

JOHN LYON'S CHARITY

England & Wales · Charity number 237725

Details

Other names	JOHN LYON ROAD TRUST
Status	Registered
Legal form	Other
Registered	1964-10-16
Register	View on the Charity Commission register

Contact

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Website www.jlc.london

Activities

Objects: (1) THE OBJECT OF THE CHARITY SHALL BE TO FURTHER ALL OR ANY OF THE FOLLOWING PURPOSES:- (A) THE RELIEF OF THE AGED, DISABLED OR POOR INHABITANTS OF THE LONDON BOROUGHS OF BARNET, BRENT, CAMDEN, EALING, HAMMERSMITH AND FULHAM, HARROW AND THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA AND THE CITIES OF LONDON AND WESTMINSTER (THE INHABITANTS OF THOSE AREAS BEING REFERRED TO IN THIS CLAUSE AS "THE INHABITANTS"); (B) THE RELIEF OF DISTRESS AND SICKNESS AMONG THE INHABITANTS; (C) THE PROVISION AND SUPPORT (WITH THE OBJECT OF IMPROVING THE CONDITIONS OF LIFE FOR THE INHABITANTS IN THE INTERESTS OF SOCIAL WELFARE) OF FACILITIES FOR RECREATION AND OTHER LEISURE TIME OCCUPATION; (D) THE PROVISION AND SUPPORT OF EDUCATIONAL FACILITIES FOR THE INHABITANTS; AND (E) ANY OTHER CHARITABLE PURPOSES FOR THE BENEFIT OF THE INHABITANTS:

Activities: John Lyon's Charity gives grants to benefit children and young people up to the age of 25 who live in nine boroughs in northwest London. Grants are awarded to registered charities and organisations with automatic charitable status.

Classification

- **How:** Makes Grants To Organisations
- **What:** Education/training, Disability, The Prevention Or Relief Of Poverty, Accommodation/housing, Arts/culture/heritage/science, Amateur Sport, Environment/conservation/heritage, Economic/community Development/employment, Human Rights/religious Or Racial Harmony/equality Or Diversity, Recreation
- **Who:** Children/young People

Geography

- **Area of benefit:** HARROW ON THE HILL AND ELSEWHERE
- Barnet
- Brent
- Camden
- City Of London
- City Of Westminster
- Ealing
- Hammersmith And Fulham
- Harrow
- Kensington And Chelsea

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£11,506,000	£21,457,000	£388,122,000	18
2024-03-31	£10,973,000	£19,760,000	£387,024,000	18
2023-03-31	£10,565,000	£19,483,000	£391,020,000	16
2022-03-31	£11,664,000	£16,374,000	£436,049,000	14
2021-03-31	£8,720,000	£15,864,000	£391,725,000	12

Trustees

Name	Role	Appointed
THE KEEPERS & GOVERNORS OF POSSESSIONS REVENUES & GOODS OF FREE GRAMMAR SCHOOL OF JOHN LYON		2011-12-21

JOHN LYON'S CHARITY

England & Wales - Charity number 237725

Accounts



2024/2025 STATUTORY ACCOUNTS & ANNUAL REPORT

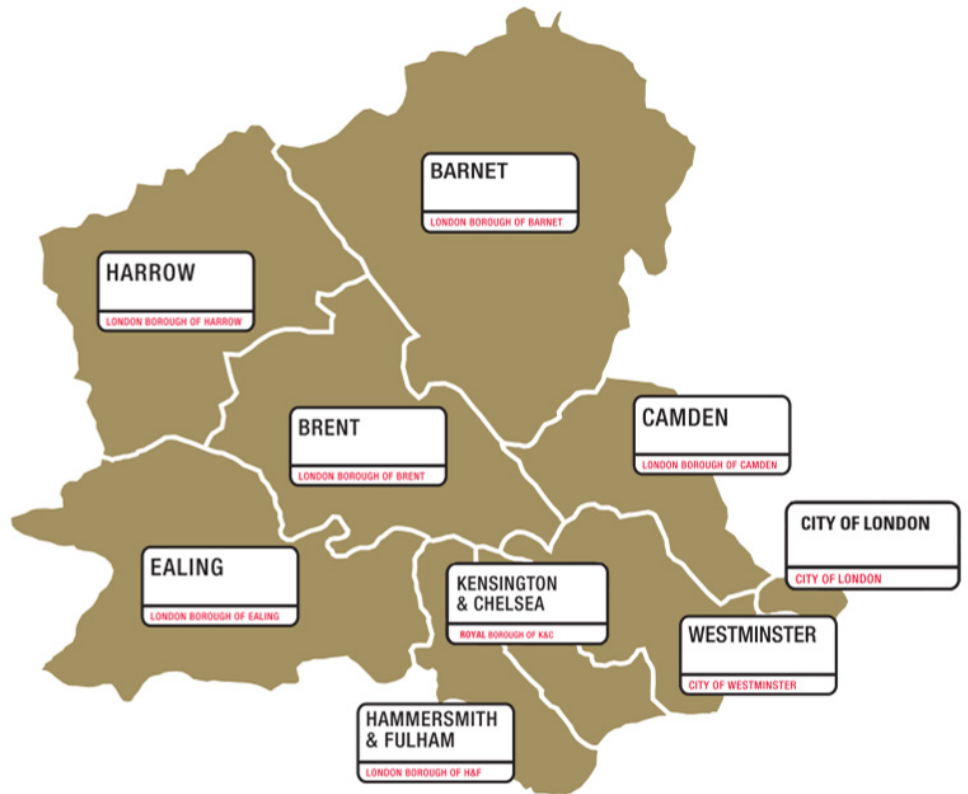


JOHN LYON'S CHARITY

CONTENTS

ABOUT JOHN LYON'S CHARITY	1
TRUSTEE AND ADVISERS	2
JOHN LYON'S FOUNDATION	3
THE MISSION OF JOHN LYON'S CHARITY	4
FOREWORD	5
STRATEGIC UPDATE	6-9
DEEP DIVE INTO CULTURAL INCLUSION	10-25
OVERVIEW OF GRANTS 2024/25	26-33
REPORT OF THE TRUSTEE	33-38
FINANCIAL REVIEW OF THE CHARITY	39-43
STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES	44
REPORT OF THE INDEPENDENT AUDITOR	45-47
STATEMENT OF FINANCIAL ACTIVITIES	48
BALANCE SHEET	49
CASH FLOW STATEMENT	50
NOTES TO THE FINANCIAL STATEMENTS	51-67
GRANTS APPROVED 2024/25	68-75
GOVERNANCE	76

ABOUT JOHN LYON'S CHARITY



John Lyon's Charity awards grants to support children and young people up to the age of 25 who live in nine boroughs in North and West London: Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow, Kensington & Chelsea, and the Cities of London and Westminster.

As one of the largest independent funders in London, the Charity has distributed over £223 million since 1991 to organisations that help raise the aspirations of children and young people. It achieves this by funding projects that offer educational opportunities and enable participation in a broad range of enriching activities.

In the financial year ending March 2025, the Charity awarded £15 million in grants across four Programme Areas: Formal Education, Informal Education, Access to Education and Capacity Building. These Programme Areas encompass a wide breadth of projects and organisations that help children and young people and are crucial to the Charity's grant-giving, underpinning its entire mission.

The Charity does not fundraise and has no disclosures to make under section 162A of the Charities Act 2011. All grant-making is supported by income generated through its financial investments and property portfolio, which together form the Charity's endowment.

The Charity's mission is to improve the life chances of children and young people through education, reflecting the intentions of its founder, John Lyon, who established Harrow School. [Visit our history to learn more](#)

John Lyon's Charity is a collaborative funder, working in partnership with grantees, government bodies, and other trusts and foundations to ensure that the needs of children, young people and the education sector are at the forefront of our grant-making approach.

Grants are awarded to registered charities, state schools with open admissions, and organisations with automatic charitable status. On occasion, local authorities within the Charity's Beneficial Area may receive funding when working in partnership with voluntary sector organisations. National charities must demonstrate a strong track record and presence within the Beneficial Area.

TRUSTEE AND ADVISERS

TRUSTEE

	The Keepers and Governors of the Possessions Revenues and Goods of the Free Grammar School of John Lyon within the Town of Harrow-on-the Hill (A Charter Corporation)
Clerk to the Trustee	The Hon. Andrew Millett
Registered Charity No.	237725
Registered Address and Charity Office	Savoy Strand, 105-109 Strand, London WC2R 0AA
Property Managing Agents	Knight Frank LLP 55 Baker Street London W1U 8AN
Bankers	Coutts & Co, 440 Strand, London WC2R 0QS
Auditors	Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW
Solicitors	Howard Kennedy, 1 London Bridge, London SE1 9BG
Investment Advisers*	Cambridge Associates, 80 Victoria Street, London SW1E 5JL
Custodian*	Cazenove Capital, 1 London Wall Place, London Wall, London EC2Y 5AU

PRINCIPAL OFFICERS

Chief Executive Officer	Dr Lynne Guyton
Chief Operating Officer	Amira Kaadan
Director of Communications & Strategic Grants	Anna Hoddinott
Director of Impact & Grant Practice	Karen Millen
Director of Public Policy & Partnerships	Erik Mesel

*Investment Managers appointed October 2025: Goldman Sachs, Plumtree Court, 25 Shoe Lane, London EC4A 4AU

JOHN LYON'S FOUNDATION



John Lyon's Foundation is an educational foundation comprised of the Corporation – Harrow School and John Lyon School – and John Lyon's Charity. The Corporation is sole trustee of John Lyon's Charity but does not consolidate the latter into the Corporation and Group. The Corporation and its charitable activities are supported by two wholly owned trading subsidiaries and a fundraising trust: Harrow Schools International Limited (HSIL), Harrow School Enterprises Limited (HSEL) and Harrow School Development Trust (HDT). Together with the Corporation, these entities comprise the Group.

The Foundation is named after John Lyon, a land-owning farmer from the village of Preston in the London Borough of Brent. In 1572, John Lyon was granted a Royal Charter by Queen Elizabeth I to endow a parish school in Harrow on the Hill as a free grammar school for 30 local boys. Over 300 years later in 1876, John Lyon School was established to uphold John Lyon's original mission to educate local boys, as Harrow School pupils increasingly came from further afield.

The charter given to John Lyon also required him to endow a charitable trust that would maintain the Harrow and Edgware Roads. When "The Roads Trust" was relieved of its road-maintenance responsibilities in 1991, it became John Lyon's Charity; which continues the founder's legacy by awarding grants to support children and young people in the Beneficial Area. In the present day, John Lyon's Foundation upholds John Lyon's original charitable intentions by working to improve the prospects of children and young people through educational opportunities.





THE MISSION OF JOHN LYON'S CHARITY

Our Vision

To transform the lives of Children and Young People through education.

Our Mission Statement

Education is at the heart of John Lyon's Charity because it enables us to have the greatest possible impact on Children and Young People (CYP). As an independent grant-giver, we champion through thought leadership and work in partnership to create systems change for the wider benefit of the CYP and Education sectors.

Our Values

COLLABORATIVE

John Lyon's Charity is a collaborative funder, working with grantees, government and trusts and foundations to ensure the needs of the CYP and Education sectors are at the forefront of how we grant.

INDEPENDENT

We are an independent funder, we do not fundraise, and we do not bid for government contracts to provide services. We are apolitical and non-religious. This allows us to judge applications on their own merit.

FLEXIBLE

We are a flexible funder; we aim to be nimble in how we grant. We give organisations the space to think strategically, to experiment, to adjust and to have time for reflection.

RELATIONAL

We are an ambitious funder and see our relationship with grantees as partnerships. Our aim is to be ambitious for the organisations we work with and aim to instil confidence in them.

PASSIONATE

We fund with passion and purpose, guided by what children and young people require, rather than by sector trends.

Our Objectives

- To improve the life chances of CYP through access to education and learning.
- To provide inclusive educational opportunities for CYP regardless of faith, ethnicity or gender.
- To build capacity within the CYP and Education sector.
- To promote collaboration between organisations to maximise impact.

CEO FOREWORD

In 2024/25, during a period of uncertainty, John Lyon's Charity continued to provide support and resources to charities and schools across its Beneficial Area in North and West London, contributing a total of £15 million to 357 organisations. Despite the financial pressures in the grant-giving community, the Charity's mission is, and has always been, to support the life chances of children and young people.

As a relational, place-based funder, the Charity invests time in its grantees as well as funding. Regular visits, workshops and opportunities for collaboration are an essential part of its approach, ensuring that grants are accompanied by partnership and learning rather than being transactional.

The Strategy that launched in April 2023 continues to shape the Charity's work. Consultation with grantees has been central to this process, ensuring funding remains relevant to the most pressing needs. By listening carefully and embedding lessons learned, the Charity has prioritised impact while maintaining the flexibility to respond quickly to emerging challenges.

The move towards awarding larger, longer-term grants has naturally reduced the number of individual awards made. However, feedback from grantees has confirmed that longer multi-year funding provides organisations with critical stability, relief from the pressure of the fundraising cycle, supports staff retention and enables strategic planning for the future.

In 2025, the Charity celebrates the 10th anniversaries of two flagship initiatives: the Young People's Foundations and the School Holiday Activity Fund. Both began as small, targeted responses to local need and have since become nationally recognised models of support, filling gaps where alternative funding is scarce.



This year also saw the continuation of **The Perspectives Series**, with a new report 'A New Perspective' focusing on cultural inclusion for young people with special educational needs and/or disabilities. Building on long-term investment in this area, the Charity is working with schools, arts organisations, and funders to promote inclusive practice and create sustainable opportunities, including in employment.

For the first time, this publication combines the Statutory Accounts and Annual Report, reflecting our commitment to transparency and accessibility. We hope it provides a clear picture of the Charity's work and its continuing ambition to improve life chances for children and young people across London.

Dr Lynne Guyton, Chief Executive Officer
November 2025

STRATEGIC UPDATE

In September 2024, the Charity marked a significant transition with the retirement of its long-standing Grants Director, Cathryn Pender, after 30 years of service. This change provided an opportunity for the Charity to review its operations and a new Directorate structure was adopted. This has enabled the Charity to broaden expertise amongst the Senior Leadership and provided greater flexibility as the Charity develops its unique position as both a grant-maker and 'DoTank', combining long-term funding with research, learning and policy influence.

The three new Director roles were created and filled internally:

Director of Communications & Strategic Grants

Anna Hoddinott

Director of Impact & Grant Practice

Karen Millen

Director of Public Policy & Partnerships

Erik Mesel

This new leadership team has overseen the implementation of the Charity's Strategy, which focuses on:



TIGHT EDUCATIONAL FOCUS

- **Four targeted Programme Areas:** Formal Education, Informal Education, Access to Education and Capacity Building, which remain central to the Charity's mission.
- Greater focus on working with the wider John Lyon's Foundation through co-funding projects such as the Children's University in Harrow.



LARGER, LONGER GRANTS

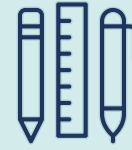
- Increase in average grant amount from c.£30K p.a. to c.£50K+ p.a.
- 39% increase in grants over £40k in 2024/25 compared to the first year of the strategy (2023/24) and an 83% increase compared to the 2022/23 fiscal year (2022/23)
- In 2024/25, 146 grants exceeded £40,000, compared to 80 in 2022/23





INCREASE IN DURATION OF MAIN GRANTS

- Maximum grant length increased from three to five years
- 30 grants of more than three years in 2023/24 were awarded, with a further 24 granted in 2024/25.
- This represents an increase from 10% of grants in 2023/24 to 13% in 2024/25.



INCREASED FOCUS ON RESEARCH, EVALUATION & LEARNING (REAL)

- The impact of the Home-School-Community funding on grantees and what has been learnt.
- The eight Young People's Foundations established and funded by the Charity as they enter their 10th anniversary year, and the impact on their communities.



INTRODUCTION OF THE GATEWAY FUND

- Supports small or emerging organisations, providing grants of up to £20,000 pa for three years to help new grantees grow.
- Since inception, 17 Gateway Grants have been awarded (11 in 2023/24 and six in 2024/25)



EXPANDING THE OPEN PROGRAMME

- -launched the Cultural Capital Fund following its success within the HSC Programme, confirming the Charity's commitment to cultural capital.
- Six grants awarded under the CCF in 2024/25 to ensure the Charity can still respond to requests for short-term project funding, set against the longer/larger grant strategy.

The Charity continues to be responsive to the needs of the CYP sector in the Beneficial Area. As such, the Strategy is constantly under review to ensure that it remains able to respond to local needs.

KEY HIGHLIGHTS

HOME-SCHOOL-COMMUNITY

2024/25 marks the fourth year of the Home-School-Community strategy. The Strategy utilised an additional £22m taken directly from the Charity's endowment to support organisations in the aftermath of the Covid-19 pandemic. It was deliberately designed as a six-year strategy to ensure that the response was intentional and long-term. An update of the Charity's spend within HSC is provided below.

Replication Fund – Young Carers

The Replication Fund enables organisations to deliver successful, high impact programmes in areas where services or provision is lacking. To date £3.8m has been awarded to 47 organisations to replicate some of the most successful projects and initiatives to reach more children and young people in other parts of the Beneficial Area.

Through its grantmaking, the Charity identified a disparity in the provision of services for Young Carers across the Beneficial Area: opportunities were far stronger in Harrow and Barnet for example, compared to Ealing, Hammersmith & Fulham, and Westminster. Through the HSC Replication Fund, the Charity is working to develop Young Carers services in those areas identified as lacking provision, whilst continuing support of existing Young Carers' organisations across the Beneficial Area. Already, this work has enabled 330 more young carers have access to activities and dedicated services each year, with more cross-borough partnerships and dialogue underway.

Collaboration Fund

The most complex fund within the Home-School-Community strategy is the Collaboration Fund, which brings organisations together with state schools to encourage them to work more closely together and come up with innovative solutions to support their students. New collaboration projects are still being established, with at least one in every borough of the Charity's Beneficial Area now up and running. The initial collaborations in Harrow and Hammersmith & Fulham are now well established and have demonstrated excellent results in the smooth transition of young people between primary and secondary schools, and a reduction in self-harming behaviours. The Charity has brought together all Collaboration Fund participants in annual sessions to learn from each other, which has proven invaluable for those starting out on their journeys together.





Cultural Capital Fund

Launched in 2023 as part of the Home-School-Community strategy, the Cultural Capital Fund (CCF) was designed to mitigate the long-term effects of the pandemic on children and young people. The Fund has since become one of the Charity's most in-demand programmes.

97 school grants and 77 grants to arts and cultural organisations have been awarded, engaging over 270 schools and reaching more than 80,000 children and young people - approximately 25% of the school-aged population in the Beneficial Area. Originally allocated £2.5 million, demand for CCF has been so high that a total of nearly £3.5 million has now been awarded.

With expenditure on the Cultural Capital Fund exceeding the original HSC budget allocation, in 2024/25 the Charity re-launched the Fund under the Charity's Open Programme. Up to £500,000 is ring-fenced each year for Arts organisations to apply for projects that provide access to enriching cultural experiences for children and young people, many of whom would not otherwise have such opportunities. More information on the Cultural Capital Fund can be found on the Charity's [website](#).

Cross Foundational Projects - Children's University

The Harrow Children's University was launched in partnership with John Lyon's Foundation, Harrow School, The John Lyon School, and the Young Harrow Foundation (YHF) to broaden learning opportunities beyond the classroom. A three-year grant was awarded to YHF for programme coordination, with the independent schools providing facilities, volunteers, and enrichment activities.

In its first year of delivery, 413 children from three schools engaged in 4,381 hours of activity, with the most popular being Arts, Culture and Music, Outdoor Learning and STEM subjects. Additional support is provided by the two schools, with a graduation event held at Harrow School's Speech Room, to which parents were invited to celebrate the children's achievements. This project creates a blueprint for collaborative working across John Lyon's Foundation and one that the Charity will seek to replicate in future initiatives.

DEEP DIVE INTO CULTURAL INCLUSION

The Charity has been committed to increasing inclusion across the Arts and Cultural sectors for the past 10 years. In 2024/25 this work culminated in a significant report, 'A New Perspective' and creation of a Call to Action, using the voices of those involved to create recommendations for truly inclusive practice.

This section of the report takes a closer look at the Charity's work on Cultural Inclusion and the next steps it is taking to improve the lives of children and young people with special educational needs and disabilities. The Grants Team is passionate about the work they undertake and has built up a wealth of experiences and relationships with delivery organisations. As a transparent funder, the Charity wants to share its expertise and knowledge so that others can follow its journey and influence positive change.

Stronger Together: Our Cultural Inclusion Impact Since 1991

John Lyon's Charity has invested **£19 million since 1991** to improve the lives of d/Deaf, disabled and neurodiverse young people across our Beneficial Area, **benefiting 220 organisations**.



Since 2016, we have helped build over **40 partnerships between special educational needs settings and leading arts organisations**, creating inclusive, creative opportunities.



Annual expenditure on projects for children and young people with special educational needs and/or disability (SEND) has grown from £232,900 in 2015/16 to nearly £2,220,000 in 2024/25.



Ealing has received the largest amount of funding for special educational needs projects with **over £2.8 million awarded**, compared to **Barnet, Brent, Hammersmith & Fulham, and Westminster**, who have each received **over £2 million** each since 1991.



In 2024/25, we awarded 26 SEND-related grants - a **73% increase compared to 2015**.



In **April 2024**, we launched our first-ever podcast series, **Stronger Voices Together**, hosted by blind broadcaster and disability activist Lucy Edwards.



Since 2015, **31 special schools** have benefitted from our funding, helping to strengthen SEND provision in formal education settings.



Championing inclusive practice, the podcast series amplified **16 leading specialists** and gave **8 young disabled and neurodiverse young people** a platform to share their experiences, creativity, and ambitions with a wider audience.



In 2016, we launched our **Perspectives** series to investigate the relationships between Arts organisations and special schools and the barriers to greater cultural inclusion.



Through the **Replication Fund**, we have committed **over £500,000** to create a tailored SEND internship programme at cultural institutions across London.



WHY WE EMBARKED ON OUR CULTURAL INCLUSION JOURNEY

John Lyon's Charity has always been committed to supporting all children and young people through education. From our earliest years, inclusion and accessibility have been integral to our grant-making, ensuring that D/deaf, visually impaired, disabled and neurodivergent young people are not left behind.

However, in 2015, we identified a significant gap in our funding. Of the 28 grants we had awarded that year for Arts activities none were targeted at young people with special educational needs and/ or disabilities. This was a clear indicator that our existing funding streams were not effectively reaching all children and young people.

WHAT HAPPENED NEXT

John Lyon's Charity is not an expert in delivering projects for D/deaf, disabled and neurodiverse young people; but we do have the ability to convene experts in this area and to amplify their voices to try to create structural change. We conducted a thematic review, consulting with beneficiaries, reviewing grant-making data, visiting projects and engaging in open dialogue with special schools, Music Hubs and Arts organisations.

This process revealed a critical disconnect between the Arts sector and special schools, resulting in limited accessible arts and cultural provision for these young people. It became evident that a more intentional and structured approach was needed. This marked the beginning of our formal cultural inclusion journey: to not only fund more inclusive projects but to challenge systemic barriers, influence sector-wide practice, and embed inclusive principles across the Charity's operations.

Using our networks across the Arts, special schools, Music Hubs, and funding sectors, we challenged these groups to think about how they work together to benefit young people.

[Perspectives \(2016\)](#), [Change of Perspectives \(2019\)](#) and [Stand Up for SEND \(2020\)](#) brought together the voices of key stakeholders, collating their insights and experiences. The most recent strand of the series [A New Perspective \(2024\)](#) and [A Call to Action \(2024\)](#) revealed a much changed picture from 2016, with more confidence amongst special schools to work with Arts organisations, and Arts organisations more skilled at working with disabled children. However, further ongoing challenges were also highlighted, including the lack of career opportunities for neurodiverse young people and the importance of role models and visibility.

John Lyon's Charity has taken a sector leadership role, using our platform to advocate for better collaboration, amplify underrepresented voices, and ensure that inclusion is not a niche initiative but a sector-wide standard. We are proud that our level of grantmaking for Arts projects for young people with special educational needs and disabilities has seen a 73% increase since 2015, demonstrating that Arts organisations and special schools are now much more confident in working together and securing funding for joint projects. However, the journey to cultural inclusion is ongoing, and more always needs to be done, together.



THE CULTURAL CAPITAL GAP

MORE NEEDS TO BE DONE TOGETHER



Anna Hoddinott
Director of Communications & Strategic Grants

A world without theatre; a world without music; a world without galleries, concerts and dance. A world without these things would be a world without colour, without joy and without creativity. Now imagine a world where these things exist but due to reasons outside your control, these things are unavailable to you; or they are unwelcoming.

It is with this context that the Charity first embarked on its **Perspectives** journey, in 2016. With our extensive experience working with schools (mainstream and special) as well as with a range of Arts organisations across London, we could see a huge disparity in what was available for children in mainstream schools versus the offer for children with additional needs in special schools. Conversely, on the occasions when activities were successfully being delivered in special school environments, the impact on their young people was huge, and often life changing, frequently impacting on the whole family.

Far too often, d/Deaf, disabled and neurodiverse young people find it difficult to access activities; additional support is often required to access mainstream provision, and a specialist offer is rare and often oversubscribed. Young people might often require additional levels of support to enable them to join in, which incurs additional costs; often activities need to be adapted to enable young people to participate; sometimes young people find it difficult to join in with mainstream activities for other social, emotional or behavioural reasons.

WHY DOES THIS MATTER? WHY SHOULD WE TRY TO CHANGE IT?

Because it is a fundamental right of all children and young people to have access to cultural capital and this is why we have dedicated the last ten years championing the rights of d/Deaf, disabled and neurodiverse young people to have access to Arts and culture like anyone else.

WHAT IS CULTURAL CAPITAL?

Cultural capital was introduced as part of the new Ofsted framework in September 2019. This framework requires schools to provide pupils with 'the knowledge and cultural capital they need to succeed in life'.

Whilst Ofsted does not inspect the cultural capital offered by a school, it does look closely at the variety and breadth offered within its curriculum that can support children's opportunities to access cultural capital – a 'broad and balanced' offer.

Cultural capital can take many forms but it generally can be described as having the tools, knowledge and references in order to succeed in life. A young person who has experienced a variety of opportunities such as Arts, religion, or travel would generally be considered to have a greater degree of cultural capital than someone who had not been exposed to such a variety of things.

WHY IS CULTURAL CAPITAL IMPORTANT?

Cultural Capital as a concept was featured as the first episode in the Charity's podcast series **Stronger Voices Together**. The episode examined the wider benefits for children who engage in Arts activities. Children who study music, for example, are likely to reap the benefits in their wider studies; engaging in Arts can be enjoyable, relaxing and help children better focus on their schoolwork. As Ali King from Turtle Key Arts describes in the podcast, engaging in Arts can have a huge benefit on emotional wellbeing, particularly in building resilience and a sense of self. The Arts can also be a useful tool with which to explore and illuminate other more complex areas of the curriculum. For neurodivergent children and young people, the Arts can be a lifeline, offering an opportunity to engage in something outside their norm, communicate with others for the first time, enjoy teamwork and can provide a sense of achievement.

WHAT HAS JOHN LYON'S CHARITY DONE?

Over the years, John Lyon's Charity has funded projects that bring high quality Arts activities into special schools, but we recognised the need to do more. As a funder working with a variety of different Arts organisations, we were in a unique position to have an overview of the sector; we could see the different approaches made by organisations and what was working particularly well. We could also see how some schools felt very confident in engaging with external delivery organisations, whilst others had much more reticence at opening their doors.

In 2016, we embarked on a research project to gather insight into this work and identify key factors that would help bring the Arts and special educational needs sectors together. The resulting report, *Perspectives* provides guidance to support the sector to be brave, ambitious and help share expertise to create new and stronger Arts partnerships. In 2019, we produced a follow-up piece of work, **Change of Perspectives**, to understand the issues that continued to affect the sectors and learn from those who understand it best. The **Stand up for SEND** call to action was based on the thoughts and experiences of all those who contributed to the *Change of Perspectives* report and offered a framework for organisations to follow to ensure that when developing programmes, they were fit for purpose and sought to achieve best practice. We know that it costs more to do this work and we encourage applicant organisations not to hide the costs of additional workers, specialist equipment or extra time – these things are essential in order to make the work happen and be successful.

