------------------------------|-----------------------------|-----------------------------|
| Interest receivable | 999 | 999 | 849 |
| | <u>999</u> | <u>999</u> | <u>849</u> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

7. Expenditure

| | Staff Costs 2019 £ | Premises 2019 £ | Other 2019 £ | Total 2019 £ | Total 2018 £ |
|-------------------------|--------------------------|-----------------------|--------------------|--------------------|--------------------|
| Provision of Education: | | | | | |
| Direct costs | 7,669,525 | - | 191,119 | 7,860,644 | 6,606,281 |
| Support costs | 1,742,294 | 2,274,902 | 599,466 | 4,616,662 | 3,972,917 |
| Teaching school | - | - | 281,202 | 281,202 | 299,889 |
| Total 2019 | <u>9,411,819</u> | <u>2,274,902</u> | <u>1,071,787</u> | <u>12,758,508</u> | <u>10,879,087</u> |
| Total 2018 | <u>7,776,676</u> | <u>1,690,657</u> | <u>1,411,754</u> | <u>10,879,087</u> | |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. Charitable activities

| | 2019 £ | 2018 £ |
|---------------|-------------------|-------------------|
| Direct costs | 7,860,644 | 6,606,281 |
| Support costs | 4,616,662 | 3,972,917 |
| | <u>12,477,306</u> | <u>10,579,198</u> |

| | 2019 £ | 2018 £ |
|----------------------------------|------------------|------------------|
| Analysis of support costs | | |
| Support staff costs | 1,742,294 | 1,185,696 |
| Depreciation | 1,165,218 | 988,034 |
| Technology costs | 96,111 | 248,809 |
| Premises costs | 1,109,684 | 702,623 |
| Other costs | 475,665 | 798,118 |
| Governance costs | 27,690 | 49,637 |
| | <u>4,616,662</u> | <u>3,972,917</u> |

9. Net (expenditure)/income

Net (expenditure)/income for the period includes:

| | 2019 £ | 2018 £ |
|---------------------------------------|---------------|---------------|
| Operating lease rentals | 1,158 | - |
| Depreciation of tangible fixed assets | 1,165,218 | 988,034 |
| Fees paid to Auditors for: | | |
| - audit | 10,020 | 9,725 |
| - other services | 8,428 | 8,010 |
| | <u>10,616</u> | <u>17,779</u> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the period were as follows:

| | 2019 £ | 2018 £ |
|---------------------------|------------------|------------------|
| Wages and salaries | 6,412,835 | 5,557,049 |
| Social security costs | 604,431 | 502,793 |
| Pension costs | 1,404,527 | 1,107,732 |
| | <u>8,421,793</u> | <u>7,167,574</u> |
| Agency staff costs | 962,236 | 574,152 |
| Staff restructuring costs | 27,790 | 34,950 |
| | <u>9,411,819</u> | <u>7,776,676</u> |

Staff restructuring costs comprise:

| | | |
|---------------------|---------------|---------------|
| Redundancy payments | <u>27,790</u> | <u>34,950</u> |
|---------------------|---------------|---------------|

b. Staff numbers

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

| | 2019 No. | 2018 No. |
|----------------------------|-------------|-------------|
| Teachers | 55 | 46 |
| Administration and support | 181 | 172 |
| Management | 16 | 13 |
| | <u>252</u> | <u>231</u> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Higher paid staff

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

| | 2019 No. | 2018 No. |
|---------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 4 | 4 |
| In the band £70,001 - £80,000 | 2 | 1 |
| In the band £90,001 - £100,000 | 1 | - |
| In the band £110,001 - £120,000 | - | 1 |
| In the band £130,001 - £140,000 | 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) received by key management personnel for their services to the Trust was £1,226,239 (2018 - £1,076,436). Included in the above are employer National Insurance contributions of £116,106 (2018 - £102,812) and employer pension contributions of £154,880 (2018 - £129,964).

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 is on the basis of 6% of income, the charge is also used as a mechanism for the efficient recharge of other expenditure.

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

In 2018 there were no central services provided by the Trust to its academies during the period and no central charges arose.

The actual amounts charged during the period were as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|----------------|-----------|
| The Integrated Learning Space | 84,555 | - |
| The Bridge Primary School | 202,083 | - |
| The Bridge Secondary School | 155,697 | - |
| Hungerford Primary | 130,786 | - |
| The Bridge Satellite Provision | 68,656 | - |
| Total | 641,777 | - |

12. Directors' remuneration and expenses

One or more Directors have been paid remuneration or have received other benefits from an employment with the Trust. The CEO and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment. The value of Directors' remuneration and other benefits was as follows:

| | | 2019 £ | 2018 £ |
|---------------|----------------------------|-------------------|-------------------|
| Penny Barratt | Remuneration | 135,000 - 140,000 | 120,000 - 125,000 |
| | Pension contributions paid | 20,000 - 25,000 | 20,000 - 25,000 |

During the period ended 31 August 2019, no Director expenses have been incurred (2018 - £NIL).