Fast forward to 2024 and the world is a very different place. The impact of Covid-19 on the delivery of projects within special schools was huge, which, for obvious health reasons, were some of the last institutions to re-open their doors to external visitors. However, alongside some of these practical delivery challenges, what emerged over that period, was a huge dedication to innovation and the desire to find new ways to engage young people – with often surprising results. Organisations frequently told us that they were able to reach more young people using online tools than before, particularly those with learning and access needs, and that the experience of delivering during the Covid-period would change their working practices forever.

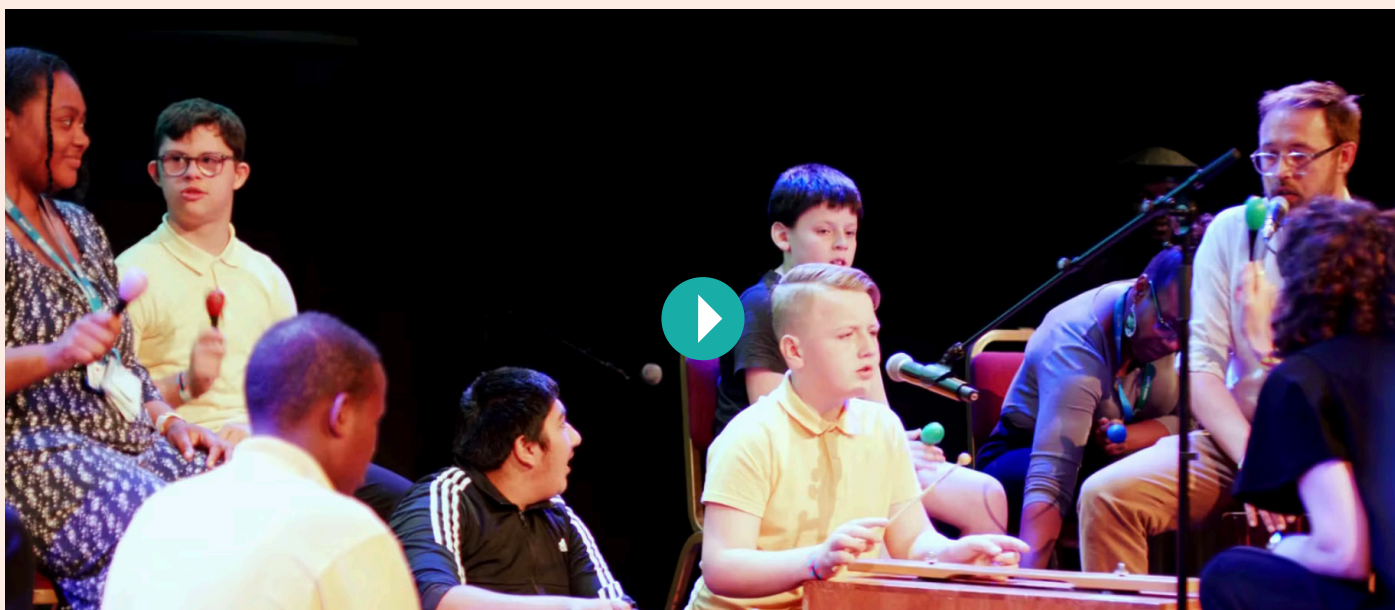
It therefore seemed timely to embark on a new examination of the relationship between Arts organisations and special schools in 2023, with a view to not only seeing how much progress had been made, but also to celebrate successes, achievements and innovations.

AMPLIFYING VOICES

As a funder, we are used to having conversations with all kinds of people, from delivery organisations, teachers, other funders and occasionally policy makers. We see a crucial part of our role being to bring people together to share ideas and opportunities. We wanted to find a way to ensure that these very special insights could be shared more widely and not limited just to those who could attend meetings and discussion events. Thus, the idea for our podcast series, **Stronger Voices Together**, was born. *Stronger Voices Together* brings together people working in Arts organisations, teachers, young people and parents to share their views on various topics and issues to offer insights and stimulate further discussion and debate. The podcasts don't always offer definitive solutions, but rather challenge listeners to think more about what they do and say, and how they can communicate this to others.

Access to high quality arts and cultural opportunities is a fundamental right for everyone; we have a responsibility to ensure that we are doing all we can to ensure equal access to these activities for all children and young people. We hope that the work we have committed to over the last decade has a lasting legacy, however we cannot stand still. We are constantly considering ways in which we can deepen our impact and level the playing field for d/Deaf, disabled and neurodiverse children and young people. As always, more needs to be done, together.

THE WEST LONDON INCLUSIVE ARTS FESTIVAL THE POWER OF PARTNERSHIP AND CO-PRODUCTION



WHAT IS THE WEST LONDON INCLUSIVE ARTS FESTIVAL?

John Lyon's Charity has supported the West London Inclusive Arts Festival (WLIAF) since its inception in 2016. It is an excellent example of what long-term partnerships between schools, Arts organisations and families can achieve for d/Deaf, disabled and neurodiverse young people.

Initially, the Charity awarded a Small Grant of £5,000 to College Park School in Westminster to pilot an inclusive Arts festival across just two schools. Following the success of that initial project, we have since awarded a further three grants totalling £270,000, supporting the Festival's growth and helping build cultural capital for d/Deaf, disabled and neurodivergent young people across the Charity's Beneficial Area.

Today, WLIAF represents a strong partnership of seven special schools across five boroughs - Brent, Ealing, Hammersmith & Fulham, Kensington & Chelsea, and Westminster - working alongside some of London's most respected cultural institutions. These include the Royal

Albert Hall and the Royal Academy of Arts, as well as leading disability-focused arts organisations such as Graeae Theatre Company and ActionSpace. The Festival now provides high-quality creative opportunities for over 1,200 young people each year - many of whom would not otherwise access Arts and cultural experiences.

CO-PRODUCTION

The Festival has evolved from a one-off celebration into a year-round inclusive Arts programme, including in-school activities, artist residencies and an annual celebration shaped by the needs of the individual schools, students and families involved. The funding from John Lyon's Charity enables each school to design its own approach: some host in-house festivals, others co-create new work with Arts organisations, and many embed Festival themes across their curriculum. Through these collaborations, schools have developed skills and confidence in curating engaging Arts activities, with more experienced schools now mentoring newer partners. This has led to improved co-production practices, ensuring that all activities are accessible and meaningful - including for students with profound and multiple learning difficulties.

“The WLIAF has had a hugely positive impact on our school. It has enhanced our student’s learning, given them new experiences to respond to, enabled them to explore and connect with different people and sensory experiences. Our students have achieved access and control and made great steps towards achieving independence.” WLIAF School

ROLE MODELS AND VISIBILITY

A key part of the programme is working directly with disabled artists, providing students with role models who reflect their lived experience and who demonstrate that a future in the Arts - as performers or participants - is both real and achievable. This approach has also helped schools and Arts organisations develop new pathways for students to access creative opportunities beyond the classroom.

The Festival culminates in a shared celebration at the Royal Albert Hall, with the opportunity to perform at such an iconic venue in front of friends, family and teachers, being a particular highlight. For some, this is their first opportunity to perform on stage. The atmosphere is one of pride, joy and mutual respect, and many families report that the Festival has helped them see their children’s creative potential in a new light. It has also empowered parents to support their children’s engagement with Arts and culture both in and outside of school.

IMPACT OF THE FESTIVAL

For the Royal Albert Hall, WLIAF has been a vital part of its own inclusion journey. By learning directly from teachers and students with a wide range of disabilities, the Hall has made important improvements to its accessibility - from enhanced signage and designated quiet areas to more relaxed and sensory-friendly performances. These changes are part of a wider commitment to inclusion and have created a legacy that extends well beyond the Festival.

“Just want to say THANK YOU, for giving us parents a chance to be ourselves and giving us a safe space to just be. Also, thank you both for joining in and being raw with us. These workshops have given me a place to come and have fun and be myself without judgement” WLIAF Parent

WLIAF demonstrates that inclusion goes far beyond ramps and signage. It’s about creating environments where children can be themselves - to move, vocalise and engage in their own ways without fear of judgement. Through deep, trusting collaboration with special schools and SEND experts, the Royal Albert Hall has taken meaningful steps to make its space more welcoming for all.

For John Lyon’s Charity, WLIAF is a flagship example of partnership and co-production in action. The Festival’s success shows that long-term change is only possible through genuine collaboration - enabling schools, Arts organisations, and disability-led groups to work together, drawing on their unique strengths and expertise. WLIAF continues to redefine what inclusive cultural engagement looks like and ensures that children and young people with learning and access needs are firmly included in London’s cultural life.



SHAPING THE FUTURE OF ART, CULTURE AND INCLUSION?

I'm Paul Morrow, Assistant Headteacher at College Park School and Director of the West London Inclusive Arts Festival, proudly supported by John Lyon's Charity.

Founded ten years ago, the West London Inclusive Arts Festival has become a catalyst for inclusion, building an ecosystem of schools, families, disability-led and focused arts organisations and cultural institutions. It has helped shape initiatives like the [Cultural Inclusion Manifesto](#) (a commitment to action aimed at ensuring that all children and young people, particularly those with disabilities, have equal access to and participation in arts and cultural opportunities) and continues to shine a light on both barriers and breakthroughs within inclusive Arts practice.

Over the years, I've gained a deeper understanding of what authentic inclusion requires. Robust partnerships take time- they depend on trust, shared language and a commitment to co-production. While progress is happening, we must be intentional about sustaining it. Families are a central consideration of this ecosystem, but a disconnect persists. Schools often act as cultural gatekeepers, and institutional engagement with young disabled people is shaped by this dynamic.

In Westminster- home to the highest concentration of Arts Council National Portfolio Organisations in the UK - principles of best practice around access and participation are still emerging. That said, there are promising signs. Westminster City Council has signed the Cultural Inclusion Manifesto and is working with us to promote equitable approaches.



Paul Morrow
Assistant Headteacher at College Park School

One recent example is our “Meet the Families” event at The Royal Albert Hall, where families and cultural partners explored inclusive provision in relation to three key barriers:

- **Digital Access:** Difficulty locating clear, reliable information about inclusive programming increases the labour required of families.
- **Transport Planning:** A lack of accessible travel guidance further compounds this challenge.
- **Provision for Disabled Young Adults:** Access to cultural learning should extend beyond childhood as part of lifelong engagement.

We're now working to define principles of best practice based on these insights - watch this space.

Central to meaningful progress is strategic co-production. Lived experience must drive programme design and delivery across education and cultural sectors. This leads to cultural shifts, not just token adjustments. Institutions must listen differently, respond more intentionally, and involve disabled communities not just as participants but as co-creators.

Cultural institutions are more than venues- they're civic assets. In a time when civil society faces growing pressure, they hold the potential to support cohesion, redefine community narratives, and foster belonging. I believe they can become engines of a “civil curriculum”- spaces that educate, empower and connect.

Progress has been made, much of it thanks to the support of John Lyon's Charity. But inclusion isn't static; it's a journey. A direction of travel is emerging, and it's up to all of us - educators, families, artists and institutions - to shape it together.



“PROGRESS HAS BEEN MADE, MUCH OF IT THANKS TO THE SUPPORT OF JOHN LYON'S CHARITY. BUT INCLUSION ISN'T STATIC; IT'S A JOURNEY.”



BALLET WITHOUT BARRIERS

CHAMPIONING INCLUSION WITH ENGLISH NATIONAL BALLET



Access to ballet and classical dance remains one of the most underdeveloped areas of inclusion for d/Deaf, disabled and neurodiverse young people. The Illuminations initiative from English National Ballet (ENB) marks a pivotal step forward in breaking down barriers to greater cultural access and has the potential to revolutionise inclusivity in the ballet world.

ENB is known for delivering exceptional performances, nurturing new talent and creating meaningful engagement with a wide range of audiences. Working with internationally celebrated choreographers and directors, the company constantly pushes the boundaries of ballet while preserving its rich artistic heritage. Its education and engagement programmes are of the highest quality and challenge young people to work to professional standards, working together as a team, regardless of their individual abilities. Yet in recent years, a gap has emerged between this

“best in class” offer for mainstream schools and ENB’s engagement offer to young people with special needs and disabilities, which was lagging far behind that of other Arts organisations. ENB was keenly aware that they needed to make improvements in this area and looked to the Charity’s Perspectives work to guide their thinking in how they could develop a programme to focus on children and young people with additional needs.

John Lyon’s Charity has a longstanding relationship with ENB, funding school programmes since 2009. Between 2014 and 2019, the Charity supported [Dance Journeys](#), a flagship dance education programme that brought world-class dance opportunities to hundreds of young people across the Charity’s Beneficial Area. Illuminations builds powerfully upon this foundation. This ambitious, multi-year investment in inclusion will not only expand access to dance for d/Deaf, disabled and neurodiverse young people, it will also transform ENB as an organisation, by embedding inclusive values at the core of its engagement work and institutional culture.

ABOUT ILLUMINATIONS

Illuminations is ENB's most ambitious inclusion programme to date. Designed around the pillars of the Charity's [Perspectives Series: Call to Action](#), it tackles critical areas such as co-production, family engagement, progression pathways, visibility of role models and celebrating achievements.

In its first year (2025), Illuminations has brought My First Inclusive Ballet (MFIB) to special schools and specialist units in mainstream schools across the Tri-Borough area. These sessions are supported by family outreach, ensuring that local parents and carers feel confident and informed about accessing ENB performances.

WHAT INCLUSION LOOKS LIKE IN PRACTICE

At the heart of Illuminations is the belief that ballet should be for everyone. ENB worked closely with John Lyon's Charity to connect with special schools so they could co-create in-school workshops to help neurodiverse young people experience the world of ballet in their own classrooms. In addition to these relaxed workshops, ENB also delivers Relaxed Performances, which are designed to be fun, inclusive and accessible. They are ideal for anyone who benefits from a more flexible theatre environment where movement, sound and self-expression are welcomed.

These include pre-show introductions and optional Touch Tours, which allow children to explore the stage, props and costumes, and meet dancers who demonstrate key movements. These tours help connect physical gestures with what children will later hear during the performance. ENB also offers BSL-interpreted and sensory-adapted sessions that create a welcoming space for all.

Through time and learning, ENB has adapted its delivery to ensure whatever way a young person experiences ballet, ENB is here to welcome them. These access performances are just one way the company ensures that everyone can enjoy the magic of dance.

WHY THIS MATTERS

For many families of young people with -learning and access needs, cultural institutions and performances can feel inaccessible or unwelcoming, contributing to a persistent gap in cultural capital. Ballet, with its deeply entrenched traditions and exclusivity, has historically been one of the most inaccessible art forms for d/Deaf, disabled and neurodiverse young people. However, Illuminations directly challenges that legacy.

By offering inclusive programming that is co-created, rigorous and joyful, ENB is setting a new standard. Neurodiverse young people are no longer passive recipients of culture - they are recognised and supported as dancers, creators, and audience members in their own right. Families who may have once seen ballet as "not for them" are discovering that their children not only belong in the audience but can thrive on the stage.

THE ROLE OF JOHN LYON'S CHARITY

John Lyon's Charity has been instrumental in challenging English National Ballet to consider ways it could develop an offer for special schools. In addition to strategic support and a longstanding collaboration, the Charity is contributing funding towards a vital staff role: the Illuminations Project Lead, SEND Engagement and Enrichment. This new post will be key to ensuring that inclusion is not an add-on but a central pillar of ENB's work going forward. Future plans include a large-scale inclusive dance performance project co-produced with other arts organisations, which will feature d/Deaf, disabled and neurodiverse young people and mainstream students working side by side.

The work of ENB is already creating lasting change. It is shifting perceptions within the dance organisation, across the sector, and within families who are finally seeing themselves reflected in one of the most revered classical institutions in the UK. And it is doing so thanks to a shared vision and partnership between ENB and John Lyon's Charity.

With the right leadership, expertise and investment, Illuminations is set to become a national model for inclusive cultural engagement. John Lyon's Charity seeks to position the ENB model as a blueprint for other cultural institutions, showing what can be achieved when equity and access are supported with the right resources and when co-creation is included in project planning from the outset. It will clearly demonstrate how even the most elite artforms, like ballet, can become truly open to all.



A WHOLE FAMILY APPROACH

LIFE WITHOUT LIMITS

Those who know me well are aware that I am a proud uncle to a wonderful five-year-old boy with Cerebral Palsy. Through him, I've seen firsthand how d/Deaf, disabled, and neurodiverse children and young people really are at the heart of their families. Unfortunately, I've also witnessed how families often feel let down by the professionals and services meant to support them, leading to a cycle of mistrust and constant advocacy for their child's rights.

At John Lyon's Charity, we stand by the importance of a whole family approach to support d/Deaf, disabled, and neurodivergent young people. Families are crucial in helping these young people access opportunities and develop their own interests and learning. By engaging the entire family, organisations can create an environment of support, growth, and lasting change. Over the years, the Charity has seen how participation in inclusive activities offers numerous benefits, such as improved relationships, positive well-being, and a sense of empowerment for families. These shared experiences strengthen family bonds and create lasting memories, which should never be underestimated.

Despite the benefits, the options for parents and carers seeking Arts and cultural education for their children are still too limited; again, I have seen this with my nephew being excluded from activities due to him not meeting developmental 'milestones'. Even when opportunities have been identified, parents and carers often need additional confidence to ensure that an activity will be worth the time and effort it takes to prepare their child for participation – particularly when there is no guarantee the activity is something their child will be able to participate in or enjoy.

Challenges for families highlighted in our Perspectives series, include:

Opportunity: Limited availability of suitable activities and too few directories beyond local authority websites.

Accessibility: Physical and logistical difficulties in accessing events.

Availability: Timing and frequency of activities not aligning with family schedules, including conflicts with appointments and caring responsibilities.

Affordability: High costs associated with many activities which are difficult to prioritise alongside stretched family budgets.



Tom Mansell
Senior Grants Manager



Through our [A New Perspective](#) initiative, the Charity surveyed Arts and cultural organisations to assess the clarity and accessibility of information about their inclusive offerings. We found that over half of the surveyed websites did not clearly identify opportunities for d/Deaf, disabled, and neurodivergent young people, highlighting the difficulty families face in finding available opportunities. In some cases where these opportunities do exist, they are not being clearly advertised which is an unnecessary barrier for families, and as such the Charity is advocating for organisations to develop a shared and constant approach to advertising inclusive opportunities.

It's also important to consider the role of siblings of d/Deaf, disabled, and neurodiverse young people. Often, siblings take on additional caring responsibilities or miss out on activities due to inconvenient timing or their parent/carers limited capacity to support them to participate. John Lyon's Charity supports organisations working with young carers to ensure they have the same opportunities as their peers and the support needed to balance their additional responsibilities and education. The Charity recognises young carers as a priority group and is actively working to understand the landscape for young people with caring responsibilities across the Charity's Beneficial Area to better advocate for these young people and the organisations dedicated to supporting them.

John Lyon's Charity, through the A New Perspective initiative and **Stronger Voices Together** podcast series, calls for organisations to make their offerings more approachable, accessible, and inclusive for families. Each family is unique, and a one-size-fits-all approach is ineffective. Programmes and activities should be co-produced with families to meet their diverse needs, respecting their individuality and specific circumstances; this involves including families in planning and execution stages, ensuring activities are scheduled at convenient times and locations.

However, more still needs to be done together to create truly inclusive opportunities, ensuring every child and young person can access the highest-quality arts and cultural activities. By taking a whole-family approach, we can make a meaningful difference in the lives of d/Deaf, disabled, and neurodiverse children and their families. As Katie Sparkes, Chief Executive of the inclusive arts organisation Flamingo Chicks, said in the fifth episode of the Stronger Voices Together podcast: **"There is still much more work to be done and many more children to reach."**



BUILDING CAREER PATHWAYS

UNLOCKING UNTAPPED POTENTIAL

Despite significant progress in recent years, d/Deaf, disabled and neurodiverse young people remain among the most marginalised in the labour market, facing persistent barriers that limit their aspirations and restrict their potential. The disability employment gap is significant with statistics showing that in 2024 c.54% of disabled people aged 16-64 were in employment compared to 82% of non-disabled individuals.¹

In June 2023, the Charity created its first internal paid internship position for a young person with learning and access needs. This 12-month placement, remunerated at the London Living Wage demonstrates our full commitment to our grant-making ethos of inclusion. The Charity adopted an open and competitive recruitment process, which deployed various strategies to support young people with learning and access needs, such as providing interview questions in advance and inviting young people to be supported by an employment coach during the interview process. Shardonnay Roseman was subsequently appointed to the role.

This internship represented a valuable learning opportunity for both the Charity and Shardonnay. From the outset, we recognised that this would require a flexible and person-centred approach. While a job description was in place, it became apparent that a successful internship would depend on a deeper understanding of the intern's individual strengths and support needs. We learned quickly that adaptability, patience and a commitment to equity were essential to ensure that the experience was both meaningful for the intern and beneficial to the organisation.

Shardonnay found out about the job opportunity through **Pursuing Independent Paths (PIP)**, a disability organisation that empowers young adults with learning disabilities to achieve their ambitions. PiP supported three applicants in applying to the Charity and provided invaluable assistance, including pre-interview coaching, support during the interview, and- on-the-job support to help Shardonnay transition into the workplace after she was offered the role. This included help with travel planning, office orientation, and learning her initial role responsibilities. Through this process, we realised that the support of specialist Employment Coaches was crucial in creating the right environment for a placement to succeed. Once in post, Shardonnay was treated and regarded as a valued member of the team and given the same opportunities for engagement and development as any other employee.

While balancing business needs with an intern's capacity can be challenging at times, it is not an insurmountable problem when approached constructively. Not every intern will meet every aspect of a traditional job specification, but this should not be a deterrent, especially when specialist support is factored in to making placements a success.

Episode four of our podcast series Stronger Voices Together, titled "**Building Career Pathways**" goes into more detail about Shardonnay's experience navigating the job market. The episode explores the barriers that disabled young people face when trying to enter employment, and the urgent need for employers to adapt their practices.

"Many people told me I couldn't do it, but I am here today. Give disability people a chance. You will be surprised at what they can do."

1. <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/labourmarketstatusofdisabledpeoplea08>

NEXT STEPS

In June 2024, the Charity announced the ring-fencing of half a million pounds from the Home-School-Community Strategy to revolutionise career opportunities for d/Deaf, disabled and neurodiverse young people. Using our experience in recruiting and working with Shardonay, and working alongside PiP, we developed a blueprint for increasing the number of inclusive work opportunities across the Arts sector. The funding is being used to provide a dedicated Employment Coach at PiP, as well as provide at least 12 internship placements paid at London Living Wage in Arts and cultural institutions across the Capital. The Employment Coach supports Arts organisations to design an internship placement, including job descriptions, adverts and inclusive interview techniques, whilst also offering support to individual applicants seeking employment, both during the application process and as they settle into the role. In this way, the Internship funding is building the capacity and confidence of Arts organisations in employing young people with learning and access needs and demonstrating practical ways in which they can best support their needs.

The first five inclusive internships have received funding and will take place at Arts Depot, the Lyric Hammersmith Theatre, WAC Arts, the Old Vic and Lauderdale House. Interns have been recruited for a range of positions from front of house, to Education & Community teams. These placements form part of a broader commitment to developing systemic change and increasing representation of d/Deaf, disabled and neurodiverse young people across the cultural and charitable sectors.

John Lyon's Charity wants to be ambitious in how we can influence the broader cultural landscape. Our internships are not only about creating pathways for young people but also a way to challenge established Arts and cultural institutions to think differently about their employment programmes, to question old assumptions, and to embed inclusion at the heart of their workforce strategies. We have been encouraged by the conversations that we have had so far but we will continue to press for greater investment from both central and local government in high quality opportunities for young people with disabilities, ensuring their right to meaningful employment and their ability to participate fully in cultural and community life.

“MANY PEOPLE TOLD ME I COULDN'T DO IT, BUT I AM HERE TODAY. GIVE DISABILITY PEOPLE A CHANCE. YOU WILL BE SURPRISED AT WHAT THEY CAN DO.”





Broadening our Perspective

Building on our work with special schools and Arts organisations, the Charity is now focusing on inclusion within the wider youth sector - particularly access to opportunities outside the school day for children with special educational needs and disabilities. A survey of over 370 families in our Beneficial Area (July 2025) revealed that 90% felt there were not enough specialist or inclusive out of school opportunities for their children. Using our **Perspectives** approach, we will once again consult with the sector to identify how the Charity can best support and advocate for change. This will include working with out of school youth and play settings to build confidence among both providers and parents, ensuring more young people can access meaningful, enriching opportunities in their communities.

Our Vision

Our vision remains clear: to build a world where every young person, regardless of ability, can access the cultural, educational, and recreational opportunities they deserve.

The **Perspectives** series is more than just a collection of reports and podcasts. It is a **living commitment** to listening, learning, and leading toward greater inclusion.

But we can't do this alone.

**MORE NEEDS TO BE
DONE, TOGETHER.**



**FREE
TO BE ME**

**“BUT WE CAN’T DO
THIS ALONE. MORE
NEEDS TO BE DONE,
TOGETHER.”**



OVERVIEW OF GRANTS 2024/25

TOTAL GRANT SPEND

2024/25	£
Disbursement of ongoing and previously agreed grants commitments	£7,149,613
New Grants	£3,828,633
Principal Grants Programme Total 2024/25	£10,978,246
Disbursement of ongoing and previously agreed grants commitments	£2,278,200
New Grants	£1,736,000
HSC Grants Programme Total 2024/25	£4,014,200
Grand Total	£14,992,446

PRINCIPAL GRANTS PROGRAMME

Principal Grants expenditure decreased marginally by 2% compared to the previous year. Of the £11m Principal Grants Programme grant spend, £7.1m was already committed at the start of the financial year due to the Charity's multi-year grant awards. £3.8m was awarded as new grants and payable in 2024/25 with future commitments, which are payable across future years, totalling £11m. Future commitments now total £25.3m.

Applications Received

The Charity received 393 Principal Grant Applications in 2024/25, compared to 400 in 2023/24.

Status	2020/21	2021/22	2022/23	2023/24	2024/25
Applications Carried Forward	103	125	111	76	59
Applications Received (in Year)	425	373	542	400	393
Total	528	498	653	476	452
Approved	239	213	367	222	176
Declined	164	175	210	195	195
Pending (at year end)	125	110	76	59	81
Total	528	498	653	476	452
Approval Rate	59%	55%	64%	53%	47%

As the Charity awards more larger and longer grants (and therefore by default, fewer grants), it is to be expected that its approval rate will reduce. For the first time, the approval rate under the Principal Grants Programme fell below 50%; a decrease of six percentage points to 47%. Nonetheless, compared to other funders, the Charity still has an exceptionally high acceptance rate.