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 2019 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 2018 | 111,786,033 | 226,863 | 76,368 | 53,138 | 112,142,402 |
| Additions | - | 12,384 | - | - | 12,384 |
| At 31 August 2019 | <u>111,786,033</u> | <u>239,247</u> | <u>76,368</u> | <u>53,138</u> | <u>112,154,786</u> |
| Depreciation | | | | | |
| At 1 September 2018 | 1,225,376 | 40,724 | 25,905 | 7,877 | 1,299,882 |
| Charge for the period | 1,116,505 | 23,670 | 19,729 | 5,314 | 1,165,218 |
| At 31 August 2019 | <u>2,341,881</u> | <u>64,394</u> | <u>45,634</u> | <u>13,191</u> | <u>2,465,100</u> |
| Net book value | | | | | |
| At 31 August 2019 | <u><u>109,444,152</u></u> | <u><u>174,853</u></u> | <u><u>30,734</u></u> | <u><u>39,947</u></u> | <u><u>109,689,686</u></u> |
| At 31 August 2018 | <u><u>110,560,657</u></u> | <u><u>186,139</u></u> | <u><u>50,463</u></u> | <u><u>45,261</u></u> | <u><u>110,842,520</u></u> |

15. Debtors

| | 2019 £ | 2018 £ |
|--------------------------------|-----------------------|-----------------------|
| Trade debtors | 286,892 | 293,557 |
| VAT recoverable | 120,146 | 55,611 |
| Prepayments and accrued income | 270,879 | 415,656 |
| | <u><u>677,917</u></u> | <u><u>764,824</u></u> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

16. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 217,006 | 113,629 |
| Other taxation and social security | 151,465 | 146,463 |
| Other creditors | 116,360 | 250,611 |
| Accruals and deferred income | 614,993 | 839,615 |
| ESFA creditor: abatement of GAG | 76,691 | - |
| | <u>1,176,515</u> | <u>1,350,318</u> |

Deferred income totalling £476,730 (2018 - £356,793) is recognised at 31 August 2019. 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

| | 2019 £ | 2018 £ |
|---------------------------------|---------------|----------------|
| ESFA creditor: abatement of GAG | <u>62,590</u> | <u>267,278</u> |

On 1 May 2017 an obligation existed on the conversion of the Bridge School London from a maintained to an academy school within the Bridge London Trust. This 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.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds

| | 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 general 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 |
| Condition improvement fund | 157,701 | - | (144,498) | - | - | 13,203 |
| Devolved formula capital | - | 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> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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.

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.

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

18. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

| | 2019 £ | 2018 £ |
|--|--------------------|--------------------|
| The Intergrated Learning Space | - | 395,547 |
| The Bridge School | - | 263,617 |
| Hungerford Primary | - | 73,039 |
| The Bridge Satellite Provision | - | 72,194 |
| The Trust | 923,082 | - |
| | <hr/> | <hr/> |
| Total before fixed asset funds and pension reserve | 923,082 | 804,397 |
| Restricted fixed asset fund | 109,915,532 | 111,000,221 |
| Pension reserve | (10,204,000) | (6,795,000) |
| | <hr/> | <hr/> |
| Total | 100,634,614 | 105,009,618 |
| | <hr/> <hr/> | <hr/> <hr/> |

All member academies in the Trust had £Nil fund balance (excluding restricted fixed asset fund and pension reserve) as at 31 August 2019.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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 2019 £ | Total 2018 £ |
|--------------------------------------|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| The Intergrated Learning Space | 867,233 | 210,506 | 14,070 | 200,169 | 1,291,978 | 1,433,795 |
| The Bridge School | 4,261,376 | 622,733 | 73,964 | 1,450,221 | 6,408,294 | 7,068,297 |
| Hungerford Primary | 1,696,982 | 284,383 | 56,451 | 563,100 | 2,600,916 | 942,440 |
| The Bridge Satellite Provision | 594,328 | 244,777 | 12,964 | 355,613 | 1,207,682 | 1,044,142 |
| Central services | 249,606 | 379,895 | - | 96,686 | 726,187 | - |
| Trust | <u>7,669,525</u> | <u>1,742,294</u> | <u>157,449</u> | <u>2,665,789</u> | <u>12,235,057</u> | <u>10,488,674</u> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