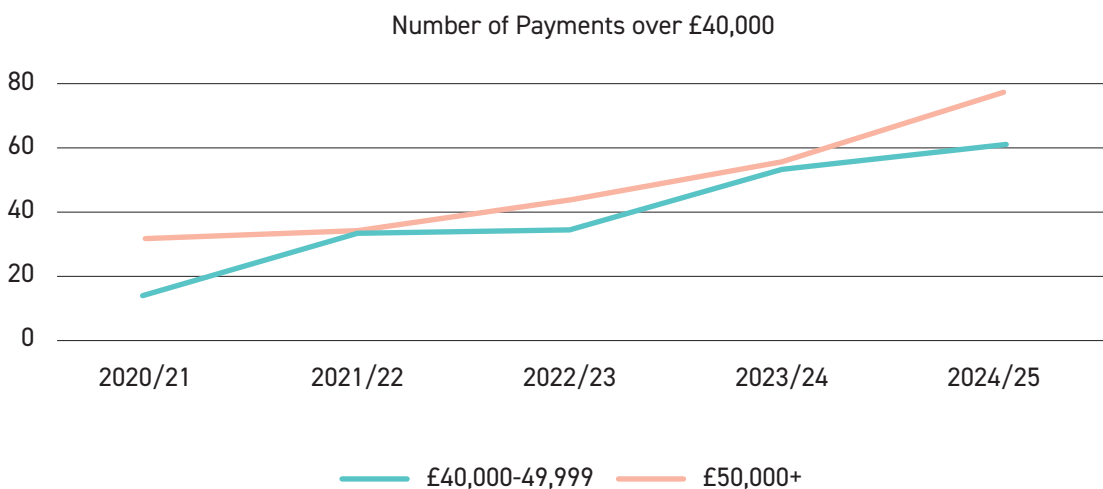
DECLINES

Reason	2020/21	2021/22	2022/23	2023/24	2024/25
Declined following assessment	92	107	124	124	117
Withdrawn by applicant/referred elsewhere	36	40	53	48	41
Outside of the Charity's policy	34	35	53	59	32
Other	4	8	7	13	5
Grand Total	166	190	237	244	195

The Charity has continued to improve its communications to reduce the number of speculative applications which fall outside its policy, with the number of ineligible applications reducing. Furthermore, the Charity is trying to proactively manage demand through informal conversations so that organisations do not submit formal applications when it is not appropriate to do so, or by recommending that organisations take a funding break.

Grant Size

The number of grants, under the Principal Grants Programme, of over £40,000 paid in the 2024/25 year continued to increase in line with the Charity's strategy. There had been a 22% increase compared to the first year of the strategy (2023/24) and a 71% increase compared to the 2022/23 fiscal year (2022/23: 80 grants, 2023/24: 112 grants, 2024/25: 137 grants over £40,000). Whilst this is significant growth, the rate of increase will stabilise in the coming years as the transition to larger grants is fully embedded. In 2024/25, 76 grants of £50,000+ were awarded.



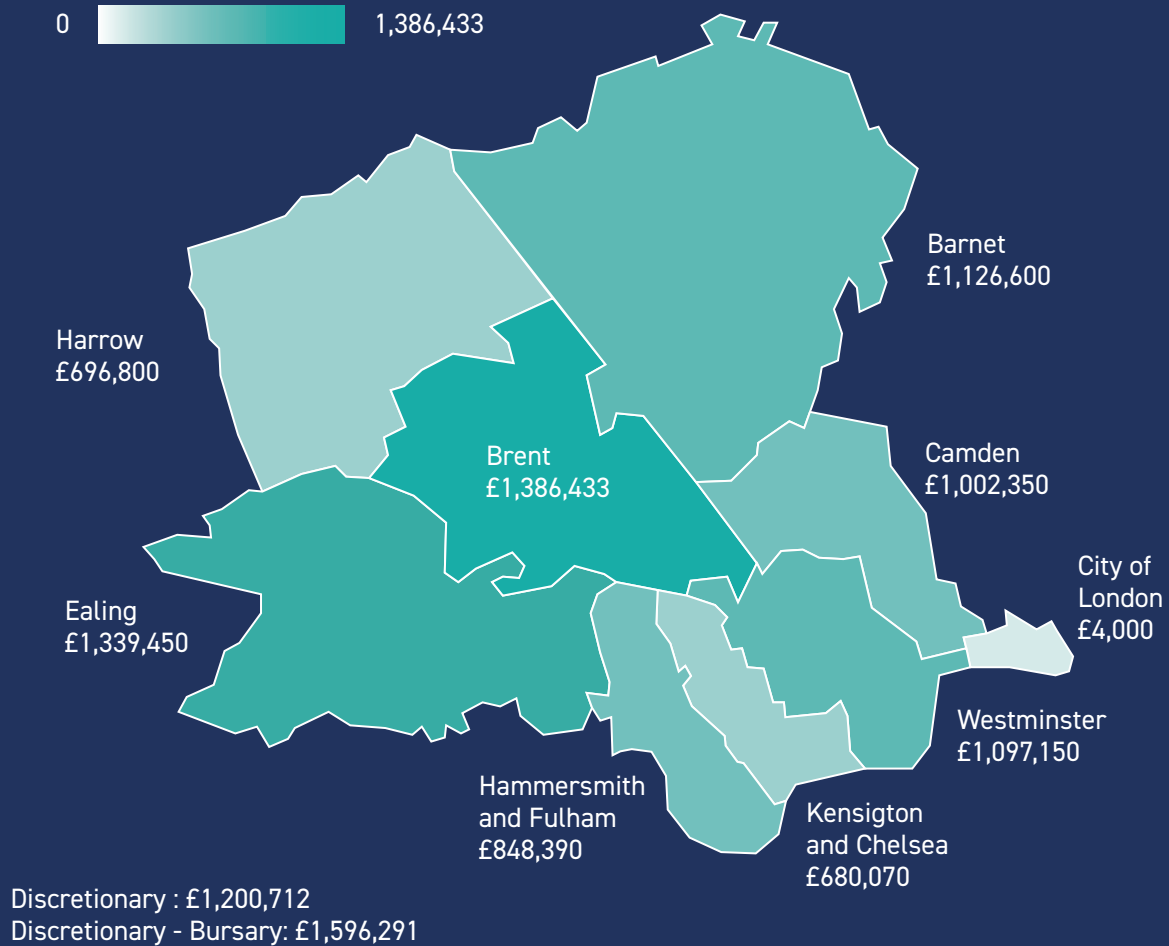
Grant Duration

In 2024/25 13% of the grants awarded under the Principal Grants Programme were for five years or longer, rising to 26% when the School Holiday Activity Fund (which is one year by default) is removed.

Grants by Borough

In line with the Charity's rules regarding allocation of grant funding, Brent remains the borough with the highest allocation of funding (12%) under the Principal Grants

Programme, with Ealing also receiving 12%. Barnet and Westminster both received 10%. The remaining boroughs received an allocation of between 6-9% each, with smaller differentials than in previous years. The outer boroughs represented 41% of the Charity's grant making spend, in comparison to 32% for the inner boroughs, which reflects the Charity's priority in ensuring that the outer boroughs are well served – often overlooked by other funders and the charity sector alike. The remaining 26% represents projects that deliver across multiple boroughs, including the Charity's Bursary Fund.



TOTAL: £10,978,246

New Grants Approved

As per the first year of the new strategy, the largest number of grants were awarded under the Informal Education Programme Area. This is due to the large number of grants awarded under the School Holiday Activity Fund, which is high in volume but small in grant size, with projects naturally fitting into the Informal Education Programme Area.



FORMAL EDUCATION

30 grants

£1,333,501 in funding



INFORMAL EDUCATION

115 grants

£1,450,170 in funding



ACCESS TO EDUCATION

14 grants

£714,000 in funding



CAPACITY BUILDING

8 grants

£330,962 in funding



HOME-SCHOOL-COMMUNITY

In 2021, John Lyon's Charity launched the Home-School-Community (HSC) Programme as a long-term strategic response to the impact of Covid-19. In addition to the Charity's annual grant-giving of c.£12m per annum, the HSC strategy enabled the Charity to allocate £22m directly from the endowment to be spent over six years to support the CYP sector in the Beneficial Area.

In 2024/25 there was an 11% decrease in expenditure through the HSC Programme, which has now completed its fourth year of delivery. Expenditure through the HSC Programme will continue to decrease during its final years, as the grants awarded come to their natural conclusion and Funds such as the Cultural Capital Fund have moved into the Principal Grants Programme. £4m was spent under the HSC Programme in 2024/25. Of this, £1.7m was awarded as new grants and payable in 2024/25 with £2.3m having already been committed at the start of the financial year. Of the new grants awarded in 2024/25, future commitments, which are payable across future years, total £4.4m.

Applications Received

During 2024/25 the HSC Programme entered its learning and refining phase. As a result, it awarded fewer new grants, resulting in a 45% decrease in applications. At the end of the 2024/25 financial year three of the five HSC Funds were fully

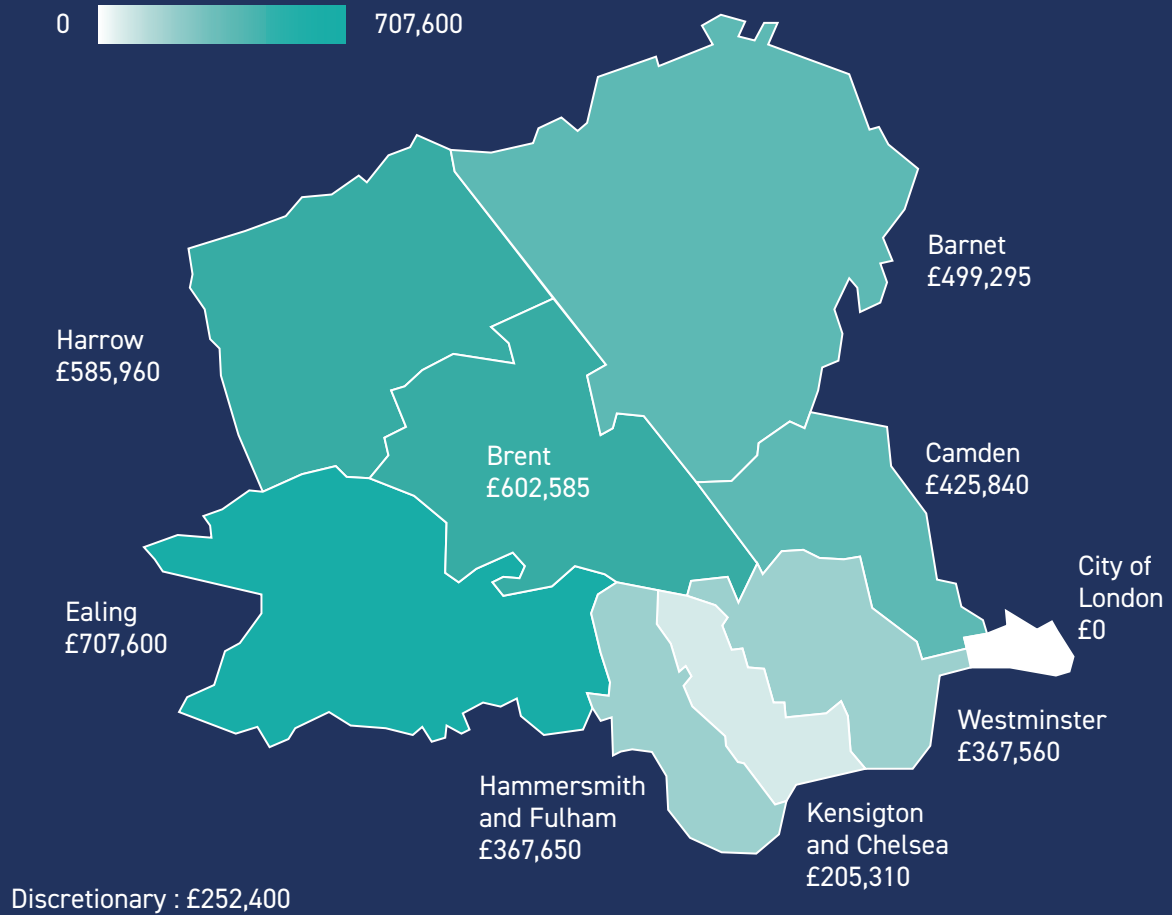
committed: Recovery, Cultural Capital and YPF Small Grants. At the end of the 2024/25 financial year, the remaining two funds - the Collaboration Fund and Replication Fund - were at c.60% and 82% fully spent respectively.

Status	2020/21	2021/22	2022/23	2023/24	2024/25
Applications Carried Forward	-	-	15	15	11
Applications Received (in Year)	1	101	113	157	86
Total	1	101	128	172	97
Total	1	101	128	172	97
Approved	1	71	86	112	71
Declined	-	15	27	49	18
Pending (at year end)	-	15	15	11	8
Total	1	101	128	172	97
Approval Rate	100%	83%	76%	70%	80%

Nb. The majority of the Home-School-Community Grants Programme is invitation only and therefore artificially creates a high approval rate.

Grants by Borough

Ealing and Brent were identified as the two priority boroughs within the HSC Strategy, due to the strong negative impact of the Pandemic on these areas. This is reflected in the grant spend representing 17% and 15% respectively of the grants paid in the year, with the outer boroughs making up nearly 60% of the total grant spend overall.



TOTAL: £4,014,200



New Grants Approved: Programme Areas

Compared to the previous year, the number of new grants awarded under both the Formal and Informal Education Programme Areas decreased under HSC in 2024/25. In previous years, these Programme Areas contained large numbers of grants under the Cultural Capital Fund for Arts Organisations and the Recovery Fund, which are now heavily committed. Despite this, the Formal Education Programme Area still recorded a high volume of grants awarded in 2024/25, largely due to the Cultural Capital Fund for Schools, which awards grants of up to £5,000 for cultural trips and workshops. Access to Education was the only Programme Area to see an increase in grant spend, mainly driven by the renewal of several Collaboration Fund grants (partnerships between schools and local voluntary sector organisations) featuring Emotional Wellbeing as a core focus.



FORMAL EDUCATION

42 grants

£390,300 in funding



INFORMAL EDUCATION

8 grants

£257,700 in funding



ACCESS TO EDUCATION

11 grants

£570,000 in funding



CAPACITY BUILDING

9 grants

£518,000 in funding





REPORT OF THE TRUSTEE

The Trustee of John Lyon's Charity is the Corporation commonly known as "The Keepers and Governors of the Possessions Revenues and Goods of the Free Grammar School of John Lyon within the Town of Harrow-on-the Hill".

The Corporation is a separately Registered Charity (No. 310033) responsible for Harrow School and The John Lyon School. The Corporation and its subsidiaries together with John Lyon's Charity are commonly known as the John Lyon's Foundation. The Trustee is satisfied that the activities and objects of the Charity - as a separate legal

entity - are different and distinct from the activities of the other entities overseen by the Corporation and is therefore not consolidated within the Corporation financial statements..

In presenting this report for the year ended 31 March 2025 the Trustee has prepared the Financial Statements in accordance with the accounting policies set out in the notes to these financial statements and comply with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities."

OBJECTIVES AND ACTIVITIES

The Objects of the Charity

Under the Scheme (outlined in 3.a) the yearly income of the Charity is applicable for the following charitable purposes:

- a. the relief of the aged, disabled or poor inhabitants of the London Boroughs of Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow and the Royal Borough of Kensington & Chelsea and the Cities of London and Westminster ("the inhabitants") which together form the Charity's Beneficial Area
- b. the relief of distress and sickness among the inhabitants
- c. the provision and support (with the object of improving the conditions of life for the inhabitants in the interest of social welfare) of facilities for recreation and other leisure time occupations
- d. the provision and support of educational facilities for the inhabitants; and
- e. any other charitable purposes for the benefit of the inhabitants.

in accordance with certain rules required by the Scheme. The Rules are reviewed every three years and amendments

approved by the Charity Commissioners for England and Wales. The current Rules were adopted by the Trustee on 30th November 1991 subject to amendments in 1996, 2001, 2013 (when a minor change was made to value thresholds on consultation), 2017 (on delegation powers and consultation with each Local Authority on grant allocations and percentages of grants per borough) and 2022 (to permit transactions between the Corporation as corporate trustee of JLC and the Corporation in its own capacity).

The Trustee has referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policies.

The Activities of the Charity

John Lyon's Charity awards grants to a wide variety of projects and initiatives that support children and young people. These grants reflect the variety of ways in which organisations seek to help children and young people either by providing them with opportunities or seeking to address specific needs directly. Grants are awarded to registered charities, state schools and organisations within the Charity's defined Beneficial Area. The breakdown of grants by area, programme type and grant fund are shown in previous sections.

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The Charity is governed by the Scheme contained in The Charities (John Lyon Road Trust) Order 1991 (SI 1991, No.1141) as amended by a scheme dated 28 November 1996, trustee's resolutions dated 11 January 2017 and 18 March 2017 (both made pursuant to section 280 of the Charities Act 2011), and a Scheme dated 14 November 2018; and (ii) an Order of the Charity Commission dated 14 November 2018 made under section 105 of the Charities Act 2011, and a Scheme dated 14th April 2022 (made pursuant to section 69 of the Charities Act 2011).

Charity Management

The Charity had an average total of 18 permanent staff in the year. The day-to-day management of the Charity's affairs is conducted through the Chief Executive Officer as the senior executive officer of the Charity reporting to the Trustee through the Charity Management Board.

The Charity's long-serving Grants Director retired in 2024/5. As a consequence, a new triumvirate Grants Directorate structure has been implemented to ensure the strategy, objectives and values of the Charity are advanced in the best way possible. Similarly, the Operations team was restructured to allow for the appointment of a COO to

focus on day-to-day endowment controls and strategic operational management. The Senior Leadership Team (SLT) team consists of the Chief Operating Officer, the Director of Communications & Strategic Grants, the Director of Impact & Grant Practice and the Director of Public Policy & Partnership, all of whom report to the CEO.

The Charity also draws on expert advice to supplement the expertise held by staff and trustees. In 2024/25, five independent consultants were used to provide support to the Grants Team and Grants Committee. In addition, the Charity has called on professional advice from lawyers, auditors and investment advisers and property managers, the costs of which are provided in note 6.

Structure

The Charity has a clear organisational reporting governance structure with Terms of Reference (ToR) documenting lines of authority and delegation. Each Committee is chaired by a member of the Corporation and is constituted by other members of the Corporation, independent members who give specialist advice, and the Chief Executive Officer of John Lyon's Charity. Each Committee's meetings are minuted and circulated to show decision making, actions and issues and purpose. The ToRs are reviewed annually.



Key Risks

The Charity has a detailed risk register which is reviewed three times a year by the Charity Board the Foundation Audit & Risk Committee (ARC,) and the Charity's auditor. It uses a Risk Appetite Matrix that maps frequency/likelihood of risk against impact of risk upon the Charity. We consider what controls are in place to mitigate a risk and then also consider what additional controls or mitigations could be applied ('Treat, Tolerate, Transfer or Terminate'). If there are no further controls or mitigations that can be applied, the risk is considered ALARP (As Low As Reasonably Practicable). The current top three risks for the Charity are:

a. Endowment Risk. The newly passed Leasehold Reform Act (LRA), 2024, if implemented will lead to a reduction in enfranchisement and lease extension receipts from the Charity's reversionary estate in St John's Wood. Over 87% of value comes from the sub-80-year leases across the Charity's 91 units. Approximately 25% (£10.5M) of premiums would come from marriage value, which will cease to exist if implemented. Secondary legislation will be required to ensure the LRA can be implemented, and the Charity will continue to lobby for charitable compensation or exemption.

b. Market / Inflation / Currency Risk. The risk of volatility in markets can undermine performance and cause sustained loss of capital value. The introduction of a long-term balanced portfolio with moderate volatility and minimal short term tactical moves means the risk is managed as well as possible.

c. Cyber Fraud Risk. The Charity is alert to the possibility of a loss of data or funds through cyber fraud. Annual penetration and phishing testing are undertaken, and fraud risk is reviewed as part of the annual audit process. A number of additional protections (e.g. multi-factor authentication) have been implemented. An IT audit is undertaken every two years, and we are satisfied that the risk is managed as well as possible.

The Trustee identified further internal financial control risks both through risk management processes and the recent audit. These will be managed and addressed using a comprehensive plan over the next three to six months.

In terms of protecting our assets and income from the effects of a bear market or recession, we are confident that the long-term strategic approach we take to all of our investments will mitigate any short-term falls in performance.



BOARD AND COMMITTEE STRUCTURE

The Corporation (Foundation Board)

The Corporation is the overarching Trustee of the Charity with documented lines of authority and full delegation to the Charity Board. It meets no less than three times a year and the CEO presents a summary report to this Board.

Charity Board

The purpose of the Board is to supervise and from time to time direct the management and administration of the Charity. It considers the broad strategic direction of the Charity on grant making, financial strategy (including total return policy) investments and risk management. The Board keeps the skill requirements for trustees under review and this informs recruitment to the Board and sub-committees.

Remuneration arrangements for all staff, including key management personnel, are decided by the Board. The Board looks at performance, benchmarks with comparator organisations, inflation levels, changes in responsibility as well as affordability when considering remuneration.

The Board comprises eight members including six Governors representing the Trustee and two independent members, with the CEO and SLT attending meetings. The Board meets four times a year.

The Charity applies and follows the Charity Governance Code (for large charities). An induction happens for each new trustee and includes meetings with fellow trustees and senior staff to discuss strategy, key policies and procedures, and current priorities.

Grants Committee

The purpose of the Committee is to supervise and from time to time direct the management and administration of the Charity's grant making activities. It reviews grants put forward by the SLT for approval or declination. It meets three times a year. The Grants Committee comprises seven members including three Governors representing the Trustee and four independent members, with the CEO and the three Grants Directors attending meetings.

The Grants Committee (and then approved by the Charity Board) takes funding decisions on grants above £10,000. On grants below £10,000 grant funding decisions are taken by the CEO and Chair of the Grants Committee.

Estate and Property Committee

The purpose of the Committee is to supervise and from time to time direct and make decisions in connection with the management and administration of the Charity's Property Portfolio. This includes the purchase and sale of property in the Charity's portfolio on the advice of the CEO and Property Managers. The Estate & Property Committee comprises six members including three Governors representing the Trustee and three independent members, with the CEO and COO attending meetings.

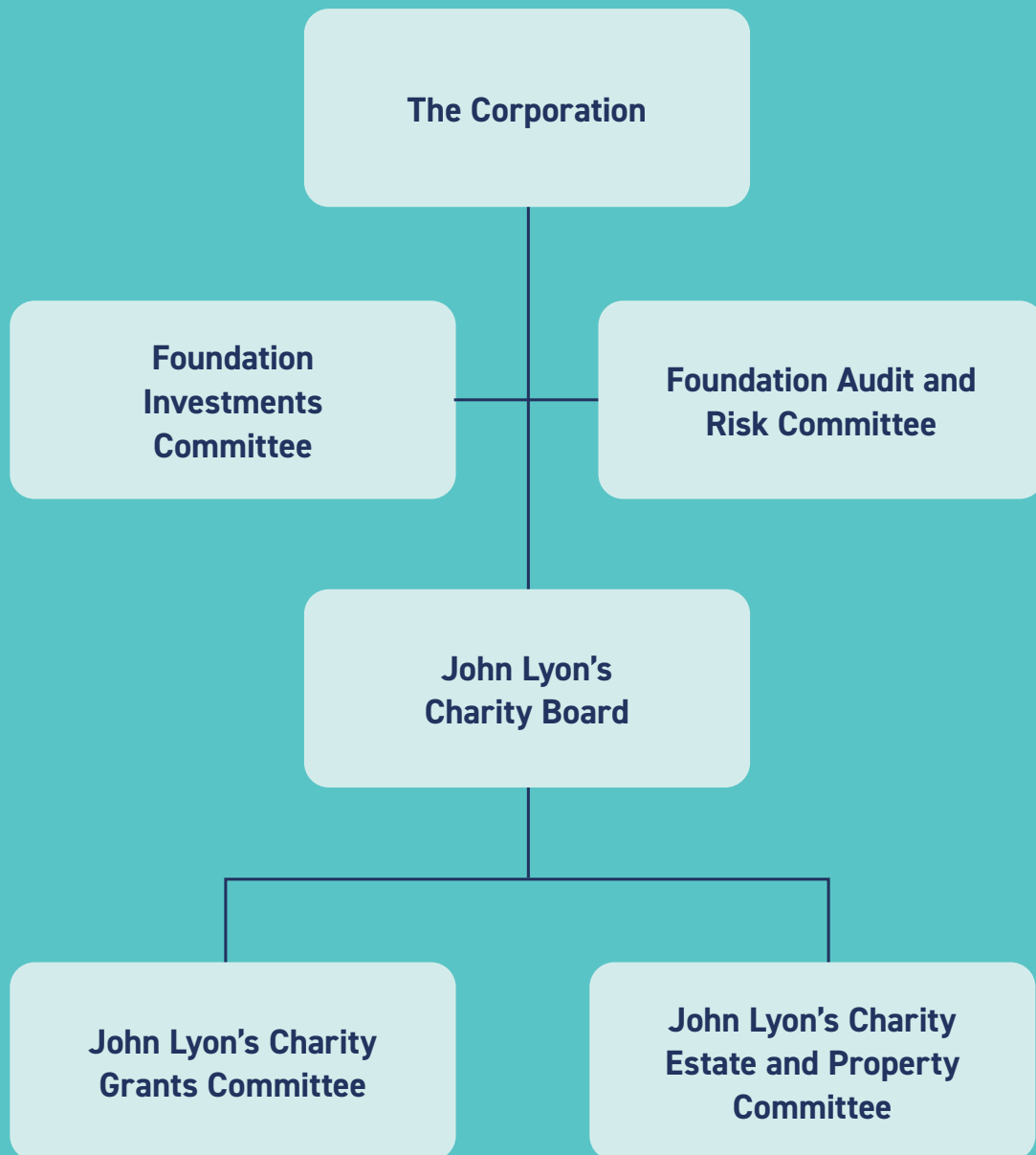
Foundation Investments Committee

The purpose of the Investments Committee is to take responsibility for the financial investment assets, and, with the advice and assistance of the Investment Adviser, responsibility for determining the appropriate financial investments. The Foundation Investment Committee comprises six members, including four Governors representing the Trustee and two independent members, with the CEO, CFO of the Corporation, and COO of the Charity attending meetings. The Committee meets no less than four times a year.

Foundation Audit and Risk Committee

The purpose of the Risk Committee is to supervise, oversee and take decisions on risks to the Charity of any kind. The Foundation Audit and Risk Committee comprises five members, including four Governors representing the Trustee and one independent member, with the CEO, CFO of the Corporation, and COO of the Charity attending meetings. The Committee meets no less than three times a year.

JOHN LYON'S CHARITY GOVERNANCE STRUCTURE



FINANCIAL REVIEW

The Charity's permanent endowment derives from conveyances by John Lyon in 1578 and 1581 when the original land in St John's Wood was acquired at a price of £660. There have been no material additions to the endowment since the Charity's foundation.

The Trustee originally adopted a Total Return Policy (TRP) to determine the level of expenditure based on the Charity Commission order in January 2006. This has been revised in the intervening period and the current TRP (of 3.5%) was adopted by the Trustee from April 2019. This is reviewed by the Charity Board on an annual basis.

The main purpose of using a TRP is to provide certainty at the beginning of each financial year of the amount that is available to be spent on the Charity's grant giving and operational support costs. The amount is determined by taking an average of the value of the Charity's total assets at the end of each financial year of the previous four years and multiplying that by the % agreed by the Trustee. Today this stands at 3.5%.

From 1st April 2017 the Trustee adopted a model which defines the circumstances which would require a spending review when the financial returns are such that the Endowment moves outside of a prescribed range of 15% either side of a core index of inflation.

As a long-term response to the impact of Covid-19 on the Charity's Beneficial Area, the Trustee approved an "Agreed Additional Spend" of £22 million to be applied during the six-year period representing the financial years ending 31st March 2022 to 31st March 2028. The additional funding was approved in March 2021 and will be allocated for spending under the Charity's "Home - School- Community" Covid 19 response strategy. The expendable amount applicable to the strategy will be determined on an annual basis by the Trustee.

How We Invest

The Charity does not fundraise. It manages an endowment of circa £400M to generate both income and capital returns for its grant making. Due to the heritage of the 500-year-old endowment, the Charity's portfolio is split 56.3% in property (of which much is still invested in the original St John's Wood Estate, London) and 43.4% in financial investments.

The underlying principle of John Lyon's Charity's is that it should be an exemplar Foundation, existing in perpetuity with education at the heart of its cause.

The financial objective of the Charity is to at least maintain the real value of its assets whilst maintaining a responsible approach to investing and generating a stable and sustainable return to fund grant making.

The Charity takes a long-term view of its assets, and this is demonstrated through the market positions it takes with regard to both financial and property investments. It tries to balance the needs of today's grantees with the unknown requirements of future beneficiaries. Hence, maximising returns rather than spending down or out is the focus.

The Charity has an Investment Policy that sets out the long-term investment objective, risk-profile and strategic asset allocation, as well as encompassing our approach to Environmental, Social and Governance (ESG) principles. This is reviewed annually. The Charity's strategic asset allocation reflects a total-return objective without specific focus on income-generating investments.