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

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|----------------------------|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted funds | 146,658 | 410,787 | (44,747) | (28,690) | - | 484,008 |
| Teaching school | 41,078 | 195,731 | (228,043) | - | - | 8,766 |
| | <u>187,736</u> | <u>606,518</u> | <u>(272,790)</u> | <u>(28,690)</u> | <u>-</u> | <u>492,774</u> |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 138,884 | 3,302,180 | (3,120,745) | (8,696) | - | 311,623 |
| Other DfE/ESFA grants | - | 589,067 | (589,067) | - | - | - |
| Start up grant | - | 97,500 | (97,500) | - | - | - |
| Other Government grants | - | 5,091,490 | (5,091,490) | - | - | - |
| Other restricted funds | - | 6,832 | (6,832) | - | - | - |
| Teaching school | - | 71,845 | (71,845) | - | - | - |
| Pension reserve | (5,594,000) | (1,305,000) | (524,000) | - | 628,000 | (6,795,000) |
| | <u>(5,455,116)</u> | <u>7,853,914</u> | <u>(9,501,479)</u> | <u>(8,696)</u> | <u>628,000</u> | <u>(6,483,377)</u> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

18. Statement of funds (continued)

| | Balance at 1 September 2017 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2018 £ |
|---|--|--------------------------|----------------------------|--------------------------|-------------------------|--------------------------------------|
| Restricted fixed asset funds | | | | | | |
| Restricted fixed asset fund | 81,322,218 | - | (988,034) | 30,508,336 | - | 110,842,520 |
| Devolved Formula Capital | 8,843 | 22,588 | (31,431) | - | - | - |
| Condition Improvement Fund | - | 243,054 | (85,353) | - | - | 157,701 |
| Assets transferred on conversion | - | 30,470,950 | - | (30,470,950) | - | - |
| | <u>81,331,061</u> | <u>30,736,592</u> | <u>(1,104,818)</u> | <u>37,386</u> | <u>-</u> | <u>111,000,221</u> |
| Total Restricted funds | <u>75,875,945</u> | <u>38,590,506</u> | <u>(10,606,297)</u> | <u>28,690</u> | <u>628,000</u> | <u>104,516,844</u> |
| Total funds | <u><u>76,063,681</u></u> | <u><u>39,197,024</u></u> | <u><u>(10,879,087)</u></u> | <u><u>-</u></u> | <u><u>628,000</u></u> | <u><u>105,009,618</u></u> |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

| | 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 |

Analysis of net assets between funds - prior year

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

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

20. Reconciliation of net (expenditure)/income to net cash flow from operating activities

| | 2019 £ | 2018 £ |
|--|-----------------|----------------|
| Net (expenditure)/income for the year (as per Statement of Financial Activities) | (1,506,004) | 28,317,937 |
| Adjustments for: | | |
| Depreciation | 1,165,218 | 988,034 |
| Interest receivable | (999) | (1,306) |
| Movement in debtors | 86,907 | (455,827) |
| Movement in creditors | (378,491) | 492,558 |
| LGPS adjustment | 540,000 | 1,829,000 |
| Donated assets | - | (30,470,950) |
| Net cash (used in)/provided by operating activities | (93,369) | 699,446 |

21. Cash flows from investing activities

| | 2019 £ | 2018 £ |
|--|-----------------|-----------------|
| Interest | 999 | 1,306 |
| Purchase of tangible assets | (12,384) | (37,386) |
| Net cash used in investing activities | (11,385) | (36,080) |

22. Analysis of cash and cash equivalents

| | 2019 £ | 2018 £ |
|--------------|-----------|-----------|
| Cash in hand | 1,710,116 | 1,814,870 |

23. 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.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments

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

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

Contributions amounting to £112,352 were payable to the schemes at 31 August 2019 (2018 - £115,052) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities.

In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

The employer's pension costs paid to TPS in the period amounted to £443,023 (2018 - £370,341).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

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 2019 was £828,000 (2018 - £644,000), of which employer's contributions totalled £624,000 (2018 - £483,000) and employees' contributions totalled £ 204,000 (2018 - £161,000). 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.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

Principal actuarial assumptions

| | 2019 % | 2018 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.5 | 3.7 |
| Rate of increase for pensions in payment/inflation | 2.1 | 2.3 |
| Discount rate for scheme liabilities | 1.8 | 2.9 |
| Inflation assumption (CPI) | 2.0 | 2.2 |

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

| | 2019 Years | 2018 Years |
|-----------------------------|---------------|---------------|
| <i>Retiring today</i> | | |
| Males | 23.1 | 23 |
| Females | 26.3 | 26.2 |
| <i>Retiring in 20 years</i> | | |
| Males | 25.3 | 25.2 |
| Females | 28.6 | 28.5 |

Sensitivity analysis

| | 2019 £000 | 2018 £000 |
|--|--------------|--------------|
| Discount rate +0.1% | (318) | (205) |
| Discount rate -0.1% | 327 | 205 |
| Mortality assumption - 1 year increase | 209 | 134 |
| Mortality assumption - 1 year decrease | (205) | (134) |
| CPI rate +0.1% | 322 | 210 |
| CPI rate -0.1% | (313) | (210) |

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

24. Pension commitments (continued)

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

| | At 31 August 2019 £ | At 31 August 2018 £ |
|-------------------------------------|---------------------------|---------------------------|
| Equities | 1,069,000 | 542,000 |
| Other bonds | 209,000 | 163,000 |
| Property | 344,000 | 152,000 |
| Cash and other liquid assets | 10,000 | 4,000 |
| Other | 209,000 | 90,000 |
| Total market value of assets | 1,841,000 | 951,000 |

The actual return on scheme assets was £86,000 (2018 - £35,000).