This approach means that we consider all sources of return, including interest, dividends, capital distributions from funds, accumulated income from investments and realised and unrealised gains and losses. This policy also takes account of the Charity's extensive property interests in forming the basis for the measurement of the performance of the various asset classes. The tactical asset allocation is reviewed and where necessary revised regularly by the Foundation Investment Committee and the Charity Board.

Overarching Investment Objectives

The investment objective of the property portfolio is to generate a level of net yield in real terms of at least 3.5% across the combined property portfolio.

The investment objective of the financial investment portfolio is to generate a total return of inflation (CPI) plus 4% per annum over the long term (net of expenses).

Our Approach To Environmental, Societal and Governance (ESG) Factors

As custodians of an endowment, we endeavour to use all our assets, including investments and properties, to align with our mission. While we do not actively exclude or include stocks, funds or sectors from our portfolio, we are conscious of the impact of our investments. All investment has impact, and our priority is to ensure our investments have the greatest possible positive effect on children and young people in our Beneficial Area through our grant making.

Management of our Financial Investments

We recognise the importance of environmental, social and corporate governance (ESG) issues in the selection and management of investments within our portfolio. Our investment adviser produces an annual report analysing our exposure to contentious sectors within the JLC portfolio. As of 31st March 2025, the JLC equity portfolio had 4.0% exposure to contentious sectors, well below the FTSE All Share Index of 7.7%. We require all our fund managers to have an ESG policy in place and incorporate at least a foundational level of ESG consideration into their investment processes. Over 95% of all managers are also PRI signatories. We also ensure that ESG factors are a standard part of our selection process when appointing new fund managers.

Stewardship of our Property Assets

In 2024, the Charity tasked its Estate Managers to conduct a materiality assessment to improve its sustainability commitment. Across our Estate, the review identified the following areas of importance: GHG Emissions, Energy, Water & Waste Management and Health & Wellbeing.

Reducing carbon emissions from property portfolios has become a critical target for organisations aiming to foster environmental sustainability and comply with evolving regulations. The real estate sector significantly contributes to global greenhouse gas (GHG) emissions. Buildings account for a substantial portion of energy consumption and carbon emissions from their operation such as heating, cooling and lighting.

To better understand the carbon emissions associated with the Charity's operations, a thorough analysis of current emissions levels is underway. The carbon baseline report will be aligned with the Greenhouse Gas (GHG) Protocol Corporate Standard, which is the mandatory reporting method for GHG reporting in the UK. The carbon emissions associated with the activities, suppliers, customers and services of the Charity will be categorised into Scope 1, Scope 2 and Scope 3 emissions.

Understanding the 'business as usual' performance will enable us to target a data-driven approach to setting carbon emissions reduction targets and implementing a comprehensive sustainability strategy. The strategy will consider encompassing carbon emissions reduction targets, energy efficiency improvements, water conservation measures, waste reduction programmes and biodiversity initiatives and will be underpinned by a robust framework to track progress and transparently report achievements.



**AS CUSTODIANS OF AN
ENDOWMENT, WE ENDEAVOUR
TO USE ALL OUR ASSETS,
INCLUDING INVESTMENTS
AND PROPERTIES, TO ALIGN
WITH OUR MISSION.**

FINANCIAL PERFORMANCE REVIEW

The total investment assets in the year is £387 million compared to £388 million in 2023/24.

ASSET ALLOCATION

Asset Class	Value at 31-Mar-25	Percentage allocation	Value at 31-Mar-24	Percentage allocation
	£'000	%	£'000	%
Investment Assets				
Fixed interest	28,594	7%	26,365	7%
Gilts	-	-	-	-
UK equities	15,896	4%	16,976	4%
Global equities	71,987	19%	79,845	21%
Hedge funds/alternatives	38,944	10%	23,368	6%
Foreign cash funds	-	-	-	-
Private equity	2,428	1%	1,374	0.4%
Cash sterling	4,909	1%	21,714	6%
Other investments	7	-	7	-
Indirect property funds	5,641	1%	5,252	1%
Total Investments	168,407	43%	174,902	45.2%
Property Assets				
Residential & Reversionary Estate	102,763	26%	100,356	26%
Commercial Property	115,850	30%	112,375	29%
Total Property	218,613	56%	212,731	55%
Investment Assets Totals	387,020	99%	387,633	100.2%
Other Net Liabilities / Assets	1,102	0.3%	(609)	-0.2%
Total Assets	388,122	100%	387,023	100

Financial Investments

The total value of investment assets at the year-end is £168 million (2023/24: £175 million), including indirect property funds and private equity. The total income from the Investment Portfolios was £3.73 million or 2.2% (2023/24: £2.78 million, 1.6%).

For the 12 months to 31st March 2025, the return for the John Lyon's Charity portfolio stood at +3.5%. This compares to +4.8% for the MSCI World Index and +3.0% for the ARC Steady Growth Charity Index. Gold (+36.9%) was the strongest asset class over this period, as investors sought safe haven from rising geopolitical tensions, whilst other diversifying strategies also contributed positively, including credit (+7.1%) and hedge funds (+4.2%).

Property Investments

The residential property portfolio has continued to perform well with minimal voids in the residential estate in the year recording £1.02 million in gains (2023/24 – gains £1.4 million). In the previous year, the Charity's commercial portfolio has been impacted by diminishing valuations particularly within the industrial sector. The assets have since then recovered slightly showing an increase in valuation of £3.5 million or 3% (2023/24 – loss £9.66 million).

The St John's Wood Reversionary Estate, consisting principally of residential properties let on long leases, is subject to compulsory disposal of the property interests under leasehold enfranchisement legislation. For 2024-25 total proceeds of £1.15 million have been received (2023/24 £3.5 million). The residual value of the reversionary properties as of 31st March 2024/25 is £31 million (2023/24 £29.9 million) which excludes circa £10 million of Marriage Value.

Enfranchisement proceeds have reduced dramatically since 2018 when Leasehold & Freehold Reform Act was first mooted by the previous Government. If successfully implemented, this legislation will translate in the loss of these proceeds, and in particular, the marriage element of extending a lease will be costly to the Charity. Our adviser estimates that the Charity will lose circa £10m in value from the Reversionary Estate, this is further explained in the Valuation Material Uncertainty note below.

The investment policy excludes these reversionary properties from the asset allocation as they are not regarded as readily disposable on the open market at a level that recognises the full potential realisable on enfranchisement.

Valuation Material Uncertainty

Valuations of reversionary estate (£31m) are presently being valued subject to material uncertainty as a consequence of Government's intervention in the market via the Leasehold and Freehold Reform Act 2024 which the Charity challenged in court for a potential exemption. The impact of the Act is the removal of marriage value and prescription of capitalisation and deferment rates. There is a further ongoing consultation into the possible removal of existing ground rents.

The valuation of the reversionary estate is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Valuation - Global Standards 2025. Consequently, less certainty and a higher degree of caution should be attached when interpreting the valuation of the residential reversionary assets than would normally be the case.

Income and Expenditure

The annual income of the Charity derived from its assets totalled £11.51 million, compared to £10.97 million in 2023/24.

During 2024/25, the Charity spent £14.99 million (2023/24: £15.88 million) on grants, while operational support costs related to:

- Charitable activities were £1.6 million (2023/24: £1.5 million).
- Expenditure on raising funds was £4.8million (2023/24: £2.4 million).

The sharp increase in expenditure on raising funds is related to significant structural repairs required on both the residential and commercial estate.

Staff Remuneration including key management personnel are reviewed annually by the CEO and Charity Management Board. A formal annual review is conducted to assess and ensure remuneration is fair and in line with that paid for similar roles in similar organisations.

The Charity is a Living Wage employer and as such is committed to ensuring staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Charity's objectives.

Future Commitments

At 31 March 2025, the Charity has fully committed to £2.7 million of grant funding which will be paid in 25/26 and is recognised as a liability on the Charity Balance sheet at year end. Further commitments over the next 3 years include £11.36 million in 2025/26, £7.69 million in 2026/27 and £3.72 million 2027/28. A further £2.53 million has been committed in subsequent years for projects that the Charity has agreed in principle to fund on a longer-term basis. In each case, payment is contingent on the stipulated conditions being met, and review of progress and authorisation by the Grants Committee.

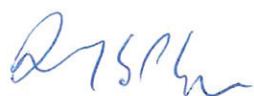
The total future commitment is shown on note 17.

Grant Making Policy

The policy of the Charity is to restrict grants to registered or exempt charities and schools, and not to make grants to individuals.

The Charity's grant-making activities are guided by its charitable objectives and strategic priorities. Grants are awarded following a transparent and fair assessment process, ensuring alignment with the Charity's mission and intended impact. Applications are reviewed against criteria, and decisions are recommended by a Grants Committee to be formally approved by the Charity Management Board. The Charity monitors the use of funds and outcomes achieved to ensure accountability and effectiveness. All grant-making is subject to regular review to ensure continued relevance and compliance with legal and regulatory requirements.

Auditors - Crowe U.K. LLP were appointed as the Charity's auditors from March 2025



D Eyton



A Butler

For and on behalf of the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee.

1st December 2025

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Report of the Trustee and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare Financial Statements for each financial year which give a true and fair view of the of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these Financial Statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enables it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Members of the Corporation, the Chief Executive Officer of the Charity and the CFO of the Corporation has confirmed, so far as he or she is aware, that there is no relevant audit information of which the Auditors are unaware, and each Member has taken all the steps that he or she ought to have taken as a Member of the Corporation to make themselves aware of any relevant audit information and to establish that the Auditors have been made aware of that information.

Statement of compliance with the Charity Commission's Governance Code:

The Governing Body has carried out an assessment of the Charity's governance practices against the principles within the revised Charity Governance Code 2020 and required changes will be implemented where appropriate.

REPORT OF THE INDEPENDENT AUDITORS

Opinion

We have audited the financial statements of John Lyon's Charity for the year ended 31 March 2025 which comprise The Statement of Financial Activities, Balance Sheet, Cash flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Emphasis of matter

We draw your attention to accounting policy 7 within the financial statements which explains that the Trustee has considered the valuation of Reversionary Estate amounting to £31m is subject to a material uncertainty as a consequence of the Government's intervention in the market via the Leasehold and Freehold Reform Act 2024. Our report is not modified in relation to this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 auditor's report.



Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charity SORP (FRS 102), and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the Charity's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the Charity for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond

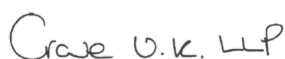
to these risks included enquiries of management and the Charity Management Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Crowe U.K. LLP

Statutory Auditor

London

2 December 2025

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

STATEMENT OF FINANCIAL ACTIVITIES

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 MARCH 2025						
	Note	Unrestricted Fund	Restricted Fund	Endowment Fund	Total Funds 2024/25	Total Funds 2023/24
		£'000	£'000	£'000	£'000	£'000
Income and endowment from:						
Charitable activities		-	-	-	-	-
Property investments	2	-	-	7,563	7,563	7,974
Financial investments	3	-	-	3,737	3,737	3,000
Other income	3	-	-	205	205	
Total income and endowment		-	-	11,506	11,506	10,973
Expenditure on:						
Raising funds	4	-	-	(4,828)	(4,828)	(2,386)
Charitable activities	5	(16,316)	(313)	-	(16,629)	(17,374)
Total expenditure		(16,316)	(313)	(4,828)	(21,457)	(19,760)
Net (Losses)/Income per fund		(16,316)	(313)	6,678	(9,951)	(8,787)
Transfer between funds	10	17,962		(17,962)		-
Statement of Total Recognised Gains and losses						
Gains/(losses) on property investments	8	-	-	6,782	6,782	(7,434)
Gains/(losses) on financial investments	9	-	-	4,268	4,268	12,226
Net Movement in Funds for the Year		1,646	(313)	(234)	1,099	(3,995)
Total funds brought forward		861	526	385,637	387,024	391,019
Balance at end of year	14	2,507	213	385,403	388,122	387,024

There are no recognised gains or losses except as shown above and all income is derived from continuing activities.

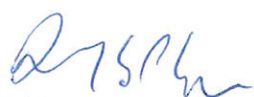
Comparative figures for the respective funds are set out in Note 1.

The Accounting Policies and Notes on pages 54 to 66 form part of these Financial Statements.


BALANCE SHEET AT 31 MARCH 2025

	Note	2025	2024
		£'000	£'000
Fixed Assets			
Tangible assets	7	18	20
Investment properties	8	218,613	212,731
Investment	9	168,407	174,902
		387,038	387,653
Debtors: due within more than one year:		-	83
Current Assets			
Debtors	11	2,695	2,834
Cash at bank		2,972	1,508
		5,667	4,342
Creditors: due within one year	12	(4,583)	(5,054)
Net current Assets		1,084	(713)
Creditors due within more than one year		-	-
		1,084	(713)
Total assets less current liabilities		388,122	387,023
Creditors: falling due after one year		-	-
		388,122	387,023
Represented by:			
Endowment fund	14/19	385,403	385,637
Unrestricted fund (designated)	14/19	2,507	861
		388,122	387,023

The Trustee's Report and these Financial Statements were approved by the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee on 1st December 2025 and signed on the Trustee's behalf by..



D Eyton



A Butler

CASHFLOW STATEMENT AT 31 MARCH 2025

	Note	2025 £'000	2024 £'000
Cash from operating activities			
Net cash provided by operating activities	(i)	1,988	8,304
Cash from investing activities			
Investment income received		278	323
Purchase of tangible fixed assets	7	(7)	(1)
Sale of tangible fixed assets		-	-
Purchase of investments	8/9	(2,411)	(25,008)
Sale of investments	8/9	2,289	13,868
Investment management costs paid		(673)	(536)
Net cash used in investing activities		(524)	(11,354)
Change in cash and cash equivalents		1,464	(3,050)
Cash and cash equivalents at 1 April		1,508	4,558
Cash and cash equivalents at 31 March	(ii)	2,972	1,508
		-	-
Reconciliation of net expenditure to net cash flow from operating activities:			
Net movement in funds for the reporting period (per SofA)		1,099	(3,995)
Adjustments for: depreciation	7	9	12
(gains) on investment	8/9	(11,050)	(4,792)
Investment income	2/3	11,506	10,973
Decrease in debtors		223	4,677
(Decrease)/Increase in creditors		(472)	894
Investment management costs		673	536
Net cash provided by operating activities	(i)	1,988	8,304
Analysis of cash and cash equivalents:			
Cash in hand		2,972	1,508
Total cash and cash equivalents	(ii)	2,972	1,508
Analysis of changes in net debt	1-Apr-24	Cash flows	31-Mar-25
	£'000	£'000	£'000
Cash	1,508	1,464	2,972
Net cash	1,508	1,464	2,972

NOTES TO FINANCIAL STATEMENTS

John Lyon's Charity is a charitable trust registered in the United Kingdom. The registered address and charity office is given in the charity information on page 2 of these financial statements. The nature of the Charity's operations and principal activities are grant making.

The Charity constitutes a public benefit entity as defined by Financial Reporting Standards ('FRS 102'). The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK General Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has been withdrawn.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. A review of the Charity's current activity and future commitments has concluded that the Charity has enough liquid assets which can be realised to meet the rate of expenditure under the current total return policy which is itself based upon valuation. In addition, the Charity operates with a minimal cost base. Consequently, the Trustee is satisfied that there are no material uncertainties surrounding the ability of the charity to continue as a going concern.

The financial statements are prepared in Sterling which is the functional currency of the Charity and rounded to the nearest £000.

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

1. PROPERTY INVESTMENTS

Properties are stated at fair value in order to comply with the provisions of Accounting and Reporting by Charities Statement of Recommended Practice. Investment Properties which comprise the Reversionary Estate, Residential and Commercial Properties are valued annually as at the year end.

Properties have been valued individually on the basis of fair value, in accordance with RICS Valuation – Global Standards 2022 and UK National Supplement (known as "The Red Book"), incorporating the International Valuation Standards 2020.

Fair value is considered to be market value as defined by The Red Book being: 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

Gains and losses recognised on revaluation, and gains and losses realised on the sale of investment properties, are taken to the Endowment Fund and included in the Statement of Financial Activities.

No depreciation is charged on Investment Properties.

2. RENTAL INCOME

Rental income from operating leases where the Charity is a lessor is recognised on a straight-line basis over the term of the relevant lease.

Other investment income is recognised when notified as payable to the Charity by the relevant fund managers or when receivable and the amount can be measured reliably by the Charity.

3. FIXED ASSET INVESTMENTS

Investments are initially recorded at cost and are stated at fair value at the balance sheet date. The unrealised gains and losses arising as a result are included in the Statement of Financial Activities (SOFA) together with any realised gains and losses on any investments disposed of in the year.

Financial assets, including investments in equity instruments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried, where possible, at fair value and the changes in value are recognised in the SOFA. Assets are considered for indications of impairment, with any impairment then recognised in the SOFA.

4. TANGIBLE FIXED ASSETS

Fixed assets acquired with a value below £1,000 are evaluated for capitalisation based on the economic benefit derived in use. All other assets are capitalised. Leasehold improvements are depreciated over the term of the lease.

Office and computer equipment are depreciated at between 20% and 33% on an annual straight-line basis over the assets useful lives.

5. GRANTS

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Charity to the expenditure. Grants payable over a number of years are not recognised until the Trustee is satisfied that the stipulated conditions have been met and payment of a further instalment has been authorised on the recommendation of the Grants Committee. Grants are recognised in the accounts as liabilities after they have been approved by the Trustees, the recipients have been notified and there are no further terms and conditions to be fulfilled within the control of the Charity. In these circumstances there is a valid expectation by the recipients that they will receive the grant.

6. TAXATION

The Charity is generally exempt from direct taxation on investment income and capital gains but is subject to Value Added Tax (VAT). Unless stated otherwise relevant expenditure is shown inclusive of VAT.

7. KEY JUDGEMENTS AND ASSUMPTIONS

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below.

Valuation of investment properties, for which a professional valuation has been obtained from Cluttons to determine Fair value of property assets in the year.

Material Uncertainty

Valuations of reversionary estate are presently being valued subject to material uncertainty as a consequence of Government's intervention in the market via the Leasehold and Freehold Reform Act 2024 which the Charity has challenged in court for a potential exemption. The impact of the Act is the removal of marriage value and prescription of capitalisation and deferment rates. There is a further ongoing consultation into the possible removal of existing ground rents.

The valuation of the reversionary estate is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Valuation - Global Standards 2025. Consequently, less certainty and a higher degree of caution should be attached when interpreting the valuation of the residential reversionary assets than would normally be the case.

In considering the valuation of the site, the Trustee has had regard for the wide range of assumptions and judgements considered by advisers. Though the current value is in line with expectation, the Trustee notes the inherent level of uncertainty surrounding assumptions and judgements included in the valuation.

8. PENSION COSTS

Pension contributions, which are paid to a defined contribution scheme, are charged to the SOFA in the period to which they relate.

9. FUNDS

A. Endowment Fund

The capital assets of the Charity are those derived from the Founder's original gift of land in 1578 and 1581 and represent permanent endowment, subject to the application of the Total Return policy. A total return approach to investment has been adopted under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Charity has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term (see note 3).

B. Unrestricted General Fund

The Unrestricted General Fund represents income available for distribution in accordance with the Scheme referred to in the Report of the Trustee.

C. Unrestricted Designated Fund

The Unrestricted General Fund represents the Trustees decision to designate funds to facilitate the financial impacts of the transition to the Charity's new strategy 2023. The designated funds accumulate unutilised expendable grant amounts at the end of the financial year for the first 3 years of the new strategy to be used in phases during the following 3 years of the said strategy. This will smooth out the effects of the strategy's shift to longer and larger grants amounts and allows for greater flexibility in grant making for strategic

projects. The amount of funds to be designated is reviewed by the Charity Management Board on annual basis

D. Restricted Fund

The restricted Fund represents a grant received from The City Bridge Trust to the Charity for its Recovery Fund, for the provision of grants to strengthen children & young people's organisations in its beneficial area. No further restricted funds were received by the Charity during the financial year.

10. OPERATING LEASES

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

11. FINANCIAL INSTRUMENTS

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified as either basic financial instruments or other financial instruments.

Basic financial instruments are recognised in the accounts as follows:

- Cash and cash equivalents, which includes cash at banks and in hand and short-term deposits with a maturity date of three months or less, are carried at the value of the cash so held.
- Trade and other exchange transaction debtors and creditors receivable or payable within one year of the reporting date are initially recognised at their settlement amount and subsequently measured at the cash or other consideration expected to be paid or received.
- Fixed asset financial investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date.

ACCOUNTING POLICIES AND OTHER NOTES TO THE FINANCIAL STATEMENTS

1. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED MARCH 2024

	Restricted Fund	Unrestricted Fund	Endowment Fund	Funds 2023/24
	£'000	£'000	£'000	£'000
Income and endowment from:				
Charitable activities	-	-	-	-
Property investments	-	-	7,974	7,974
Financial investments	-	-	3,000	3,000
Other income				
Total income and endowment	-	-	10,973	10,973
Expenditure on:				
Raising funds	-	-	(2,386)	(2,386)
Charitable activities	(369)	(17,005)	-	(17,374)
Total expenditure	(369)	(17,005)	(2,386)	(19,760)
	(369)	(17,005)	8,587	(8,787)
Transfer between funds	-	17,866	(17,866)	-
Statement of total Recognised Gains and losses				
Realised surplus on sale of investment properties	-	-	691	691
Unrealised surplus on investment properties	-	-	(8,126)	(8,126)
Realised gain/(loss) on sale of investment	-	-	1,131	1,131
Unrealised gain/(loss) on investments	-	-	11,095	11,095
Net movement in Funds for the Year	(369)	861	(4,487)	(3,995)
Total funds brought forward	895	-	390,124	391,019
Balance at end of year	526	861	385,637	387,023

2. INCOME FROM PROPERTY

	2024/25	2023/24
	£'000	£'000
Residential rents	3,087	2,663
Commercial rents	4,476	5,310
Total incoming resources from property	7,563	7,974

3. INCOME FROM INVESTMENTS

	2024/25	2023/24
	£'000	£'000
Financial investments	3,644	2,894
Bank and deposit interest	93	106
Total incoming resources from financial investments	3,737	3,000
Other Income	205	-

4. EXPENDITURE ON RAISING FUNDS

	2024/25	2023/24
	£'000	£'000
Property management charges	419	350
Property repairs and other expenses	2,661	1,054
Total cost of raising funds from property	3,079	1,405
Other management and support cost	£1,749	982
Total expenditure on raising funds	4,828	2,386

The increase in property repairs and other expenses is due to unbudgeted costs associated with urgent repairs and management required on the residential and commercial estate.

5. ANALYSIS OF CHARITABLE ACTIVITIES

Direct charitable expenditure represents grants made under the Scheme by the Charity. The policy of the Trustee is to restrict grants to registered or exempt charities and not to make grants to individuals.

	FY 2024/25			FY2023/2024		
	Total 2024/25	Grant Funded Activities	Support Costs Charged to Charitable Activities	Total 2023/24	Grant Funded Activities	Support Costs Charged to Charitable Activities
	£'000	£'000	£'000	£'000	£'000	£'000
Arts & Science	406	366	40	835	763	72
Children & Families	202	182	20	607	555	52
Education & Learning	368	332	36	813	743	70
Capacity Building	1,370	1,235	135	1,655	1,512	143
Emotional Wellbeing	154	139	15	455	416	39
Special Needs & Disability	386	348	38	481	440	41
Sport	-	-	-	130	119	11
Training	106	96	10	272	249	23
Youth Clubs and Youth Activities	302	272	30	792	724	68
Youth Issues	216	195	21	324	296	28
Bursaries	1,056	952	104	1,489	1,361	128
Formal Education	2,660	2,398	262	1,237	1,130	107
Informal Education	3,189	2,875	314	2,429	2,220	209
Access to Education	1,451	1,308	143	577	527	50
Restricted Grants	311	280	31	369	337	32
Sub Total	12,177	10,978	1,199	12,466	11,392	1,074
Home School Community Funds:						
Cultural Capital Fund	1,109	1,000	109	1,179	1,077	102
Recovery Fund	797	719	78	1,312	1,199	113
Replication Fund	946	853	93	942	861	81
Collaboration Fund	1,046	943	103	927	847	80
YPF Small Grants Fund	555	500	55	547	500	47
Sub Total	4,452	4,015	438	4,907	4,484	423
Total	16,630	14,992	1,637	17,373	15,876	1,497

6. SUPPORT COSTS

The breakdown of support costs is shown in the table below. The allocation to Charitable Activities is based on the number of staff working on main charitable activities vs administrative and support staff. In addition, expenses that are spent solely on preserving the endowment fund such as legal fees and other professional fees have not been charged to Charitable activities, details of allocated costs shown in Note 5 above.

		2024/25	2023/24
		£'000	£'000
Audit fees	Current year - current auditor	59	29
	Prior Year - previous auditor	23	5
Valuation fees	Current year	40	64
	Prior Year	18	3
Depreciation		9	12
Consultancy fees		21	33
Staff costs		921	880
Operating leases & office equipment		212	231
Other support		334	240
		1,637	1,497

		2024/25	2023/24
Staff Costs		£'000	£'000
Wages and salaries		1,078	1,008
Social security costs		130	122
Pension & healthcare contributions		167	184
Total		1,375	1,314

Included in the above amount is salary costs of £453,550 (2024 - £433,662) which relates to expenditure on raising funds and are reflected within other management costs in Note 4.

The Charity contributes as a minimum 15% of pensionable salary to the Pensions Trust, a defined contribution pension scheme established for the employees of voluntary organisations. All employees are members of this scheme (The Flexible Retirement Plan) for which the Charity has no residual liability.

	2024/25	2023/24
Average number of employees during year:	18	18

6. SUPPORT COSTS (CONTINUED)

In the year, the number of employees who were entitled to emoluments of more than £60,001 was as follows:

	2024/25	2023/24
	£'000	£'000
£70,001 - £80,000	2	1
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-

The total amount of employee benefits received in the year by key management personnel, was £722,190 (2024 - £486,470). During the FY 2024-25, the key management personnel comprised of the Chief Executive Officer, four Grants Directors (one retired during 2024), the Finance & Operations Director, and the Trustee.

Redundancy and termination payments: Expenditure totalling £101,505 (2024: £0) was recognised in the year in respect of redundancy termination payments for employees.

7. TANGIBLE FIXED ASSETS

	Furniture & Equipment
	£'000
Cost as at 1 April 2024	138
Additions in the year	7
At 31 March 2025	145
Accumulated depreciation at 1 April 2024	118
Depreciation charge in year	9
At 31 March 2025	127
Net book value at 31 March 2025	18
Net book value at 31 March 2024	20

8. PROPERTY INVESTMENTS

N.8 Investment Properties	FY2024-25	FY-2023-24
Reversionary estate (FV)	31,093	29,961
Residential properties (FHVP)	71,670	70,395
Commercial properties	115,850	112,375
Market value	218,613	212,731
Balance at beginning of year	212,731	223,618
Additions at cost	248	-
Gains (losses)	6,782	(8,126)
Cost of sale & disposals	(1,148)	(2,761)
Balance at end of year	218,613	212,731

The total gains (realised and unrealised) from property investments were £6.78million (2024: Loss £8.12 million)

The investment properties (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2025 by Cluttons LLP, Chartered Surveyors, in accordance with guidance set out in the Valuation and Appraisal Manual of the Royal Institution of Chartered Surveyors.

Properties forming the Charity's original endowment and properties acquired prior to 31 March 1997 were not recorded in the Balance Sheet at the date of acquisition; most of these were acquired many years ago and it is not practicable to identify and disclose the original cost, which is unlikely to be material.

9. INVESTMENTS

	2024/25	2023/24
	£'000	£'000
Listed Investments		
Free (main) fund	157,115	155,746
Special Fund (cash funds + property direct funds)	8,865	17,781
Total	165,980	173,527
Unlisted investments (Private Equity)	2,428	1,374
Market value	168,407	174,902
Historical cost (book cost)	148,347	158,992

CAPITAL COMMITMENTS

During the year the Charity was committed to investing up to \$2.3m (£1.78m) into Hollyport Secondary Opportunities VIII Management Ltd and €3.4m (£2.87m) into Crown Global Secondaries VI Feeder SCSP both of which are private equity unlisted investments. At 31 March 2025 drawdowns of \$0.58m (£0.44m) and €0.32m (£0.26m) (2024: \$0.6m and €0.06)/(2024: £0.5m and £0.04m) had been made into these investments, leaving remaining capital commitments of Hollyport \$0.67m (£0.53m) (2024: \$1.3m/£0.97m) and

Crown Global €3.08m (£2.56m) (2024: €3.3m/£2.83m). The Charity has also committed to investing up to \$2m (£1.55m) into Linden Capital Partners VI LP, no drawdowns have been made to pay into this investment in 2025.

Included in the above is sterling cash invested and cash held for investment of £3.2 m (2023/24 - £12.5 m) in the Special Fund and £1.7m (2023/24 - £9.2 m) in the Free Fund. The Special Fund is defined in the Governing Documents.

	2024/25	2023/24
	£'000	£'000
Opening Value	174,902	164,395
Additions & purchases	843	5,564
Withdrawals	(14,781)	(9,934)
Income	3,505	2,271
Manager fees	(331)	(111)
Gains	4,268	12,717
Closing Value	168,406	174,902

10. APPLICATION OF THE POWER OF TOTAL RETURN

In January 2006, the Charity Commission made an order permitting the Charity to adopt total return investment powers in relation to its permanent endowment in the form of the Commission's model order. In March 2012 the Trustee resolved that, subject to the Charity Commission's approval, the Order be implemented with effect from 1 April 2012 on the basis that the amount applicable for charitable purposes of the Charity shall be determined by reference to the value of all the Charity's assets. The Charity Commission's approval was given on 12 June 2012.

The total return policy (which has been set and adopted by the Trustee in accordance with the 2006 Order) provides that the amount to be applied annually is determined by taking an average of the value of the Charity's net assets on the last four balance sheet dates. The policy allows the Trustee to expend up to 3.5% of that rolling average on charitable activities including support costs and the cost of generating funds and governance costs.

The calculation to determine the amount available in the years to 31 March 2025 is:

Year Ended	Net Asset Value	4 Year Average	Expendable Percentage of Average	Expendable Amount
	£'000	%	£'000	%
31-Mar-22	436,048	384,458	3.50%	13,456
31-Mar-23	391,019	391,070	3.50%	13,687
31-Mar-24	387,023	401,454	3.50%	14,051
31-Mar-25	388,122	400,553	3.50%	14,019

The amount available for the year ended 31 March 2024 is £14,050,893 and for the year ending 31 March 2025 is £14,019,360. This does not include the pre-approved funding for the 5-year Home-School-Community Strategy.

The unapplied total return is the accumulated investment returns (including capital gains, dividends, and interest) of a charity's permanent endowment that have not yet been spent or transferred to be reinvested. It represents the balance of profits and losses from an endowment fund that the trustees have not yet decided how to use. This includes the portion of investment gains that the trustees have chosen not to spend on the charity's purposes or add back to the original capital fund

10. APPLICATION OF THE POWER OF TOTAL RETURN (CONTINUED)

Application of the Power of Total Return (continued)	2024/25	2023/24
	£'000	£'000
Expandable amount	14,019	13,687
Additional expendable amount	4,450	4,907
Total	18,469	18,594
Transferred to unrestricted Fund - Main Grants	(17,962)	(17,866)
Reinvested	507	729

Movement in the Total Return Fund in the year and application of total Return from the endowment Fund	2024/25	2023/24
Opening value of endowment fund at 1 April	385,637	390,124
Opening value of the fund at 31 March 1997	(63,797)	(63,797)
	321,840	326,327
Opening value of total return funds		
Add:		
Investment return - income	11,506	10,973
Investment return - realised /unrealised gains	11,050	4,792
	344,396	342,092
Less		
Raising funds	(4,828)	(2,386)
Unapplied total return before transfers carried forward	339,568	339,706
Return applied during the year	(17,962)	(17,866)
Unapplied total return as at 31 March	321,606	321,840
Add: value of the fund at 31 March 1997	63,797	63,797
Total Endowment Fund at 31 March 2025	385,403	385,637

11. DEBTORS

	2024/25	2023/24
	£'000	£'000
Amounts due from tenants and managing agents	2,315	2,484
Other debtors and prepayments	380	350
Proceed receivable	-	-
Due within one year	2,695	2,834

12. CREDITORS

	2024/25	2023/24
	£'000	£'000
Grants payable	2,673	4,321
Other creditors and accruals	1,910	734
Due within one year	4,583	5,055

13. OPERATING LEASE COMMITMENTS

As at 31 March 2025 the total minimum payments to which the Charity is committed under non-cancellable operating leases for property and office equipment are

	2024/25	2023/24
	£'000	£'000
Due within one year	250	219
Due within 2-5 years	920	855
Due over 5 years	489	676
Total commitments	1,659	1,750

Amount due to the Charity from rental leases of the investment properties are detailed below:

	Commercial	Ground Rent	Residential	Total
	£'000	£'000	£'000	£'000
Less than 1 Year	4,424	294	2,132	6,850
2 - 5 Years	14,633	1,176	2,375	18,184
Over 5 years	42,257	39,864	17	82,138
	61,314	41,334	4,523	107,172

14. FUNDS

A. Endowment Fund

The capital assets of the Charity are those derived from the Founder's original gift of land in 1578 and 1581 and represent permanent endowment, subject to the application of the Total Return policy. A total return approach to investment has been adopted under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Charity has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term. (see note 3).

B. Unrestricted General Fund

The Unrestricted General Fund represents income available for distribution in accordance with the Scheme referred to in the Report of the Trustee.

C. Unrestricted designated fund

The Unrestricted General Fund represents the Trustees decision to designate funds to facilitate the financial impacts of the transition to the Charity's new strategy 2023. The designated funds accumulate unutilised expendable grant amounts at the end of the financial year for the first 3 years of the new strategy to be used in phases during the following 3 years of the said strategy. This will smooth out the effects of the strategy's shift to longer and higher amount grants and allows for greater flexibility in grant making for strategic projects. The amount of funds to be designated is reviewed by the Charity Management Board on annual basis.

D. Restricted Fund

The restricted Fund represents a grant received from The City Bridge Trust to the Charity for its Recovery Fund, for the provision of grants to strengthen children & young people's organisations in its beneficial area.

FY 2024/25						
	Balance Brought Forward	Income	Expenditure	Transfers	Gains/ (Losses)	Balance Carried Forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment fund	385,637	11,506	(4,828)	(17,962)	11,050	385,403
Unrestricted general fund	-	-	(16,316)	16,316	-	-
Unrestricted designated fund	861	-	-	1,646	-	2,507
Restricted	526	-	(313)	-	-	213
Total	387,023	11,506	(21,457)	-	11,050	388,123

FY 2023/24						
	Balance Brought Forward	Income	Expenditure	Transfers	Gains/ (Losses)	Balance Carried Forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment fund	390,124	10,973	(2,386)	(17,866)	4,792	385,637
Unrestricted general fund	-	-	(17,005)	17,005	-	-
Unrestricted designated fund	-	-	-	861	-	861
Restricted	895	-	(369)	-	-	526
Total	391,019	10,973	(19,760)	-	4,792	387,023

15. TRANSACTIONS WITH THE TRUSTEE AND CONNECTED PERSONS

The Charity made grants in the year to both Harrow School of £512,394 (£497,701 in 2023/24) and The John Lyon School of £666,308 (£600,838 in 2023/24) for the benefit of children resident in the Beneficial Area. Grants for fee assistance enable children to attend those schools, who would not be able to do so without that financial support. These grants are aimed at providing wider access to education at the schools and are consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper

disclosure of such interests. In 2024/25 there have been 13 grants totalling £500,700 (in 2023/24 there were 19 grants totalling £638,600) which were made to charities where one or more such persons are charity trustees. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation.

Angus Goswell was a member of the Corporation until his retirement on 23 November 2024 and where he was a partner in the firm Knight Frank LLP, the Charity's property managing agents, (from 1 September 2018). Remuneration for Knight Frank's services, based on a detailed contract of engagement, paid by the Charity are:

	2024/25	2023/24
	£'000	£'000
Management fees & insurance commissions	671	571
Capital transaction fees	37	92
Total	708	663

The Charity Management Board reviews the terms of engagement of the Charity's professional advisers annually.

No individual member of the Corporation received any expenses or other remuneration from the Charity.

16. TRUSTEE OF JOHN LYON'S CHARITY

The Keepers and Governors of the Possessions Revenues and Goods of the Free Grammar School of John Lyon within the Town of Harrow-on-the Hill (registered charity No. 310033), are the sole Trustee of John Lyon's Charity.

17. FUTURE COMMITMENTS

Grant commitments

The Charity has committed to multi-year grants including bursary support totaling £25.2 million up to 2030/31, payment of which is in each case contingent on the stipulated conditions being met, following a review of progress by the Grants Committee, and formal authorisation by the Trustee.

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

FY 2024/25				
	Total 2024/25	Restricted Fund	Unrestricted Designated Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	387,038	-	-	387,038
Debtors due more than one year	-	-	-	-
Other assets/liabilities	1,085	213	2,507	(1,635)
Total	388,122	213	2,507	385,403

FY 2023/24				
	Total 2023/24	Restricted Fund	Unrestricted Designated Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	386,266	-	-	386,266
Debtors due more than one year	83	-	-	83
Other assets/liabilities	674	526	861	(713)
Total	387,023	526	861	385,637



GRANTS APPROVED

MAIN GRANTS FUND

Access to Education

AllChild £150,000 over three years towards Connecting Communities in Brent

Barnet Mencap £26,000 over three years towards the Open Door programme

Brent Centre for Young People £375,000 over five years towards services in Brent and Westminster

Contact, £135,000 over three years towards educational support and advice to Ealing families

Doorstep Library Network £120,000 over three years towards Doorstep Library - Hammersmith & Fulham and Camden

Hammersmith, Fulham, Ealing and Hounslow Mind £111,000 over three years towards Mind on Music

Home-Start Barnet £420,000 over three years towards Family Support in Barnet, Brent and Harrow

Home-Start Camden & Islington £200,000 over five years towards the Camden Family Liaison Manager

The VIP - Violence Intervention Project £250,000 over five years towards Urban Therapy (Hammersmith & Fulham and Ealing)

Formal Education

BANG Edutainment £150,000 over three years towards the BANG Schools Programme

Britsom £250,000 over five years towards the Homework Club & Youth Programme

Camden Music Service £50,800 over seven years towards the Camden Pathfinder Music Bursaries

Chickenshed Theatre Trust £127,000 over three years towards My Future Voice

Construction Youth Trust £180,000 over four years towards Building Opportunities in the Tri-Borough

Donmar Warehouse Projects Ltd £150,000 over three years towards the Donmar LOCAL Schools Programmes

First Story £118,500 over three years towards the Young Writers Programme

Fulham Palace Trust £132,000 over three years towards school partnerships and outdoor learning

Go Live Theatre Projects £133,500 over three years towards the Creative Learning and Community Drama Projects

Historic Royal Palaces £250,000 over five years towards the Kensington Enrichment Programme for Schools

Linnean Society of London £118,000 over three years towards Nature Network

Lyric Theatre Hammersmith £120,000 over three years towards the Springboard Project

Making The Leap £150,000 over three years towards the ACE Programme (Aspirations, Careers, Employability)

Petit Miracle Interiors £150,000 over three years towards the Inclusive Work Experience and Traineeship Programme (18-30 Year Olds)

Pursuing Independent Paths W9 £121,500 over three years towards the PiP Employment Coach

Queen's Park Primary School £142,500 over three years towards the Westminster Children's University

Scarabeus Theatre £135,000 over three years towards Flying into Physics

Showroom Gallery Ltd £42,000 towards Imagining Future Schools and the Young People Pilot Programme

The Primary Shakespeare Company £425,000 over five years towards core costs

The Us Charitable Trust £250,000 over five years towards salary costs

The Wallace Collection £250,000 over five years towards the SEND Engagement Programme

Tri-Borough Music Hub £145,490 over seven years towards the TBMH Bursary Fund

Informal Education

Afghan Association of London £200,000 over five years towards Youth & Sport Coordinator salary and overhead costs

Baraka Community Association £250,000 over five years towards core costs

Barnet Community Projects £220,900 over five years towards the BCP Youth Programme

Bloomsbury Football Foundation £135,000 over three years towards expanding provision towards refugees and asylum-seekers

Bush Theatre £150,000 over three years towards the Youth Programme, focusing on the arts engagement, schools and employability

Connect Stars £250,000 over five years towards Youth Empowerment

E.A.S.E (Empowering Action and Social Esteem) Ltd £135,000 over three years towards Youth Clubs and the After School Club

Earls Court Youth Club £250,000 over five years towards salary costs

Fulham Reach Boat Club £250,000 over five years towards the State School Rowing Project

Harrow Steel £59,000 over three years towards running costs

Kings Cross Brunswick Neighbourhood Association £250,000 over five years towards the costs of a Youth Team Manager

London Youth Choir £120,000 over three years towards LYC West

My Yard £120,000 over three years towards My Yard Changemakers

New Horizon Youth Centre £150,000 over three years towards the Youth Work Services Manager's salary

North Paddington Youth Club £150,000 over three years towards the Club Manager's salary

NW5 Project £120,000 over three years towards the Project Manager's salary

Queen's Park Bangladesh Association £105,000 over three years towards the Children & Young People Development Worker's salary

SEAPIA £225,000 over five years towards salary and core costs

Sufra NW London £120,000 over three years towards the Children and Young People's Service

The Nucleo Project £140,000 over three years towards core programme costs

Watford FC's Community Sports and Education Trust £250,000 over five years towards the Cedars Youth & Community Centre

SCHOOLS IN PARTNERSHIP FUND

Access to Education

Elmgrove Primary School & Nursery £22,000 towards the Schools Counselling Partnership - Elmgrove Cluster

Horsenden Primary School £168,000 over three years towards the Schools Counselling Partnership - Horsenden Cluster

Saracens High School £180,000 over three years towards the Secondary Transition Project

Wood End Primary School £113,000 over three years towards the Schools Counselling Partnership - Wood End Cluster

GATEWAY FUND

Access to Education

Bright Futures UK £60,000 over three years towards supporting pupils back into education after prolonged illness

Formal Education

shiftED £60,000 over three years towards core costs

Informal Education

Harrow Cycle Hub £60,000 over three years towards the Wheels For All project

Hilltop Circle £60,000 over three years towards the Project Coordinator's Salary

Mo1 Youths £60,000 over three years towards core funding for the CEO's Salary

Westside Community Foundation £60,000 over three years towards core costs

CAPACITY BUILDING FUND

Capacity Building

Questors Theatre £120,000 over three years towards the Ealing LCEP

Securing Success £275,000 over five years towards core costs and the Harrow Supplementary School Forum

Young Barnet Foundation £100,000 towards the core costs

Young K&C £350,000 over five years towards Support for Supplementary Schools in K&C and Westminster

YPF Trust £180,000 over three years towards the Centre for Supplementary Education

Institute for Voluntary Action Research £5,000 towards the Open and Trusting Grant-making 2024/25

Our Time £462 towards Goodwork Media Training Telling Your Stories

Youth Action Alliance £500 towards CEO Coaching Sessions

FEE ASSISTANCE FUND*

Formal Education

Christ's Hospital School £12,000 towards Extras for the Academic Year 2024/25

Harrow School £30,000 towards Extras in the Academic Year 2024/25

Harrow School £627,875 over five years towards three bursary candidates from September 2024

John Lyon School £30,000 towards Extras for the Academic Year 2024/25

John Lyon School £924,535 over seven years towards five bursary candidates from September 2024

Orley Farm School £39,438 over two years towards one bursary candidate from September 2024 (Pre-Harrow)

*Grants to provide 100% fee assistance at independent schools.

SCHOOL HOLIDAY ACTIVITY FUND

Informal Education

Acton Park Playcentre Leisure Events £4,500 towards A.P.P.L.E. Summer Holiday Trips & Events

Ansar Youth Project £5,000 towards the Summer Programme 2024

Avenues Youth Project £5,000 towards The Avenues Summer Holiday Programme

Axis Educational Trust £5,000 towards Active Minds

Baraka Community Association £4,000 towards the Baraka summer trip to Woodrow Centre

Beauchamp Lodge Settlement £3,650 towards the Holiday Puppet Club

Britsom £5,000 towards the Active Summer Camp

Brunswick Club Trust £5,000 towards The Brunswick Senior Summer Holiday Activity Programme 2024

Capital Kids Cricket £5,000 towards the Arundel Castle Residential Trip

Cardinal Hume Centre £5,000 towards Let's get out and explore 2024!

CARIS Camden Families £5,000 towards the Enrichment Trip Programme (Camden Strand)

Central London Youth Development Trust £4,900 towards SUMMER FOR ALL

Chabad of Finchley £5,000 towards Sports and Wellbeing for All

Community Focus £4,800 towards Summer Fun 2024

Creative Futures £5,000 towards Hear My Voice

Dalgarno Trust £5,000 towards the Dalgarno Trust Summer Holiday Camp

DFY Sports Limited (Previously R4UK Ltd) £5,000 towards the DFY Sports Football & Basketball Camp

Doorstep £5,000 towards the Summer Programme

Ealing Anchor Foundation £5,000 towards the Family Fun & Winter Festivities

Education and Skills Development Group £5,000 towards the Inclusive Holistic Summer Programme

Eritrean Parents and Children's Association £5,000 towards the residential to Woodrow High House

Fulham Palace Trust £4,900 towards Exploring the Palace

Fulham Reach Boat Club £5,000 towards the FRBC Free Watersports Weeks Summer 2024

Gheez Rite Community Association £4,270 towards the day out to Hindleap Warren in Easter half-term

Give It Your Max £2,400 towards the GIYM Community- Grenfell

Hammersmith and Fulham Arts Festival £5,000 towards the Summer Crafty Club

Hammersmith Community Gardens Association £5,000 towards Play Wild

Harrow Association of Somali Voluntary Organisations £5,000 towards the Holiday Club

Hestia £4,800 towards Summer Activities for families in Brent and Ealing

Highgate Newtown Community Partners £5,000 towards the HNCP Summer School

Hodan Somali Community £5,000 towards the Hodan Summer Excursions 2024

Home-Start Barnet £5,000 towards the Summer Outings

Home-Start Ealing £4,450 towards the Holiday Fun Programme

Ignite Youth £4,700 towards Ignite Your Horizons

IPOP £5,000 towards the family days out

Kentish Town City Farm £5,000 towards the summer holiday playscheme

Kodjo Yenga Educational Trust and Foundation £5,000 towards Thumbs Up!

Lauderdale House Society £2,800 towards My Area and My Home - School Holiday Activity Programme

Learning Disability Network London £5,000 towards the KCA Holiday Adventures

Living Way Ministries £5,000 towards the summer holidays activities

London Basketball Association £5,000 towards the LBA School Holiday Camps

Masorti Judaism £3,000 towards Building community - school holiday day camps

Minaret Community Centre £5,000 towards the Summer Youth Club, featuring a Brighton beach trip and football tournament

Mo1 Youths £4,900 towards Cross Boroughs

Mo1 Youths £5,000 towards Mo1 Youths' Holiday Enrichment

My Yard £2,500 towards the My Yard Holiday Clubs

Nene Tereza £5,000 towards the Summer Holiday Programme 2024

New Citizens' Gateway £4,900 towards the NCG Youth Wellbeing Summer Programme

Noa Girls £5,000 towards days out and activities

Nomad £3,400 towards the NOMAD Youth Summer Festival

Nova New Opportunities £5,000 towards the Summer Holiday Family Programme 2024

Octavia Foundation £5,000 towards the Summer Programme at Base@theReed

Oxford Kilburn Youth Trust £3,800 towards the Holiday programme

OYA! £5,000 towards the OYA Summer Camp 2024

Paddington Arts £5,000 towards the Summer Project 2024

People, Potential, Possibilities £5,000 towards the P3 Play Avondale - Summer Holiday Play Centre

Phoenix Canoe Club £4,100 towards Activities for All

Pitzhanger Manor and Gallery Trust £4,800 towards the Summer Holiday Activity Club

Play Adventures & Community Enrichment £5,000 towards the Winter Residential Activities for Children with Complex Needs

Play Adventures & Community Enrichment £5,000 towards the PACE Easter Holiday Activities for Vulnerable Children

Pursuing Independent Paths W9 £5,000 towards the PiP Leisure Programme

Queen's Park Bangladesh Association £4,900 towards the Summer Holidays Adventures

Ray's Playhouse £4,900 towards the School Holiday Activities

Samuel Lithgow Youth Centre £5,000 towards the Summer Holiday Programme 2024

SEAPIA £5,000 towards Summer 2024

Sidings Community Centre £5,000 towards the Sidings Youth Project - Summer Holiday Scheme 2024

SIG Penrose £4,200 towards the School Holiday Activity Programme for the children residing at SIG Penrose RBKC Refuge Service

Solidarity Sports £5,000 towards activities for vulnerable children living with or recovering from complex trauma

Somali Bravanese Welfare Association in Barnet £5,000 towards a trip to Legoland Windsor

Somali Family Learning and Regeneration Project £5,000 towards the Summer Activity 2024

Somali Youth Helpline £5,000 towards the Winter Holiday Club

South Hampstead and Kilburn Community Partnership £4,900 towards the ARC Summer Programme

South Harrow Christian Fellowship £3,500 towards holiday funding

Sport at the Heart £5,000 towards the SatH School Holiday Programme

St Andrew's Youth Club £5,000 towards the Holiday Programme

Stonegrove Community Trust £5,000 towards the Half-Term Youth Club, 2024/25

Stonegrove Estates Youth Project £4,700 towards the Stonegrove Estate Youth Project - SEYP

Strength and Learning Through Horses £3,000 towards the Horse Experience Holiday Camps

Sulgrave Club Limited £5,000 towards the Avon Tyrrell Residential 2024

Thanet Youth and Community Centre £4,900 towards the Summer Activity Programme

The ClementJames Centre £3,000 towards the Carnival Arts Programme

Ukrainian St Mary's Trust Ltd £5,000 towards the Christmas Holiday Camp for Ukrainian Refugee Children

Unique Community Charity £4,700 towards GAMES!

Urban Partnership Group £5,000 towards the Masbro Youth Club - ACE Project (Seniors Half Term Projects)

Urbanwise London £5,000 towards Half Term Happiness

Venture Community Association £5,000 towards Venture Out

We Are Grow £4,300 towards the GROW Summer Holiday Club

WestPoint-Sustainable Community Development £5,000 towards the Summer Sporting Activities

XLP £2,500 towards the XLP Summer Camp Special Award Fund

SPECIAL AWARDS

Formal Education

English National Ballet £35,000 towards Enchanted Journeys: Immersive VR Ballet Experiences towards SEND

The Primary Shakespeare Company £3,000 towards The Annie Williams Prize 2024

Informal Education

Go Live Theatre Projects £3,000 towards Go Live Envision Days

Good Chance £10,000 towards From Here On: Young People's Follow-On Programme

St Mary's Harrow on the Hill £25,000 towards capital repairs to the Founder's church

HOME-SCHOOL-COMMUNITY

COLLABORATION FUND

Access to Education

Bridging Future Programme Transition support

Edith Neville Primary School £150,000 over three years

Regent High School £148,800 over three years

Somali Youth Development Resource Centre £162,400 over three years

Caretaker's Cottage Programme Wraparound mental health support for children and families

Dormers Wells High School £231,200 over three years

Southall Community Alliance £148,400 over three years

Formal Education

All aboard! Out of school opportunities for young people with special educational needs and disabilities

Kensington Queensmill School £177,900 over three years

London Sports Trust £183,200 over three years

CULTURAL CAPITAL FUND

Formal Education - Schools

All Saints Catholic College £5,000 towards activities with the Saatchi Gallery

Alperton Community Secondary School £4,700 towards art workshops with Karmabank and the Lyric Theatre

Barlby Primary School £5,000 towards Autumn Arts at Barlby with the Saatchi Gallery

Castlebar School £5,000 towards the Castlebar Cultural Commitment

Chelsea Academy £5,000 towards the Spring Arts Programme with the Saatchi Gallery

Colindale Primary School £650 towards the Starlight Express Trip

Deansbrook Infant School £3,000 towards the visit to The Gruffalo's Child

Earl's Court Free School Primary £2,300 towards workshops with Shakespeare's Globe

East Acton Primary School £5,000 towards the H&F Arts Fest Workshops and Exhibition 2024

Foulds School £5,000 towards the Lion King theatre trip and coach travel

John Betts Primary School £5,000 towards the H&F Arts Fest Workshops and Exhibition 2024

Kenmont Primary School £4,950 towards the H&F Arts Fest Workshops and Exhibition 2024

Kensington Primary Academy £1,800 towards the Shakespeare's Globe Workshops

Melcombe Primary School £5,000 towards - Saatchi Gallery Dance

Miles Coverdale Primary School £5,000 towards the H&F Arts Fest Workshops and Exhibition 2024

Mount Stewart Junior School (The Mount Stewart Schools Federation) £5,000 towards the Key Stage 2 theatre trips to the Lion King, Wicked and Starlight Express

Newton Farm Nursery Infant and Junior School £5,000 towards theatre trips

Oakington Manor Primary School £5,000 towards the H&F Arts Fest Workshops and Exhibition 2024

Oakington Manor Primary School £5,000 towards theatre trips to The Lion King, Matilda and Wicked

Rhyl Community Primary School £4,000 towards Cultural Enrichment: Musical Outings and Musical Guests

Richard Cobden Primary School £5,000 towards theatre visits to Stick Man, The Lion King and Matilda

St Augustine's Catholic Primary School £5,000 towards Inside the Arts with H&F Arts Fest

St Clement and St James CE Primary School £5,000 towards Arts Stars with The Saatchi Gallery

St Cuthbert with St Matthias CE Primary School £5,000 towards the Autumn Art Insider with The Saatchi Gallery

St Paul's CofE Primary School £5,000 towards the Art Workshops and Exhibition with The Saatchi Gallery 2024

St Thomas' CE Primary School £5,000 towards Arts Stars with The Saatchi Gallery

Sudbury Primary School £4,000 towards a theatre visit to Wicked

Thomas Jones Primary School £5,000 towards the Art Workshops and Exhibition with The Saatchi Gallery 2024

West Acton Primary School £5,000 towards the Spring Arts Event with the Saatchi Gallery

West London Free School Primary £4,600 towards Shakespeare's Globe Workshops June 2024

Whitings Hill Primary School £5,000 towards a theatre trip to Matilda the Musical, including coach travel

Woodlands School £900 towards Drift Sensory Theatre Experience

Wormholt Park Primary School £5,000 towards the Wonderful World of Creatives with H&F Arts Fest

Wykeham Primary School £1,100 towards the Reception theatre trip to Room on the Broom, including coach travel

Formal Education – Arts Organisations

Apollo Music Projects £60,000 over two years towards the Brent primary schools programme 2025-2027

Box Clever Theatre £57,000 over two years towards The Hate Play

Everyday Magic £36,000 over two years towards Getting Everyone Talking

Lauderdale House Society £60,000 over two years towards Artists' Added Value

Old Vic Theatre Trust £60,000 over two years towards Take the Lead

Open City £60,000 over two years towards Young City Makers & It's My City Too

RECOVERY FUND

Access to Education

Brent Centre For Young People £35,000 towards the Laufer House Electrical Upgrade

Global Skills Centre £95,000 over three years towards core costs

Informal Education

Paddington Arts £33,700 towards refurbishing the disabled toilet

Stonebridge Boxing Club £150,000 over three years towards core salary costs

Stonebridge Boxing Club £35,000 towards the Abbey Estate

Young Brent Foundation £10,000 towards the upgrade of toilets and shower units in Narrowboat

REPLICATION FUND

Access to Education

Belmont School £165,000 over three years towards the Parent Ambassador Project at five schools in Ealing

Brent Centre For Young People £165,000 over three years towards replicating Brent Centre's Schools' Mental Wellbeing Service in Ealing

Catholic Children's Society (Westminster) £174,000 over three years towards therapy services to improve the life chances of vulnerable children

Northolt High School £139,700 over three years towards the Parent Ambassador Project at five schools in Ealing

Capacity Building

Young Westminster Foundation £18,000 towards AMPACC training for organisations in Westminster

Formal Education

artsdepot £25,000 towards the SEND Arts Internship

Creative Futures £154,600 over three years towards the Sound Communities (III)

Lyric Theatre Hammersmith £20,000 towards the SEND Arts Internship

Old Vic Theatre Trust £12,500 towards the SEND Arts Internship

Stephen Spender Trust £66,200 over three years towards the Multilingual Creators: Young Translators

Wac Arts £70,000 over three years towards Wac Arts – Creative Afterschool Provisions

Wac Arts £25,000 towards the SEND Arts Internship

Create (Arts) Limited £139,000 over three years towards Inspired:arts - the replication of the Young Carers Creative Arts Programme in Barnet and Hammersmith & Fulham

Informal Education

The Honey Pot Children's Charity £145,200 over three years towards the provision of educational and recreational opportunities towards young carers

Young Ealing Foundation £4,200 towards the Youth Voice Ambassadors

Young Ealing Foundation £30,000 towards the Greenford Library regeneration project

YPF SMALL GRANTS FUND

Capacity Building

Young Barnet Foundation £150,000 over three years towards the HSC YPF Small Grants Programme

Young Brent Foundation £300,000 over three years towards the HSC YPF Small Grants Programme

Young Camden Foundation £150,000 over three years towards the HSC YPF Small Grants Programme

Young Ealing Foundation £300,000 over three years towards the HSC YPF Small Grants Programme

Young Hammersmith & Fulham Foundation £150,000 over three years towards the HSC YPF Small Grants Programme

Young Harrow Foundation £150,000 over three years towards the HSC YPF Small Grants Programme

Young K&C £150,000 over three years towards the HSC YPF Small Grants Programme

Young Westminster Foundation £150,000 over three years towards the HSC YPF Small Grants Programme

GOVERNANCE

TRUSTEE

Keepers and Governors of the Possessions Revenues and Goods of the Free Grammar School of John Lyon within the Town of Harrow-on-the Hill.