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

| | 2019 £ | 2018 £ |
|---|--------------------|------------------|
| Current service cost | (955,000) | (842,000) |
| Interest income | (182,000) | (145,000) |
| Interest cost | (5,000) | (2,000) |
| Total amount recognised in the Statement of Financial Activities | (1,142,000) | (989,000) |

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

| | 2019 £ | 2018 £ |
|--------------------------|-------------------|------------------|
| At 1 September | 7,746,000 | 5,832,000 |
| Upon conversion | - | 1,305,000 |
| Current service cost | 955,000 | 842,000 |
| Interest cost | 227,000 | 162,000 |
| Employee contributions | 204,000 | 161,000 |
| Actuarial losses/(gains) | 2,915,000 | (540,000) |
| Benefits paid | (2,000) | (16,000) |
| At 31 August | 12,045,000 | 7,746,000 |

THE BRIDGE LONDON TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

24. Pension commitments (continued)

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

| | 2019 £ | 2018 £ |
|-------------------------|------------------|----------------|
| At 1 September | 951,000 | 238,000 |
| Interest income | 40,000 | 15,000 |
| Actuarial gains | 46,000 | 88,000 |
| Employer contributions | 624,000 | 483,000 |
| Employee contributions | 204,000 | 161,000 |
| Benefits paid | (2,000) | (16,000) |
| Administrative expenses | (22,000) | (18,000) |
| At 31 August | 1,841,000 | 951,000 |

25. Operating lease commitments

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ |
|--|--------------|
| Not later than 1 year | 1,544 |
| Later than 1 year and not later than 5 years | 5,018 |
| | 6,562 |

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

| | 2019 £ |
|-------------------------|-----------|
| Operating lease rentals | 1,158 |

26. Related party transactions

Owing to the nature of the Trust's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a Director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

Any transactions where the Director's have a pecuniary interest is only undertaken in accordance with the "at cost" principle stated in the Acadmies Financial Handbook.

During the year, Carter Backer Winter LLP (CBW) undertook a review of the Trust's internal systems and controls. CBW reported their findings to the board and recommended that the Director's appoint an appropriate independent Internal Auditor and agreed to being involved in the process of selection.

THE BRIDGE LONDON TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

27. Teaching school trading account

| | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|---|----------------|-----------------|----------------|--------------|
| Income | | | | |
| Direct income | | | | |
| Agreed Funding Allocations | 47,500 | | 51,000 | |
| School Direct | 22,500 | | 20,845 | |
| Total direct income | <u>70,000</u> | | <u>71,845</u> | |
| Other income | | | | |
| Core Programmes | 40,808 | | 39,570 | |
| Bespoke Training | 29,470 | | 9,885 | |
| Licenced Training | - | | 49,936 | |
| Consultancy | - | | 15,615 | |
| Conference Hire | 18,445 | | 22,469 | |
| AET Resources - Income | 50,275 | | 6,048 | |
| Fund Raising Income | - | | 17,366 | |
| Governer Services | - | | 34,842 | |
| Annual Schedule | 23,527 | | - | |
| SEN MA / Teaching Plus | 6,540 | | - | |
| Total other income | <u>169,065</u> | | <u>195,731</u> | |
| Total income | | 239,065 | | 267,576 |
| Expenditure | | | | |
| Direct expenditure | | | | |
| Direct staff costs | 243,824 | | 256,304 | |
| Staff development | - | | 8,847 | |
| Other direct costs | - | | 18,781 | |
| Total direct expenditure | <u>243,824</u> | | <u>283,932</u> | |
| Other expenditure | | | | |
| Support staff costs | - | | 5,509 | |
| Other support costs | 37,378 | | 10,448 | |
| Total other expenditure | <u>37,378</u> | | <u>15,957</u> | |
| Total expenditure | | 281,202 | | 299,889 |
| Deficit from all sources | | (42,137) | | (32,313) |
| Teaching school balances at 1 September 2018 | | 8,765 | | 41,078 |
| Teaching school balances at 31 August 2019 | | <u>(33,372)</u> | | <u>8,765</u> |