MEMBERS OF THE CHARITY BOARD

John Lyon's Foundation Governors

David Eyton CBE – Chair of the Charity and Foundation
The Hon. Andrew Butler KC– Deputy Chair of the Charity and Foundation
Giles Goodfellow KC (retired in Aug 2025)
Dr Shenila Rawal
Neil Enright
Charles Gallagher
Angus Goswell (retired in Nov 2024)

Independent Members

Sonal Shenai
Serena Hedley-Dent
Maira Sinclair
Fiona Miller Smith (retired in Mar 2025)

Clerk to the Governors

The Hon. Andrew Millett

MEMBERS OF THE GRANTS COMMITTEE

John Lyon's Foundation Governors

Dr Shenila Rawal – Chair of the Grants Committee
Caroline Artis
Sally Anne Huang
Stephanie Palmer

Independent Members

Lynne Plummer
Chris Llewellyn
Keith Morgan
Fiona Mallin-Robinson (retired in Mar 2025)
Hamza Taouzalle (retired in Mar 2025)

MEMBERS OF THE ESTATE & PROPERTY COMMITTEE

John Lyon's Foundation Governors

Charles Gallagher– Chair of the Estate & Property Committee
James Seppala
Peter Ferrari

Independent Members

Kerry Glanville
Ross Owen
Rosemarie Jones MRICS

MEMBERS OF THE INVESTMENT COMMITTEE

John Lyon's Foundation Governors

Sir Jonathan Symonds CBE – Chair of Investments Committee
David Eyton CBE
Charles Gallagher
Mark Wallace

Independent Members

Jonathan Regis
Jagjit Chadha

GRANT CONSULTANTS TO THE CHARITY

Jean Carter
Michael Coveney
Fiona Mallin-Robinson
Susan Ferleger Brades
Kita Ikoku

JOHN LYON'S CHARITY

England & Wales - Charity number 237725

Accounts



JOHN LYON'S CHARITY



REPORT OF THE TRUSTEE & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



COLLABORATIVE



INDEPENDENT



FLEXIBLE



AMBITIOUS



DYNAMIC

TO TRANSFORM THE LIVES OF CHILDREN AND YOUNG PEOPLE TO LEARN, GROW & DEVELOP THROUGH EDUCATION.

OUR VISION

- To transform the lives of Children and Young People to learn, grow and develop through education.

OUR MISSION STATEMENT

- **Education** is at the heart of John Lyon's Charity because it enables us to have the greatest possible impact on Children and Young People (CYP) in our Beneficial Area. As an independent grant-giver we champion through thought leadership and work in partnership to create systems change for the wider benefit of the CYP and Education sectors.

OUR VALUES

- John Lyon's Charity is a **collaborative** funder, working with grantees, government and trusts and foundations to ensure the needs of the CYP and Education sectors are at the forefront of how we grant.
- We are an **independent** funder, we do not fundraise, and we do not bid for government contracts to provide services. We are apolitical and non-religious. This allows us to judge applications on their own merit.
- We are a **flexible** funder; we aim to be nimble in how we grant. We afford organisations with the space to think strategically, to experiment, to adjust and to have time for reflection.
- We are an **ambitious** funder and see our relationship with grantees as partnerships. Our aim is to be ambitious for the organisations we work with and aim to instil confidence in them.
- We are **dynamic** and passionate about who and what we fund. We also put the fun into funding by focusing on what children and young people need rather than responding to trends.

OUR OBJECTIVES

- To improve the life chances of children and young people through **access** to **education** and learning they might not otherwise have had.
- To be an **inclusive** funder by providing **educational** opportunities for children and young people regardless of faith, ethnicity, gen
- To build **capacity** for the CYP and **Education** sectors and their organisations.
- To promote **collaboration** between organisations to best serve the CYP and Education sectors.

John Lyon's Charity gives grants to benefit children and young people up to the age of 25 who live in nine boroughs in North and West London. Since 1991, the Charity has distributed over £208 million to organisations that seek to encourage the aspirations of children and young people. It does this by supporting projects that provide opportunities for young people to participate in a wide range of activities.

John Lyon's Charity is one of the largest independent funders in London. In the Financial Year ending March 2024 it paid grants of £15.87 million towards work in areas including Arts & Science, Children & Families, Education & Learning, Emotional Well Being, Sport, Special Needs & Disability, Training, Youth Clubs and Youth Issues.

The Charity does not fundraise. Its funds are generated by its financial investments and property portfolios which form the Charity's endowment.

CONTENTS

TRUSTEE AND ADVISERS	5
CEO MESSAGE	6-7
OVERVIEW FOR THE YEAR (INCLUDING STRATEGIC UPDATE)	8-22
REPORT OF THE TRUSTEE	23-26
FINANCIAL REVIEW OF THE CHARITY	27-32
STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES	33
REPORT OF THE INDEPENDENT AUDITOR	34-38
STATEMENT OF FINANCIAL ACTIVITIES	39
BALANCE SHEET	40
CASH FLOW STATEMENT	41
NOTES TO THE FINANCIAL STATEMENTS	42-60

TRUSTEE AND ADVISORS

Trustee	The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon (A Charter Corporation)
Clerk to the Trustee	Andrew Millett
Registered Charity No.	237725
Registered Address and Charity Office	Savoy Strand, 105-109 Strand, London WC2R 0AA
Property Managing Agents	Knight Frank LLP 55 Baker Street London W1U 8AN
Bankers	Coutts & Co, 440 Strand, London WC2R 0QS
Auditors	PKF Littlejohn LLP, Statutory Auditor, 15 Westferry Circus, Canary Wharf, London E14 4HD
Solicitors	Cripps LLP, 2nd Floor 80 Victoria Street, London SW1E 5JL
Investment Advisers	Cambridge Associates, 80 Victoria Street, London SW1E 5JL
Custodian	Cazenove Capital, 1 London Wall Place, London Wall, London EC2Y 5AU
Principal Officers	
Chief Executive Officer	Dr Lynne Guyton
Grants Director	Ms Cathryn Pender
Finance and Operations Director	Mr Lloyd Gay



CEO MESSAGE



The role of independent funders has never been more important. At John Lyon's Charity, we believe it is critical to keep advocating change for the future, for our beneficiaries – the grass roots charities who have been hit hardest by Covid and the cost of living over the past five years. We do this through our grant giving and by campaigning on their behalf.

Last year our grant giving totalled £15.87M (an increase of 6% on 2022/23) which reflects our commitment to both our new Five-Year Strategy and our specific covid response: Home School Community. 2023/24 was very much a year of transition from the existing to the new strategy. While we have made difficult choices on where and how to fund, we were determined not to close any funds to new applications. This is a testament to the strength and experience of the team while also recognising that demand was just too great to pause funding at all.

The launch of our new strategy on 1st April 2023 looked to tackle the increasing demand on our funding by streamlining and focussing our grant funds on education, increasing the number and value of grants over £40K and awarding grants for longer periods – now up to five years. The Overview of the Year section demonstrates that 38% of new grants awarded in 2023/24 are for at least five years with a further 39% being three years with the option for a further two years of funding.

Our place-based approach to grant making allows us to have initial conversations with grantees that are so important in not only helping to shape a grant application but its future success as well. This is more critical than ever before as it continues to be a challenging fundraising environment for charities, with demand on funders continuing to far outstrip the supply of funding available. As a consequence, we are now experiencing an increase in more speculative applications. Over the past year we are declining 30% of requests early on, having been assessed

as not suitable for funding. The introduction of the new strategy and its tighter parameters is timely as it is enabling us to focus on relevance and quality to ensure sustainability of organisations for the longer term.

The Charity introduced a new fund - a Gateway Fund, replacing the previous Small Grants - as an introductory route for new organisations. This fund has been established for charities who are at the beginning of a journey with us, and where we see the possibility to help them fulfil their potential, with the intention of eventually supporting them to progress to the Main Grants Fund.

Aside from innovations around grant making, last year saw the Charity commit fully to investing in Research, Evaluation and Learning. We now have a dedicated and experienced manager focussing on impact and learning from Home School Community and how we can apply those lessons to our Five Year Strategy. We also continue to fund and support initiatives with other Foundations such

as the Foundation Practice Rating the Open and Trusting Grant Making Initiative (IVAR), and Propel, a long-term cross funder collaboration through London Funders. While it's a challenging time to be a funder, it's also an exciting time as the opportunity for cross fertilisation of ideas to create systemic change for London's communities has never been greater.

Many of the initiatives and projects we fund can be seen as pilot studies, ready to be rolled out to different London boroughs or country-wide – as is the case with our Young People's Foundations which now operate in over 40 Local Authorities across the country. As an independent funder, we understand the importance of collaborating with Local

and Central Government, those in government and those in opposition – regardless of political leanings. Our focus next year and beyond will be to showcase how the longevity of our place-based grant making can create meaningful and life changing opportunities for children and young people. All of our work is evidence-based and our aim will be to punch above our weight both within and beyond our Beneficial Area.

Dr Lynne Guyton
Chief Executive Officer




OVERVIEW OF GRANTS 2023/24

GRANT SPEND 2023/24

Principial Grants Programme (total spend)	£11,392,451
Existing Grant Commitments	£6,470,581
New Grants Awarded in 2023/24	£4,921,870
Home School Community Grants Programme (total spend)	£4,484,013
Existing Grant Commitments	£1,687,213
New Grants Awarded in 2023/24	£2,796,800
GRAND TOTAL	£15,876,464

The table above shows both the total of existing commitments (under the previous strategy) and new grants awarded under the New Five Year strategy.

TOTAL APPLICATIONS RECEIVED

Year	Received	Declined	Granted	% Successful
2020/21	426	164	262	62
2021/22	474	190	284	60
2022/23	655	237	418	64
2023/24	557	244	313	56

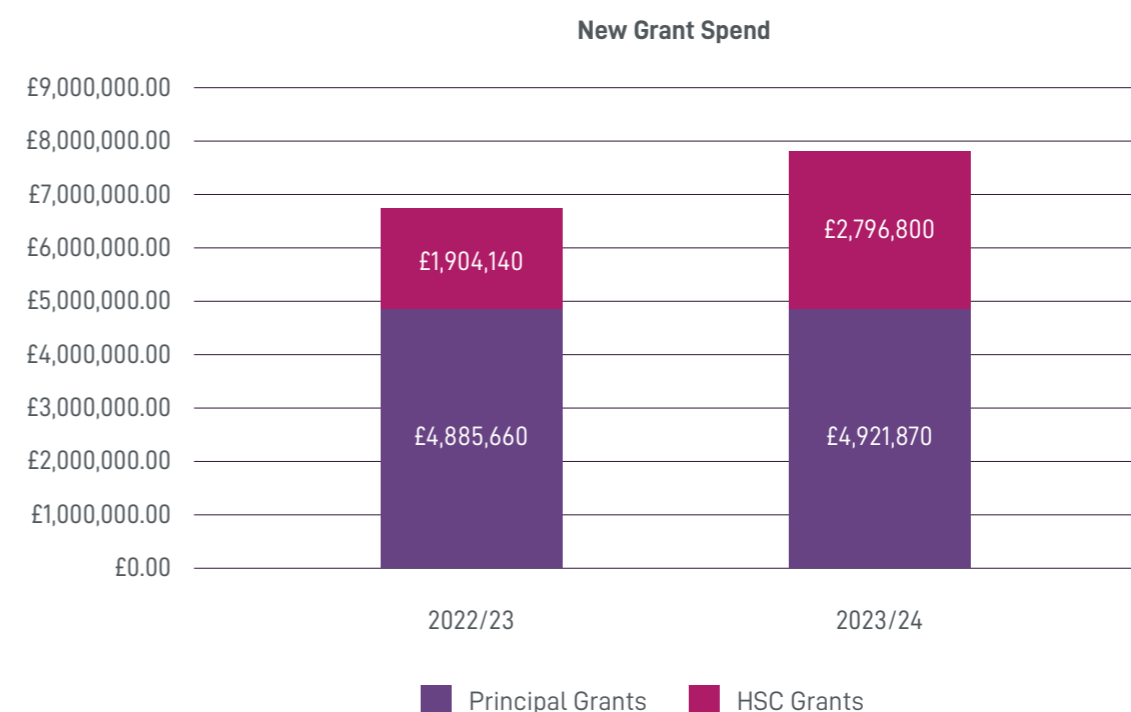
Whilst on the surface, the Charity received fewer applications last year, 2022/23 includes the exceptional Uplift Fund which awarded 154 one-off grants to existing grantees to help support with the Cost of Living crisis. If these are removed, then the Charity saw a year-on-year increase of 11% in applications received, in line with the continual growth in recent years and a 30% increase since 2020/21.

DECLINES

Reason	2019/20	2020/21	2021/22	2022/23	2023/24
Declined following assessment	109	92	107	124	124
Withdrawn by applicant/referred elsewhere	28	36	40	53	48
Outside of the Charity's policy	60	34	35	53	59
Other	10	2	8	7	13
GRAND TOTAL	207	164	190	237	244

The total number of declines has increased slightly to the previous year, with an 11% increase in declines for applications which are outside of the Charity's policy. However, the Charity's introduction of an online eligibility check prior to application has meant that the increase in declines has slowed from 2022/23. What it does reflect more generally is the increasing speculative nature of some applicants who are finding the funding landscape ever more challenging. Examples include those who do not work directly with children and young people, operate outside of the Beneficial Area, deliver only virtually, and schools requesting funding for equipment or teacher CPD. Similar themes are echoed across those applications declined following assessment, where often the focus or track record of delivery in the Beneficial Area is weak. Declines have also reflected the priorities identified in the Charity's new strategy.

NEW TOTAL SPEND



PRINCIPAL GRANTS PROGRAMME

NEW GRANTS BY PROGRAMME AREA

The first year since the Charity's new five-year strategy was launched marks a decrease in programme areas from 11 to four: Formal Education, Informal Education, Capacity Building, and Access to Education. Informal Education makes up the largest proportion of new grants approved, both in terms of the number of grants (74%) and the amount of funding (50%). Formal Education, Access to Education, and Capacity Building therefore make up fewer but larger grants, while Informal Education makes

up a large number of grants that are smaller in value. This is largely as a result of the Charity's School Holiday Activity Fund (SHAF) which naturally fits into the Informal Education Programme Area.

In this first year of the new strategy, the total new grants spend for 2023/24 totalled **£4,921,870**. An additional **£6,470,581** was paid in the year for existing commitments that fell under the Charity's previous Programme Areas.



PRINCIPAL GRANTS PROGRAMME – ALL NEW GRANTS:



INFORMAL EDUCATION

164 grants (74%)
£2,437,000 in funding (50%)



FORMAL EDUCATION

33 grants (15%)
£1,333,170 in funding (27%)



ACCESS TO EDUCATION

15 grants (7%)
£586,700 in funding (12%)



CAPACITY BUILDING

10 grants (5%)
£565,000 in funding (11%)

When SHAFs are excluded, there is a clearer alignment between Formal and Informal Education, which collectively accounts for over 75% of both the number of new grants awarded and the total new funding. The total new grants spend for 2023/24 excluding SHAFs totalled **£4,409,790**.

PRINCIPAL GRANTS PROGRAMME – NEW GRANTS EXCLUDING SHAF:



INFORMAL EDUCATION

52 grants (47%)
£1,925,100 in funding (44%)



FORMAL EDUCATION

33 grants (30%)
£1,333,170 in funding (30%)



ACCESS TO EDUCATION

15 grants (14%)
£586,700 in funding (13%)



CAPACITY BUILDING

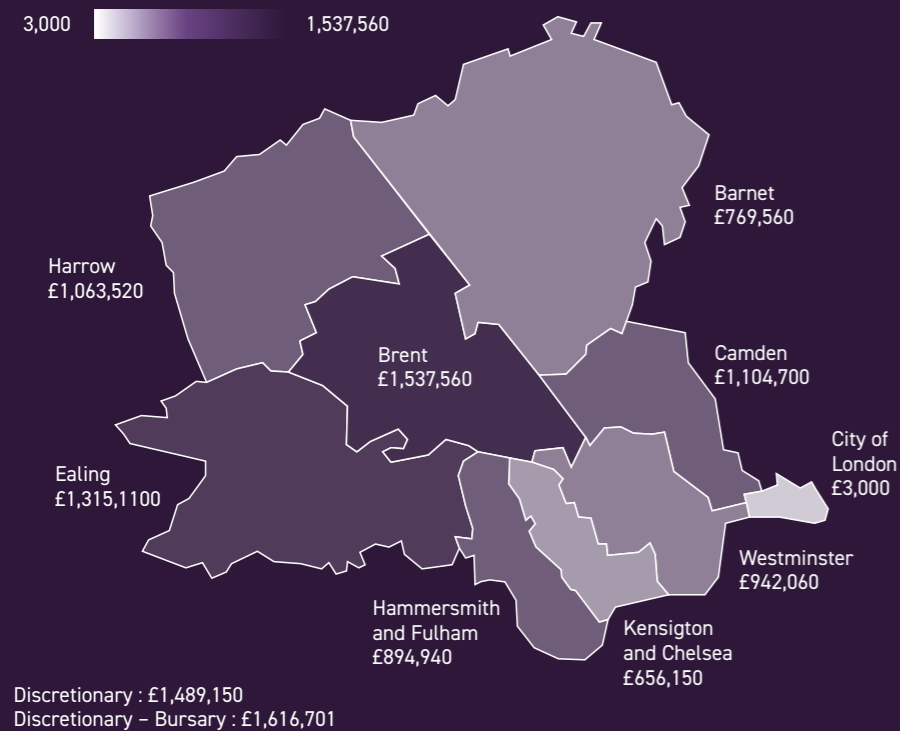
10 grants (9%)
£565,000 in funding (13%)

GRANTS BY BOROUGH

The allocation of expenditure by borough is broadly in line with previous years. The highest allocation of funding was awarded in Brent (13%), which is in accordance with the Charity's Rules and in line with last year. Ealing and Camden follow with 11% and 10% respectively. The remaining boroughs each received very similar levels of funding, ranging from 6-9%. Compared to last year, spending increased in the inner boroughs of Camden and Westminster by around £250k each, and decreased in the other boroughs, except Brent, by between £80k and £200k each. Camden saw the highest increase in spending compared to last year, making its allocation higher than Barnet and Harrow. Camden has a very vibrant community

sector, still well supported by its Local Authority which means demand for funding in this borough is always high. Excluding City of London, expenditure in Kensington and Chelsea is the lowest (£656,150) and has seen a fall on the previous year of around £80k, mirroring previous trends. This is to be expected, given that RBKC is the smallest borough in London and the second smallest in the whole of the country. It also has a significant portion of wealthy residents and the wealthiest Local Authority who still supports the sector through Commissioning. The Charity continues to collaborate with local stakeholders to ensure demand is met and identify other targeted initiatives in this borough. Collectively, the outer boroughs have seen the highest spend this year, driven in particular by spending in Brent and Ealing.

BOROUGH DISTRIBUTION OF TOTAL PRINCIPAL GRANT SPEND OF £11,392,451



GRANT PERIOD: NUMBER OF NEW 5 YEAR GRANTS (WE EXTENDED FROM 3 TO 5 YEARS)

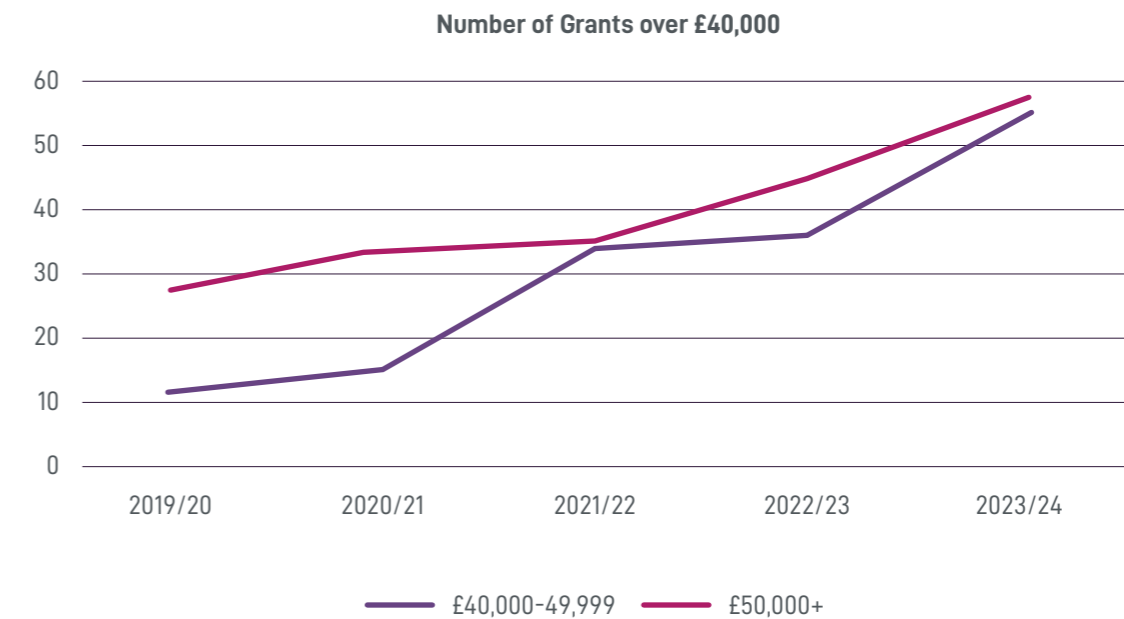
There has been a demonstrable shift to longer grants; 38% of new grants awarded in 2023/24 are at least five years with a further 39% being three years with the option for a further two (3+2).

GRANT SIZE: NUMBER OF NEW £40K AND £50K PA GRANTS (WE INCREASED FROM £30K PA TO £40-£50K PA)

Due to the nature of the Charity's multi-year grants, a significant commitment to funding is already in place at the start of each financial year. Commencing 2023/24,

c.£7.3m was already committed and payable in that year. In the financial year 2023/24 a total of c.£17.2m was awarded as new grants, of which £4.1m was committed for payment in 2023/24.

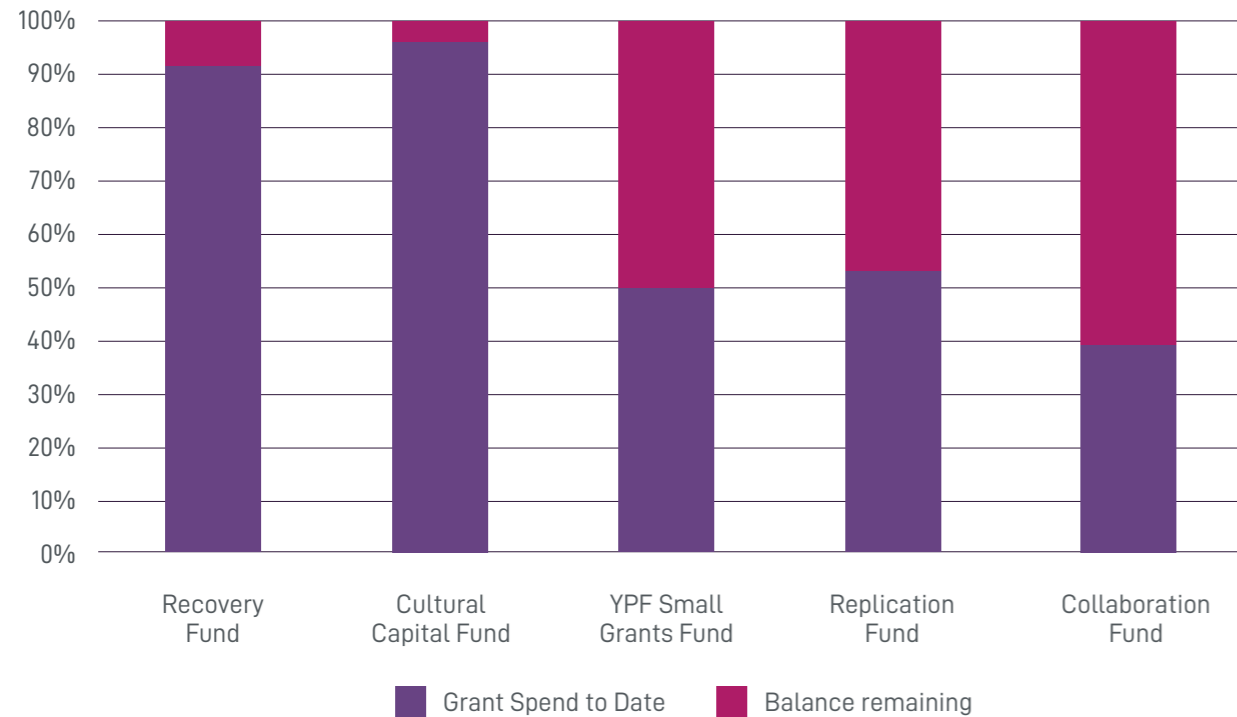
The number of grants over £40,000 has increased from 80 in 2022/23 to 112 in 2023/24. With the launch of the new 5-year strategy in April 2023 this growth was anticipated as the Charity shifts towards larger grants. Going forward those grants £50,000 and above will be reported in recognition that this is now what represents a significant grant for the Charity. In 2023/24, 57 grants of £50,000 or above were made.



HOME SCHOOL COMMUNITY GRANTS PROGRAMME

To date, over £13.57m of a total £22m has been committed from the HSC Programme, with two Funds within this nearly fully spent, and a third expected to be so by the end of the next year.

HSC GRANT SPEND BY FUND



NEW GRANTS BY PROGRAMME AREA

Total grant expenditure in the third year of the Home-School-Community (HSC) Grants Programme grew by 43% to £4,484,013, with a total of £6,225,850 being committed across multiple years through 112 new grants.

Within HSC, the largest Programme Area spend for **new grants** was on Formal Education representing 58% of new grants awarded or 35% of funding. Informal Education was second with 22% of new grants awarded or 30% of funding, followed by Capacity Building and Access to Education. The new grants spend for 2023/24 under the new Programme Areas totalled £2,796,800. An additional £1,687,213 was paid in the year but is not reflected above as these were existing commitments that fell under the Charity's previous Programme Areas.

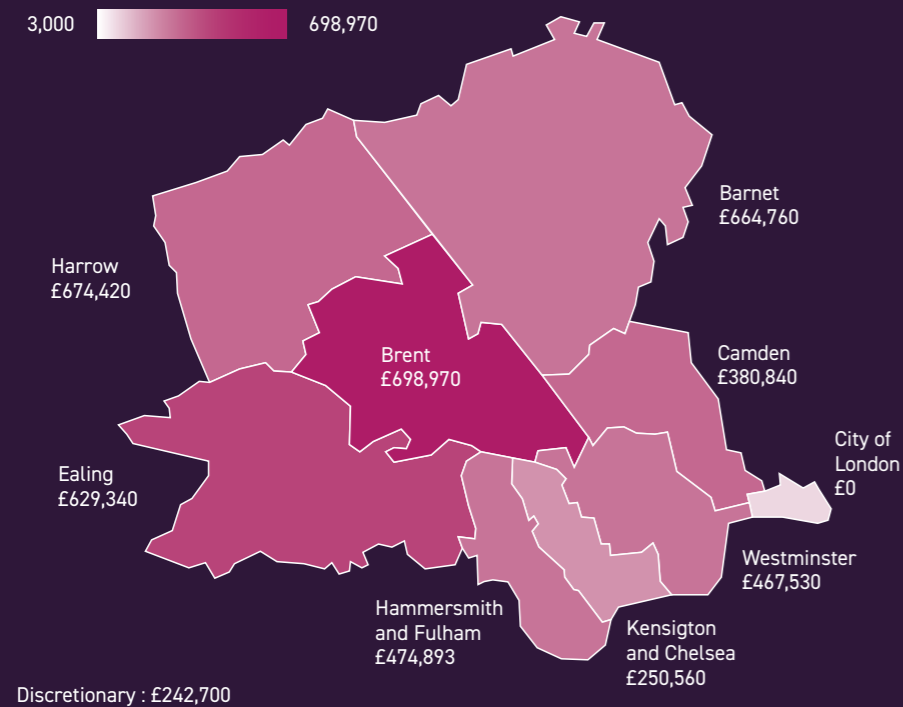
HOME SCHOOL COMMUNITY GRANTS PROGRAMME:



GRANTS BY BOROUGH

The highest allocation of funding was awarded in Brent (16%), followed closely by Barnet and Harrow (15% each) and Ealing (14%). The outer boroughs receiving the highest spend broadly follows the Charity's intention to ensure that HSC focuses on the boroughs where the impact of the pandemic has been more keenly felt. Funding increased for the outer boroughs by between £200k and £300k compared to last year. Hammersmith & Fulham (11%) once again received more funding than its inner borough neighbours, though it was very closely followed by Westminster (10%), which increased its funding from £302,090 last year to £467,530.

BOROUGH DISTRIBUTION OF TOTAL HSC GRANT SPEND: £4,484,013



STRATEGIC UPDATE

The Charity's new five year Strategy started in April 2023. As a reminder, the key shifts in approach can be summarised as follows:

- We have tightened our **educational** focus to inform grants chosen to align with our wider Foundation strategy.
- We have started to expand our **Research, Evaluation & Learning (REAL)** to better assess impact and outcomes of grant giving.
- We have **streamlined our programme areas** from eleven to four.
- We have **increased the maximum duration** for Main Grants from three to up to five years, acknowledging that security of funding is key in the CYP and Education sectors.

- We have **increased the value** of a Main Grant from £30K p.a. to £40K–£50K p.a.
- We have **increased the value** of a Schools in Partnership Grant size from £50K p.a. to £60K p.a.
- We have **introduced two new funds**: a Refurbishment Fund and a Gateway Fund for organisations new to the Charity.
- Fewer, larger, longer grants have started to be awarded this year to reflect the needs of charities in our Beneficial Area.

The response to the new Strategy from the sector has been positive. Charities are appreciative of the more streamlined articulation of the Charity's grant-giving policies, and many are finding it much easier to determine whether their organisation and their proposals would be of interest and/or fit the Charity's priorities and remit.

The Charity's renewed commitment to funding for the purposes of education in its broadest sense has been welcomed and the clearer emphasis on education is focusing the minds of applicants as they articulate their work and their request for funding, also making it easier for the Grants Team to draw distinctions between what is and is not a priority for the Charity to consider. The Gateway Fund has also been welcomed, with charities saying that more funding with greater security is something that they welcome from funders.

The following three programme updates give a flavour for the strategic approach to grant making being undertaken by the Charity.



1. EXCLUDED INITIATIVE UPDATE

The four schools supported by the Charity through the Exclusions Initiative are funded for their interventions until the end of this academic year, 2023/24. All four schools are expected to continue their inclusion hubs beyond the Charity's funding. For the schools, their faith in investing in trialling new ways of working has led to workable solutions which can be built upon, recognising the benefits of the interventions and how this approach has proven more cost-effective than external provision.

The key drivers of impact in the inclusion hubs have been five-fold:

- 1:1 or small group teaching giving tailored, personalised support
- Consistency, routines and boundaries
- Specific emotional support provided
- Restorative approaches to build positive relationships with teachers
- Strong, supportive relationships between students and hub staff.

Despite national trends showing an increase in exclusion rates, the success of the Excluded Initiative indicates a shift towards more inclusive approaches at a school level. This suggests that schools, with adequate support, can indeed adopt strategies to mitigate exclusions and foster a more supportive learning environment.

The schools participating in the Excluded Initiative have highlighted the crucial need for transition support during the shift from primary to secondary education. Transitions are already recognised within the Charity's new Strategy as a phase that comes with challenges for many pupils and their families. Not only does it mean a shift from the Key Stage 2 to the Key Stage 3 curriculum, but secondary

schools operate very differently to primary schools and whilst transition can be an exciting time for children and young people, it can also be very daunting and result in early displays of disruptive behaviour that can escalate into regular patterns of behaviour, which can then lead to exclusion. Within the Excluded Initiative, intervention staff have also highlighted the importance of engaging pupils throughout the summer holiday before they begin secondary school.

Our work to date points to three key areas considered especially pertinent in contributing to an exclusion:

- Pupils with Special Educational Needs and/or Disabilities are over four times more likely to face suspension and eight times more likely to experience permanent exclusion, according to research by Mission 44 a charity supporting those who have been excluded from school.
- The growing mental health crisis among young people, which is so prevalent in the pupils who are being excluded.
- The schools participating in the Excluded Initiative (and outside of it) highlight that transition support during the shift from primary to secondary education is crucial to tackle the much younger age in which pupils are at risk of exclusion.

The Charity could continue to support the secondary schools participating in the current Exclusions Initiative and whilst this has its merits, each of the schools do not need further investment from the Charity to do this. Indeed, each of the Charity's schools have indicated that they intend to develop and flex resources and interventions as they see fit going forward. We should also be mindful of creating a culture of dependency for schools. Given the grey areas which exist with funding schools, not least because of statutory responsibility, the Charity's most valuable strategic role is in enabling schools to pilot and test new solutions which they can then embed into their everyday practice. This approach is proactively being taken with the Charity's emotional wellbeing work in schools.

Through the Charity's Schools in Partnership Fund, the Charity will turn to focus on funding to secondary schools to specifically partner with their feeder primary schools (at least two, preferably more) to tackle school exclusions, whilst also responding to their local context. Under this new iteration of the Excluded Initiative, projects will focus on key components identified to date: personalised support, trusting teacher-student relationships, behaviour management, emotional well-being support, and family engagement. Similarly, whilst the Charity knows that certain cohorts of young people face higher risks of exclusion, schools will have the flexibility to justify their focus on particular groups, with priority given to those working with pupils with special educational needs or those with mental health needs. This approach will also allow the Charity to target its investment in a cost-effective approach, reaching a much higher number of schools, and enabling a culture change around inclusions to happen. This will be developed as a cohort model like the current Exclusions Initiative. A cohort of four senior schools (and respective feeder schools) could be ready to commence in September 2024 and another four in September 2025.

2. PERSPECTIVES UPDATE

Since the last year there have been significant developments in the progress of the Charity's flagship initiative, A New Perspective (ANP), supporting high quality, accessible arts and cultural provision for D/deaf, visually impaired, disabled and neurodivergent young people with learning and access needs. We have engaged with significant numbers of experts within the sector to explore pertinent themes from various angles.

In November, John Lyon's Charity hosted three Roundtable events, engaging 40 organisations, to discuss the areas identified through the surveys as needing deeper consideration. Key take aways from the Roundtables included:

CAREERS AND PATHWAYS

- Good opportunities should be tailored to each individual; not 'one-size fits all'.
- When implementing a supported internships scheme, the entire organisation should be on board. This includes upskilling all existing staff.
- Opportunities should be co-designed with people who have lived experience.
- Employers need to be convinced of the importance of offering longer-term opportunities to young people, not just short-term placements.
- The importance of the pipeline of preparing young people for work should start early.

COSTS AND FUNDING / LOBBYING

- The nature of working with young people with learning and access needs is unpredictable so it is important that funding is flexible to accommodate needs.
- Funding is needed for legacy programmes as well as new projects; without these longer-term programmes, CYP do not have a consistent offer.
- Specialist organisations often feel responsible for ensuring inclusion. Funders need to be responsible for encouraging equity within partnerships holding everyone to account.
- The Charity, being place-based and having strong connections with grantees, is well positioned to influence others (such as Local Authorities) and spread good practice.
- For advocacy to be effective it needs to start inside the organisation first, then with other colleagues in the sector and finally the next level up to government organisations, Borough Councils and parliamentary groups. The end goal is for the sector to work as a group of providers and share a united voice instead of all organisations trying to lobby individually.

MONITORING & EVALUATION

- Evaluation should be meaningful and proportionate to the context of each project. Funders should have a realistic understanding of what can be gathered from young people participating and adapt requirements accordingly.
- Standard evaluation processes can be overwhelming for some young people, causing stress and anxiety; funders should be flexible to trying new ways of monitoring such as symbol widgets, video testimonials or coffee mornings for parents.
- Qualitative data should not be undervalued, listening to young people and families allows for organisations to make meaningful changes on the ground.

A New Perspective will now enter its data analysis phase, as we collate feedback gathered from surveys. A report will be drafted and a new call to action will be created, summarizing the collective voices of those who contributed to the surveys, roundtable discussions as well as the podcast series. The intention is that there is a new, re-named 'Stand up for SEND' guide for the sector that considers how to create high impact, high quality projects for young people with learning and access needs. In addition, to encourage more organisations to work with this cohort of young people, the Charity will organize 'surgery' events which will convey information rather than seek opinion.

3. HOME SCHOOL COMMUNITY (HSC – COVID RESPONSE STRATEGY)

The Home School Community Strategy was the Charity's six year £22M response to the impact of Covid on the Children and Young People's sector (see HSC Grant Spend in previous section). Launched in April 2021, we are now halfway through the strategy.

RECOVERY FUND (MAIN)

June 2024 will bring the Recovery Fund to a close, as intended after three years. This fund was designed for organisations that are highly regarded, have been supported by the Charity for many years and who would leave significant gaps in the local landscape if they were to close. Since June 2021, the Recovery Fund has supported 23 organisations with financial and capacity building support through 24 grants which have, and are, addressing sustainability after the Covid-19 pandemic.

The Recovery Fund has been used to provide organisations to cover the costs of external support providing skills or services that are not available internally. These skills and services have included strategic planning support, trustee and staff away day facilitation, fundraising support, HR and recruitment support, mentoring and coaching.

It should be noted that whilst the Recovery Fund is ending, the issues of sustainability are unlikely to disappear any time soon for many organisations in the Beneficial Area. The rich learning from the Recovery Fund on supporting children and young people's organisations facing complex challenges is being incorporated into the Main Grants Programme.

RECOVERY FUND (REFURBISHMENT)

£500,000 of the HSC Recovery Fund was ringfenced for Refurbishment Grants, to be awarded initially over two financial years, for the benefit of existing John Lyon's Charity grantees. Grants enable the renewal and repair of delivery spaces where there is a responsibility for upkeep under the lease. Providing targeted Refurbishment Grants under the HSC initiative recognises that high quality provision should be delivered in high quality facilities, enhancing the overall quality of delivery. To date the Charity has made 22 Refurbishment Grants totalling in excess of £400K. Larger grants were made in the second year.

REPLICATION FUND

To date £2,457,700 of the HSC Replication Fund has been awarded to 28 organisations to replicate some of the most successful projects and initiatives to reach more children and young people in other parts of the Beneficial Area. The most replicable initiatives to date have been with Disability and Inclusion projects, support in Early Years and for Emotional Well-Being programmes in Schools. A significant budget was allocated within the Replication Fund to support for Young Carers in the Charity's inner boroughs and Ealing. Unusually, support for Young Carers is stronger in the outer boroughs, (particularly Barnet and Harrow) who have established and robust Carers Centres. We are exploring how the Charity's funding can be deployed appropriately to best support Young Carers in the Royal Borough of Kensington and Chelsea and Hammersmith & Fulham.

COLLABORATION FUND

As the Collaboration Fund evolves, the complex dynamics of encouraging quite different organisations to work together in a deep and more systemic way to address entrenched issues is evident. It clearly demonstrates why so many organisations do not usually work in this way: it is very resource intensive for the organisations, and individuals involved must invest in stepping out of comfort zones and 'business as usual' mindsets. This can be challenging but the aspiration to make a lasting impact on the lives of children and young people by working differently is a goal worth pursuing. The Collaboration Fund has established six of the twelve collaborations to date committing £2,533,500 to 18 schools and children and young people's organisations to work together to tackle the challenges faced by young people and their families that are beyond the experience, capacity and resources of a single organisation. The two most established collaborations in Hammersmith & Fulham and Harrow have been delivering together for two years and are seeing the impact on young people of a smoother transition into secondary school, earlier identification of safeguarding issues and a reduction in self-harming behaviours.

CULTURAL CAPITAL FUND

The Cultural Capital Fund has committed £3,490,890 to date with demand exceeding the original aspirations of the Fund. Initially a £2.5m Fund, an additional £1m has been allocated to support Arts organisations and schools to undertake a wide range of arts and cultural activities over four years rather than the initial three set out in the HSC Strategy launched in 2021. To date 67 grants have been awarded to arts organisations and 80 grants to schools to ensure that children and young people who were unable to access arts and cultural activities during 2020 and early 2021 could have these valuable learning and enriching experiences through their schools.

YOUNG PEOPLE'S FOUNDATION (YPF) SMALL GRANTS FUND

The YPF Small Grants Fund acknowledges that the eight YPFs can reach the smaller grassroots organisations of the children and young people's voluntary and community sector that are beyond the direct reach of the Charity. The YPFs are best placed to award grants at a micro level to these organisations and provide the necessary additional support for them to grow and develop. Each YPF runs an application process targeting its diverse members and supports a grants panel that comprises of a representative of the Charity, local stakeholders and often young people, to review the applications and allocate the funding. £1.5m of the £3m Fund has been awarded to date enabling the YPFs to award c.300 grants of between £2,000 - £8,000 each.

REPORT OF THE TRUSTEE

1. INTRODUCTION

The Trustee is the Corporation founded by Royal Charter granted by Queen Elizabeth I on 8th February 1572 to John Lyon, the founder of Harrow School. The Corporation is commonly known as "The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon".

The Corporation is a separately Registered Charity (No. 310033) responsible for Harrow School and The John Lyon School. The Corporation and its subsidiaries together with John Lyon's Charity is commonly known as the John Lyon's Foundation.

In presenting this report for the year ended 31 March 2024 the Trustee has prepared the Financial Statements in accordance with the accounting policies set out in the notes to these financial statements and comply with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities."



2. OBJECTIVES AND ACTIVITIES

A) THE OBJECTS OF THE CHARITY

Under the Scheme (outlined in 3.a) the yearly income of the Charity is applicable for the following charitable purposes:

- A. the relief of the aged, disabled or poor inhabitants of the London Boroughs of Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow and the Royal Borough of Kensington & Chelsea and the Cities of London and Westminster ("the inhabitants") which together form the Charity's Beneficial Area;
- B. the relief of distress and sickness among the inhabitants;
- C. the provision and support (with the object of improving the conditions of life for the inhabitants in the interest of social welfare) of facilities for recreation and other leisure time occupations;
- D. the provision and support of educational facilities for the inhabitants; and
- E. any other charitable purposes for the benefit of the inhabitants;

in accordance with certain rules required by the Scheme. The Rules are reviewed every three years and amendments approved by the Charity Commissioners for England and Wales. The current Rules were adopted by the Trustee on 30th November 1991 subject to amendments in 1996, 2001, 2013 (when a minor change was made to value thresholds on consultation) and 2017 (on delegation powers and consultation with each Local Authority on grant allocations and percentages of grants per borough) and 2022 (to permit transactions between the Corporation as corporate trustee of JLC and the Corporation in its own capacity).

The Trustee has referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policies.

B) THE ACTIVITIES OF THE CHARITY

John Lyon's Charity awards grants to a wide variety of projects and initiatives that support children and young people. These Programme Areas reflect the variety of ways in which organisations seek to help children and young people either by providing them with opportunities or seeking to address specific needs directly. Grants are awarded to registered charities, state schools and organisations within the Charity's defined Beneficial Area. The breakdown of grants by area, programme type and grant fund are shown in the previous section.

3. GOVERNANCE, STRUCTURE AND MANAGEMENT

A) GOVERNANCE

The Charity is governed by the Scheme contained in The Charities (John Lyon Road Trust) Order 1991 (SI 1991, No.1141) as amended by a scheme dated 28 November 1996, trustee's resolutions dated 11 January 2017 and 18 March 2017 (both made pursuant to section 280 of the Charities Act 2011), and a Scheme dated 14 November 2018; and (ii) an Order of the Charity Commission dated 14 November 2018 made under section 105 of the Charities Act 2011, and a Scheme dated 14th April 2022 (made pursuant to section 69 of the Charities Act 2011).

B) CHARITY MANAGEMENT

The Charity had an average total of 17 permanent staff in the year. The day-to-day management of the Charity's affairs is conducted through the Chief Executive Officer as the senior executive officer of the Charity reporting

to the Trustee through the Charity Management Board. The senior management team includes the Grants Director and Finance and Operations Director. The Grants Committee (and then approved by the Charity Board) take funding decisions on grants above £10,000. On small grants below £10,000 grant funding decisions are taken by the CEO and Chair of the Grants Committee.

C) STRUCTURE

The Charity has a clear organisational reporting governance structure with Terms of Reference (ToR) documenting lines of authority and delegation which are reviewed annually. Each Committee is chaired by a member of the Corporation and is constituted by other members of the Corporation, co-opted members who give specialist advice, and the Chief Executive Officer of John Lyon's Charity. Each Committee's meetings are noted and circulated to show decision making, actions and issues, and purpose. The ToRs are reviewed annually. Each Committee's meetings are noted and circulated to show decision making, actions and issues.

D) KEY RISKS

The Charity has a detailed risk register which is reviewed three times a year by both the Charity Board and the Foundation Risk Oversight Committee. It uses a Risk Appetite Matrix that maps frequency/likelihood of risk against impact of risk upon the Charity. We consider what controls are in place to mitigate a risk and then also consider what additional controls or mitigations could be applied ('Treat, Tolerate, Transfer or Terminate'). If there are no further controls or mitigations that can be applied, the risk is considered ALARP (As Low As Reasonably Practicable). The current top risks for the Charity are :

1. Endowment Risk. The newly passed Leasehold Reform Act (LRA), 2024, if implemented will lead to a reduction in enfranchisement and lease extension receipts from the Charity's reversionary estate in St John's Wood. Over 87% of value comes from the sub-80 year leases across the Charity's 91 units. Approximately 25% (£10.5M) of premiums would come from marriage value, which will cease to exist if implemented. Secondary legislation will be required to ensure the LRA can be implemented and the Charity will continue to lobby for charitable compensation or exemption.

2. Market / Inflation / Currency Risk. The risk of volatility in markets can undermine performance and cause sustained loss of capital value. The introduction of a long-term balanced portfolio with moderate volatility and minimal short term tactical moves means the risk is managed as well as possible.

3. Cyber Fraud Risk. The Charity is alert to the possibility of a loss of data or funds through cyber fraud. Annual penetration and phishing testing is undertaken and fraud risk is reviewed as part of the annual audit process. A number of additional protections (e.g. Multi-factor authentication) have been implemented. An IT audit is undertaken every two years and we are satisfied that the risk is managed as well as possible.

I. THE CORPORATION (FOUNDATION BOARD)

The Corporation is the overarching Trustee of the Charity with documented lines of authority and delegation to the Charity Board.

II. CHARITY BOARD

The purpose of the Board is to supervise and from time to time direct the management and administration of the Charity. It comprises eight members including six Governors representing the Trustee and two independent members.

III. GRANTS COMMITTEE

The purpose of the Committee is to supervise and from time to time direct the management and administration of the Charity's grant making activities.

IV. ESTATE & PROPERTY COMMITTEE

The purpose of the Committee is to supervise and from time to time direct and make decisions in connection with the management and administration of the Charity's Property Portfolio.

V. FOUNDATION PHILANTHROPY COMMITTEE

The purpose of the Philanthropy Committee is to ensure the growth and support of collaborative charity projects and ventures across the John Lyon's Foundation (Harrow School, The John Lyon School and John Lyon's Charity).

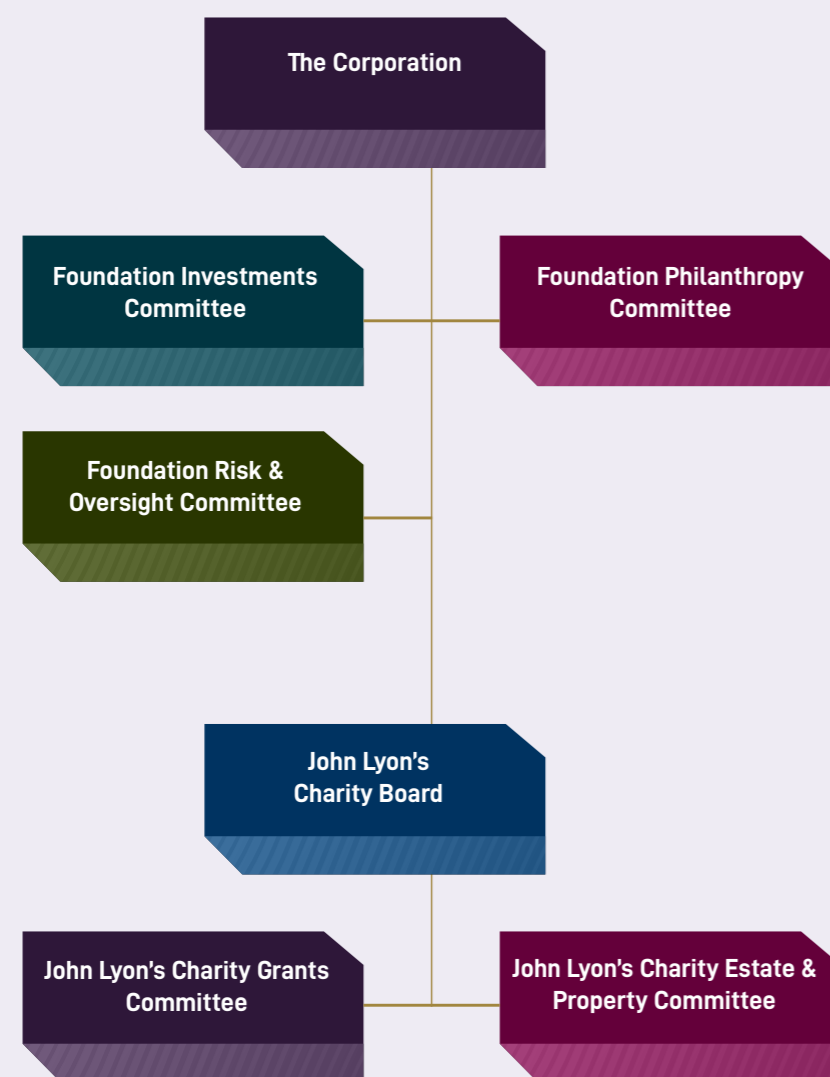
VI. FOUNDATION INVESTMENTS COMMITTEE

The purpose of the Investments Committee is to take responsibility for the financial investment assets and, with the advice and assistance of the Investment Adviser, responsibility for determining the appropriate financial investments.

VII. FOUNDATION RISK & OVERSIGHT COMMITTEE

The purpose of the Risk Committee is to supervise, oversee and take decisions on risks to the Charity of any kind.

JOHN LYON'S CHARITY GOVERNANCE STRUCTURE



FINANCIAL REVIEW OF THE CHARITY

The Charity's endowment, which is permanent, derives from conveyances by John Lyon in 1578 and 1581 when the original land in St John's Wood was acquired at a price of £660. It is believed that there have been no material additions to the endowment since the Charity's foundation.

The Trustee originally adopted a total return policy to determine the level of expenditure based on the Charity Commission order made in January 2006. This has been revised in the intervening period and the current total return policy was adopted by the Trustee on 20th March 2021.

In determining the initial unexpended total return, the Trustee had adopted the valuation of the Charity's assets on 31st March 1997, which was the first occasion on which the open market value of all the Charity's assets had been determined. The valuation was £63.8 million and the initial, unapplied total return was £176.7 million. As of 31st March 2024, the unapplied total return fund is £322 million.

In 2010 the Governors adopted the current Total Return Policy applying to all the Charity's assets. The main purpose of adopting the Total Return policy was to provide certainty at the beginning of each financial year of the amount that is available to be spent on the Charity's grant giving and support costs. The amount is determined by taking an average of the value of the Charity's assets at the end of each financial year of the previous four years.

From 1st April 2017 the Trustee adopted a model which defines the circumstances which would require a spending review when the financial returns are such that the Endowment moves outside of a prescribed range of 15% either side of a core index of inflation.

From April 2019 the value available for expenditure has been calculated using the total return rate of 3.5%. This is reviewed by the Charity Management Board on an annual basis. The Charity has adopted a Total Return Policy that calculates the amount of its investment return that it can spend annually by reference to an agreed percentage of the Charity's assets. The basis of the calculation and the total return amount is indicated at note 10 of these financial statements.

As a long-term response to the impact of Covid-19 on the Charity's beneficial area the Trustee approved an "Agreed Additional Spend" of £22 million to be applied during the six-year period representing the financial years ending 31st March 2022 to 31st March 2028. The additional funding was approved in March 2021 and will be allocated for spending under the Charity's "Home - School - Community" Covid 19 response strategy. The expendable amount applicable to the strategy will be determined on an annual basis by the Trustee.

FINANCIAL INVESTMENT POLICIES

The Charity has an Investment Policy that sets out the long-term investment objective, risk-profile and strategic asset allocation, as well as encompassing our approach to ESG. This is reviewed annually. The Charity's strategic asset allocation reflects a total-return objective without specific focus on income-generating investments. This approach means that we consider all sources of return, including interest, dividends, capital distributions from funds, and realised and unrealised gains and losses. This policy also takes account of the Charity's extensive property interests in forming the basis for the measurement of the performance of the various asset classes. The tactical asset allocation is reviewed and where necessary revised regularly by the Foundation Investment Committee and the Charity Management Board.

OVERARCHING INVESTMENT OBJECTIVES

The investment objective of the **property portfolio** is to generate a level of net yield in real terms of at least 3.5% across the combined property portfolio.

The investment objective of the **financial investment portfolio** is to generate a total return of inflation (CPI) plus 4% per annum over the long term (after expenses).

APPROACH TO RESPONSIBLE INVESTMENTS

As custodians of an endowment, we endeavour to use all our assets, including investments and properties, to align with our mission and have the greatest possible positive impact on children and young people in our Beneficial Area.

We recognise the importance of environmental, social and corporate governance (ESG) issues in the selection and management of investments within our portfolio. The Investment Committee asks all its fund managers to have an ESG policy in place and to incorporate an assessment of ESG into their decision-making processes. The Investment Committee also ensures that a consideration of ESG factors is a standard part of our selection process when appointing new fund managers. The Estate & Property Committee has recently engaged our Estate Managers to conduct a full ESG review of the residential and commercial property portfolio. This will consider the Charity's existing policies and practices on property sustainability, calculating our carbon footprint and producing a sustainability action plan for implementation over the next five years and beyond.



UNDERLYING INVESTMENT PRINCIPLES

The underlying principle of John Lyon's Charity's is that it should be an exemplar Foundation, existing in perpetuity with education at the heart of its cause.

The financial objective of the Charity is to at least maintain the real value of its assets whilst generating a stable and sustainable return to fund grant making.

The Charity holds assets invested in a variety of financial instruments, residential and commercial property. Both income and capital returns are used to finance the grant making activities under a Total Return Policy (TRP).

The Charity takes a long-term view of its assets and this is demonstrated through the market positions it takes with regard to both financial and property investments.

The financial assets portfolio's asset allocation should reflect the Charity's long-term investment objectives and risk tolerances. The portfolio shall be allocated between three primary asset groupings, defined by their role in the portfolio:

- Growth Assets; comprising equities and equity-like assets (liquid and illiquid) to drive portfolio growth, support spending and maintain real value over the long term.
- Diversifiers; including credit, hedge funds, private equity and other alternative assets producing returns with a low correlation to equities to reduce volatility and diversify the portfolio's sources of economic returns.
- Liquidity Reserves; comprising government bonds, high quality short-dated credit and cash to provide liquidity to meet spending and other cash requirements during periods of economic stress.

The St John's Wood Estate, consisting principally of residential properties let on long leases, is subject to compulsory disposal of the property interests under the leasehold enfranchisement legislation. It is considered, for the time being, that it is appropriate to retain this original endowment with a view to maximising the proceeds arising under the enfranchisement legislation. In the year, total proceeds of £3.5 million have been received (2022/23 - £4.6 million). The residual value of the reversionary properties as of 31st March 2024 is £29.9 million (2022/23 - £34.1 million). The investment policy excludes these reversionary properties from the asset allocation as they are not regarded as readily disposable on the open market at a level that recognises the full potential realisable on enfranchisement.

Since 2002 it has been the Trustee's policy to invest the surplus proceeds of the St John's Wood estate in both commercial properties and in the investment portfolio, with several prime residential properties on the original estate being retained where vacant possession has been obtained. However, the asset allocation policy of broadly holding 50% in property and 50% in financial investments will be revisited by both Estate Managers and Investment Advisors together during the coming year to ensure the Charity is not exposed to asset concentration risk.

ASSET ALLOCATION

Asset Class	Value at 31-Mar-24		Value at 31-Mar-23	
	£'000	%	£'000	%
Investment Assets				
Fixed Interest	26,365	7%	25,687	7%
UK Equities	16,976	4%	17,528	5%
Global Equities	79,846	21%	74,241	19%
Hedge funds/Alternatives	23,368	6%	21,085	5%
Unlisted investments	1,374	0%	346	0%
Sterling cash	21,714	6%	15,313	4%
Other investments	7	0%	7	0%
Total Investments	169,650	44%	154,207	40%
Property Assets				
Residential Estate	70,395	18%	67,477	17%
Commercial Property	112,375	29%	122,040	31%
Indirect Property Funds	5,252	1%	5,172	1%
Total Property	188,022	48%	194,689	49%
Investment Assets Totals	357,672	92%	348,896	89%
Reversionary Estate	29,961	8%	34,100	9%
Other Net (Liabilities) / Assets	(609)	0%	8,024	2%
Total Net Assets	387,024	100%	391,020	100%

The Total Return on total assets (before management expenses) in the year is reflected at note 10 and is positive at £15.7 million (2023 negative 26.5 million). Total net assets are valued at £387.0 million, representing a 1.0% decrease on the previous year.

The total value of investment assets at the year-end is £174.9 million (2023 - £159.4 million), including indirect property funds, and shows an increase in value of 9.7% on the previous year. The total return on the Investment Portfolios was £15.74 million or 10.40% (2023 - £0.90 million, 0.69%).

The Charity has continued to hold investment property assets in both residential and commercial property. The residential property portfolios have continued to perform well with minimal voids in the residential estate in the year. The Charity's commercial property has been impacted by further softening in terms of valuation particularly within the industrial sector.

The Charity's residential property estate shows unrealised gains based on year end valuation of £1.4 million (2023

- gains £2.3 million). The commercial property assets showed a loss on valuation of £9.66 million (2023 - loss £41.04 million).

The annual income of the Charity derived from its assets totalled £10.97 million, from £9.54 million in 2022/23.

Reserves policy - the Charity has not historically maintained an unrestricted reserve because of the high level of the unapplied Total Return.

Annual Expenditure of the Charity during 2023/24 the Charity spent £15.88 million (2023 - £14.97 million) on grants, while operational support costs related to charitable activities was £1.50 million (2023 - £1.4 million). Expenditure on raising funds was £2.4 million (2023 - £3.1 million).

Staff Remuneration including key management personnel are reviewed annually by the CEO and Charity Management Board. A formal annual review is conducted to assess and ensure remuneration is fair and in line with that paid for similar roles in similar organisations.



The Charity is a Living Wage employer and as such is committed to ensuring staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Charity's objectives.

Future Commitments have been given for grants over the next three years totalling, £11.3 million in 2024/25, £6.3 million in 2025/26 and £2.4 million 2026/27. A further £2.6 million has been committed in subsequent years for projects that the Charity has agreed in principle to fund on a longer-term basis, payment of which is, in each case, contingent on the stipulated conditions being met, and review of progress and authorisation by the Grants Committee. The total future commitment is indicated at note 18.

Risk Management is the responsibility of the Trustee, and the Trustee body is satisfied that the major risks identified through the risk management processes are adequately managed but recognise that systems can provide reasonable assurance, but no absolute guarantee, that all important risks are identified and appropriately managed.

In terms of protecting our assets and income from the effects of a bear market or recession, we are confident that the long-term strategic approach we take to all of our investments will mitigate any short-term falls in performance.

AUDITORS

PKF Littlejohn LLP has expressed its willingness to continue in office as auditors.



D Eyton

A Butler

For and on behalf of the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee.

21st June 2024

STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Report of the Trustee and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare Financial Statements for each financial year which give a true and fair view of the of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these Financial Statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enables it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Members of the Corporation and the Chief Executive Officer has confirmed, so far as he or she is aware, that there is no relevant audit information of which the Auditors are unaware, and each Member has taken all the steps that he or she ought to have taken as a Member of the Corporation to make themselves aware of any relevant audit information and to establish that the Auditors have been made aware of that information.

REPORT OF THE INDEPENDENT AUDITOR

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JOHN LYON'S CHARITY

OPINION

We have audited the financial statements of John Lyon's Charity (the 'charity') for the year ended 31 March 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2024, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the Report of the Trustee. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE TRUSTEE

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Financial Reporting Standard 102, relevant property law and regulations, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.

- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors, and discussion of recoverability with management.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Trustee, as a corporate body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



PKF Littlejohn LLP
Statutory Auditor
9 July 2024

15 Westferry Circus
 Canary Wharf
 London E14 4HD

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.



STATEMENT OF FINANCIAL ACTIVITIES

	Note	Restricted Fund	Unrestricted Fund	Endowment Fund	Total Funds 2023/24	Total Funds 2022/23
		£'000	£'000	£'000	£'000	£'000
Income and Endowment from:						
Charitable Activities		-	-	-	-	1,020
Property Investments	2	-	-	7,973	7,973	7,148
Investments	3	-	-	3,000	3,000	2,397
Total Income and Endowment		-	-	10,973	10,973	10,565
Expenditure on:						
Raising Funds	4	-	-	2,387	2,387	3,136
Charitable Activities	5-6	369	17,004	-	17,373	16,347
Total Expenditure		369	17,004	2,387	19,760	19,483
Net (Losses)/Gains on Property Investments		-	-	(7,435)	(7,435)	(34,636)
Net Gains/(Losses) on Investments		-	-	12,226	12,226	(1,475)
Net Income/(Expenditure)		(369)	(17,004)	13,377	(3,996)	(45,029)
Transfers Between Funds		-	17,865	(17,865)	-	-
Net Movement in Funds		(369)	861	(4,488)	(3,996)	(45,029)
Reconciliation of Funds:						
Total Funds Brought Forward		896	-	390,124	391,020	436,049
Balance at end of year		527	861	385,636	387,024	391,020

There are no recognised gains or losses except as shown above and all income is derived from continuing activities.

Comparative figures for the respective funds are set out in Note 1.

The Accounting Policies and Notes on pages 42 to 60 form part of these Financial Statements.


BALANCE SHEET AS AT 31 MARCH 2024

	Note	2024	2023
		£'000	£'000
Fixed Assets			
Tangible assets	7	20	31
Investment properties	8	212,731	223,617
Investments	9	174,902	159,379
		387,653	383,027
Debtors: due within more than one year	11	83	422
Current Assets			
Debtors	12	2,834	7,173
Cash at bank		1,508	4,558
		4,342	11,731
Creditors: due within one year	12	(5,054)	(4,160)
Net Current (Liabilities)/ Assets		(712)	7,571
Net Assets		387,024	391,020
Represented by:			
Endowment fund	14a	385,636	390,124
Unrestricted general fund	14b	-	-
Unrestricted designated fund	14c	861	-
Restricted fund	14d	527	896
		387,024	391,020

The Trustee's Report and these Financial Statements were approved by the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee on 21st June 2024 and signed on the Trustee's behalf by



D Eyton



A Butler

The Accounting Policies and Notes on pages 42 to 60 form part of these Financial Statements.

CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2024

	Note	2023/24	2022/23
		£'000	£'000
Net Cash outflow from Operating Activities	20	(6,205)	(18,329)
Net Cash inflow from Capital Expenditure and Financial Investment Activities	21	155	13,811
Returns on Investment and Servicing of Finance	21	3,000	2,397
(Decrease)/Increase in Cash in the Period		(3,050)	(2,121)
Cash at the beginning of the year		4,558	6,679
Movement in cash in the year		(3,050)	(2,121)
Cash at the end of the year		1,508	4,558

The Accounting Policies and Notes on pages 42 to 60 form part of these Financial Statements.



GENERAL INFORMATION AND BASIS OF PREPARATION

John Lyon's Charity is a charitable trust registered in the United Kingdom. The registered address and charity office is given in the charity information on page 5 of these financial statements. The nature of the Charity's operations and principal activities are grant making.

The Charity constitutes a public benefit entity as defined by Financial Reporting Standards ('FRS 102'). The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK General Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has been withdrawn.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. A review of the Charity's current activity and future commitments has concluded that the Charity has enough liquid assets which can be realised to meet the rate of expenditure under the current total return policy which is itself based upon valuation. In addition, the Charity operates with a minimal cost base.

The financial statements are prepared in Sterling which is the functional currency of the Charity and rounded to the nearest £000.

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

INVESTMENT PROPERTIES

Investment Properties are stated at fair value in order to comply with the provisions of Accounting and Reporting by Charities Statement of Recommended Practice. Investment Properties which comprise the Reversionary Estate, Residential and Commercial Properties are valued annually as at the year end.

Properties have been valued individually on the basis of fair value, in accordance with RICS Valuation – Global Standards 2022 and UK National Supplement (known as "The Red Book"), incorporating the International Valuation Standards 2020.

Fair value is considered to be market value as defined by The Red Book being: 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgably, prudently and without compulsion'.

Gains and losses recognised on revaluation, and gains and losses realised on the sale of investment properties, are taken to the Endowment Fund and included in the SOFA.

No depreciation is charged on Investment Properties.

RENTAL INCOME

Rental income is accounted for by reference to the due date under the lease or tenancy.

FIXED ASSET INVESTMENTS

Investments are initially recorded at cost and are stated at fair value at the balance sheet date. The unrealised gains and losses arising as a result are included in the Statement of Financial Activities (SOFA) together with any realised gains and losses on any investments disposed of in the year.

Financial assets, including investments in equity instruments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried, where possible, at fair value and the changes in value are recognised in the SOFA. Assets are considered for indications of impairment, with any impairment then recognised in the SOFA.

TANGIBLE FIXED ASSETS

Fixed assets acquired with a value below £1,000 are evaluated for capitalisation based on the economic benefit derived in use. All other assets are capitalised. Leasehold improvements are depreciated over the term of the lease.

Office and computer equipment are depreciated at between 20% and 33% on an annual straight-line basis over the assets useful lives.

GRANTS

Grants payable represent grants paid and payable in the year. Grants payable over a number of years are not recognised until the Trustee is satisfied that the stipulated conditions have been met and payment of a further instalment has been authorised on the recommendation of the Grants Committee.

TAXATION

The Charity is generally exempt from direct taxation on investment income and capital gains but is subject to Value Added Tax (VAT). Unless stated otherwise relevant expenditure is shown inclusive of VAT.

PENSION COSTS

Pension contributions, which are to defined contribution schemes, are charged to the SOFA in the period to which they relate.

OPERATING LEASES

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

1. ANALYSIS OF THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Restricted Fund 2022/23	Unrestricted Fund 2022/23	Endowment Fund 2022/23	Total Funds 2022/23
	£'000	£'000	£'000	£'000
Income and Endowment from:				
Charitable activities	1,020	-	-	1,020
Property investments	-	-	7,148	7,148
Investments	-	-	2,397	2,397
Other Income	-	-	-	-
Total Income and Endowment	1,020	-	9,545	10,565
Expenditure on:				
Raising funds	-	-	3,136	3,136
Charitable activities	125	16,222	-	16,347
Total Expenditure	125	16,222	3,136	19,483
Net Gains on Property Investments	-	-	(34,636)	(34,636)
Net Gains on Investments	-	-	(1,475)	(1,475)
Net Income/(Expenditure)	895	(16,222)	(29,702)	(45,029)
Transfers between funds	-	16,222	(16,222)	-
Net Movement in Funds	895	-	45,924	45,029
Reconciliation of Funds:				
Total funds brought forward	1	-	436,048	391,725
Balance at end of year	896	-	390,124	391,020

2. INCOME FROM PROPERTY

	2023/24	2022/23
	£'000	£'000
Residential rents	2,663	2,456
Commercial rents	5,310	4,692
Total incoming resources from property	7,973	7,148

3. INCOME FROM INVESTMENTS

	2023/24	2022/23
	£'000	£'000
Investments	2,894	2,344
Bank and deposit interest	106	53
Loan interest	-	-
Total incoming resources from investments	3,000	2,397

4. EXPENDITURE ON RAISING FUNDS

	2023/24	2022/23
	£'000	£'000
Property management charges	350	485
Property repairs and other expenses	1,055	1,695
Total cost of generating income from property	1,405	2,180
Other management and support costs	982	956
	2,387	3,136

5. ANALYSIS OF CHARITABLE ACTIVITIES

Direct charitable expenditure represents grants made under the Scheme by the Charity. The policy of the Trustee is to restrict grants to registered or exempt charities and not to make grants to individuals.

	Total	Grant	Support	Total	Grant	Support
	2023/24	Funded	Costs	2022/23	Funded	Costs
	£'000	Activity	£'000	£'000	Activity	£'000
Arts & Science	835	763	72	1,478	11,353	125
Children & Families	607	555	52	957	876	81
Education & Learning	814	743	71	1,914	1,741	173
Capacity Building	1,655	1,512	143	1,404	1,285	119
Emotional Wellbeing	455	416	39	1,016	929	87
Special Needs & Disability	481	440	41	967	885	82
Sport	130	119	11	524	479	44
Training	272	249	23	438	402	36
Youth Clubs and Youth Activities	792	724	68	1,903	1,743	160
Youth Issues	324	296	28	458	420	39
Bursaries	1,489	1,361	128	1,744	1,597	147
Formal Education	1,237	1,130	107	-	-	-
Informal Education	2,429	2,220	209	-	-	-
Access to Education	577	527	50	-	-	-
Restricted grants	369	337	32	125	125	-
	12,466	11,392	1,074	12,928	11,835	1,093
Home – School – Community Strategic Funds						
Cultural Capital Fund	1,179	1,077	102	934	855	79
Recovery Fund	1,312	1,199	113	1,119	1,024	95
Replication Fund	942	861	81	557	510	47
Collaboration Fund	927	847	80	263	241	22
YPF Small Grants Fund	547	500	47	546	500	46
	17,373	15,876	1,497	16,347	14,965	1,382

6. SUPPORT COSTS

The breakdown of support costs is shown in the table below. The allocation to Charitable Activities is shown in Note 6 above.

	2023/24	2022/23
	£'000	£'000
Audit fees		
– current year	29	27
– prior year (over)/under provision	5	5
Valuation fees		
– current year	64	30
– prior year (over)/under provision	3	6
Depreciation	12	11
Consultancy fees	33	74
Staff costs	880	791
Operating lease		
– office equipment	7	7
Other support costs	464	431
	1,497	1,382

	2023/24	2022/23
	£'000	£'000
Staff costs		
Wages and salaries	1,008	904
Social security costs	122	111
Pension & health care contributions	184	165
	1,314	1,180

Included in the above amount is salary costs of £433,662 (2023 - £389,567) which relates to expenditure on raising funds and are reflected within other management costs in Note 4.

The Charity contributes as a minimum 15% of pensionable salary to the Pensions Trust, a defined contribution pension scheme established for the employees of voluntary organisations. All employees are members of this scheme (The Flexible Retirement Plan) for which the Charity has no residual liability.

Average number of employees during year:	18	16
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6. SUPPORT COSTS *CONTINUED*

In the year, the number of employees who were entitled to emoluments of more than £60,001 was as follows:

	2023/24	2022/23
	£'000	£'000
£70,001 - £80,000	1	1
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£160,001 - £170,000	1	1

The total amount of employee benefits received in the year by key management personnel, was £486,470 (2023 - £472,371). The Charity considers its key management personnel to comprise the Chief Executive Officer, Grants Director, Finance & Operations Director, and the Trustee.



7. TANGIBLE FIXED ASSETS

	Furniture & Equipment	Total
	£'000	£'000
Cost at 1 April 2023	138	138
Additions in the year	1	1
At 31 March 2024	139	139
Accumulated depreciation at 1 April 2023	106	106
Depreciation charge in year	11	11
At 31 March 2024	117	117
Net Book Value at 31 March 2024	20	20
Net Book Value at 31 March 2023	31	31

8. INVESTMENT PROPERTIES

	2024	2023
	£'000	£'000
Reversionary estate	29,961	34,100
Residential properties	70,395	67,477
Commercial properties	112,375	122,040
Market value	212,731	223,617
Balance at beginning of year	223,617	262,754
Additions at cost	-	-
Unrealised (loss) on revaluation	(8,126)	(36,181)
Disposals at valuation	(2,760)	(2,956)
Balance at end of year	212,731	223,617

The investment properties (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2024 by Cluttons LLP, Chartered Surveyors, in accordance with guidance set out in the Valuation and Appraisal Manual of the Royal Institution of Chartered Surveyors.

The Reversionary Estate residential assets have been valued subject to uncertainty as a consequence of Government's intervention in that market via the Leasehold and Freehold Reform Bill 2024.

Properties forming the Charity's original endowment and properties acquired prior to 31 March 1997 were not recorded in the Balance Sheet at the date of acquisition; most of these were acquired many years ago and it is not practicable to identify and disclose the original cost, which is unlikely to be material.

Disposals at valuation during the year resulted in a realised gain of £0.81 million (2022/23 £1.7 million).



9. INVESTMENTS

	2024	2023
	£'000	£'000
Listed investments		
Free (Main) Fund	155,747	146,940
Special Fund	17,781	12,093
	173,528	159,033
Unlisted investments	1,374	346
Market value	174,902	159,379
Historical cost	141,345	150,271

At the year end the Charity was committed to investing \$2.3M and €3.4M into private equity unlisted investments through Hollyport Secondary Opportunities VIII management Ltd and Crown Global Secondaries VI Feeder SCSp.

Included in the above is sterling cash invested and cash held for investment of £12,521,705 (2022/23 - £8,399,474) in the Special Fund and £9,192,779 (2022/23 - £6,914,357) in the Free Fund. The Special Fund is defined in the Governing Documents.

	2024	2023
	£'000	£'000
Balance at beginning of year	159,379	170,189
Investment purchases	18,607	16,636
Net investment realisations	(20,581)	(18,940)
Unrealised gain/(loss) on revaluation	11,096	(1,037)
Net movement in cash held for investment	6,401	(7,469)
Balance at end of year	174,902	159,379

9. INVESTMENTS *CONTINUED*

At 31 March 2022 the following investments accounted for more than 5% of the overall portfolio:

	2024	2023
	%	%
Children's Investment Fund USD Class	6.0	5.6
The NT World Equity Index Feeder	13.1	13.1
Ownership Capital Global Equity	6.9	6.9
Acadian Sustainable Global Managed	6.2	6.3
Orbis Global Equity Fund	6.4	-
Institutional GBP Liquidity Fund	12.0	5.3
Unite student accommodation	-	6.1
The Emerging World Fund	-	5.2
Stewart Investors Global Emerging Markets Sustainability Fund	5.0	5.0
Maj Invest Global Value	-	6.7
Heronbridge UK Equity Fund	5.0	5.8
Pimco income Fund	5.0	5.6
Jupiter UK Alpha Fund	-	5.3



10. APPLICATION OF THE POWER OF TOTAL RETURN

In January 2006, the Charity Commission made an order permitting the Charity to adopt total return investment powers in relation to its permanent endowment in the form of the Commission's model order. In March 2012 the Trustee resolved that, subject to the Charity Commission's approval, the Order be implemented with effect from 1 April 2012 on the basis that the amount applicable for charitable purposes of the Charity shall be determined by reference to the value of all the Charity's assets. The Charity Commission's approval was given on 12 June 2012.

The total return policy (which has been set and adopted by the Trustee in accordance with the 2006 Order) provides that the amount to be applied annually is determined by taking an average of the value of the Charity's net assets on the last four balance sheet dates. The policy allows the Trustee to expend up to 3.5% of that rolling average on charitable activities including support costs and the cost of generating funds and governance costs.

The calculation to determine the amount available in the years to 31 March 2023 and 2024 is:

Year ended:	Net asset Values	4 year Average	Expendable Percentage of Average	Expendable Amount
	£'000	£'000	%	£'000
31 March 2021	391,725	367,761	3.50	12,872
31 March 2022	436,048	384,458	3.50	13,456
31 March 2023	391,020	391,070	3.50	13,687
31 March 2024	387,024	401,454	3.50	14,051

The amount available for the year ended 31 March 2023 was £13,687,484, and for year ending 31 March 2024 is £14,050,893.

	2023/24	2022/23
	£'000	£'000
Expendable amount	13,687	13,456
Additional expendable amount	4,907	2,766
	18,594	16,222
Transferred to Unrestricted Fund	(17,865)	(16,222)
Reinvested	729	-

10. APPLICATION OF THE POWER OF TOTAL RETURN *CONTINUED*

Movements in the Total Return Fund in the Year and Application of Total Return from the Endowment Fund	2023/24	2022/23
	£'000	£'000
Opening value of endowment fund at 1 April	390,124	436,048
Less: Opening value of the fund at 31 March 1997	(63,797)	(63,797)
Opening value of Total Return Funds	326,327	372,251
Add:		
Investment return – income	10,973	9,545
Investment return – realised/unrealised gains	4,791	(36,111)
	342,091	345,685
Less:		
Raising funds	(2,387)	(3,136)
Unapplied total return before transfers carried forward	339,704	342,549
Return applied during the year	(17,865)	(16,222)
Unapplied total return as at 31 March	321,839	326,327
Add: value of the fund at 31 March 1997	63,797	63,797
	385,636	390,124

11. DEBTORS

	2023	2022
	£'000	£'000
Amounts due from tenants and managing agents	2,484	2,152
Other debtors and prepayments	350	21
Proceed receivable on investment sale completed after year end	-	5,000
Due within one year	2,834	7,173
Due within more than one year	83	422
	2,917	7,595

12. CREDITORS:

	2024	2023
	£'000	£'000
Creditor amounts falling due within one year:		
Grants payable	4,320	3,405
Other creditors and accruals	734	755
	5,054	4,160

13. OPERATING LEASE COMMITMENTS

As at 31 March 2024 the total minimum payments to which The Charity is committed under non-cancellable operating leases for property and office equipment are:

	2024	2023
	£'000	£'000
Due within one year	219	220
Due within two and not later than five years	855	860
Due over five years	676	890
	1,750	1,970

14. FUNDS

A. ENDOWMENT FUND

The capital assets of the Charity are those derived from the Founder's original gift of land in 1578 and 1581 and represent permanent endowment, subject to the application of the Total Return policy.

B. UNRESTRICTED GENERAL FUND

The Unrestricted General Fund represents income available for distribution in accordance with the Scheme referred to in the Report of the Trustee.

C. UNRESTRICTED DESIGNATED FUND

The Unrestricted General Fund represents the Trustees decision to designate funds for future charitable purposes.

D. RESTRICTED FUND

The restricted Fund represents a grant received from The City Bridge Trust to the Charity for its Recovery Fund, for the provision of grants to strengthen children & young people's organisations in its beneficial area.

2023/24

	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment fund	390,124	10,973	(2,387)	(17,865)	4,791	385,636
Unrestricted general Fund	-	-	(17,004)	17,004	-	-
Unrestricted designated Fund	-	-	-	861	-	861
Restricted	896	-	(369)	-	-	527
	391,020	10,973	(19,760)	-	4,791	387,024

2022/23

	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment	436,048	9,545	(3,136)	(16,222)	(36,111)	390,124
Unrestricted	-	-	(16,222)	16,222	-	-
Restricted	1	1,020	(125)	-	-	896
	436,049	10,565	(19,483)	-	(36,111)	391,020

15. TRANSACTIONS WITH THE TRUSTEE AND CONNECTED PERSONS

The Charity made grants in the year to both Harrow School of £497,701 (£426,407 in 2022/23) and The John Lyon School of £600,838 (£556,700 in 2022/23) for the benefit of children resident in the Beneficial Area. Grants for bursaries enable children to attend those schools, who would not be able to do so without that financial support. These grants are aimed at providing wider access to education at the schools and are consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper disclosure of such interests. In 2023/24 there have been 19 grants totalling £638,600 (in 2022/23 there were 11 grants totalling £422,080) which were made to charities where one or more such persons are charity trustees. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation.

Angus Goswell is a member of the Corporation and a partner in the firm Knight Frank LLP, the Charity's property managing agents, (from 1 September 2018). Remuneration for Knight Frank's services, based on a detailed contract of engagement, paid by the Charity are:

	2023/24	2022/23
	£'000	£'000
Management fees and insurance commissions	571	484
Capital transaction fees	92	102
	663	586

The Charity Management Board reviews the terms of engagement of the Charity's professional advisers annually.

No individual member of the Corporation received any expenses or other remuneration from the Charity.

16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon, as Trustee (registered charity No. 310033).

17. FUTURE COMMITMENTS

GRANT COMMITMENTS

The Charity has committed to multi-year grants including bursary support totaling £22.6 million up to 2029/30, payment of which is in each case contingent on the stipulated conditions being met, following a review of progress by the Grants Committee, and formal authorisation by the Trustee.

CAPITAL COMMITMENTS

During the year the Charity was committed to investing up to \$2.3m into Hollyport Secondary Opportunities VIII Management Ltd and €3.4M into Crown Global Secondaries VI Feeder SCSP both of which are private equity unlisted investments. At 31 March 2024 drawdowns of \$0.6m and €0.06 had been made into these investments, leaving remaining capital commitments of Hollyport \$1.3m (2023 - \$1.9m) and Crown Global €3.3m (2023 - €0m).

18. CONTINGENT LIABILITIES

The Charity is involved in a number of legal actions which are related to property assets. The costs related to these actions cannot be reasonably quantified and the outcome uncertain and therefore no provision has been made in these financial statements.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023/24

	Total 2023/24	Restricted Fund	Unrestricted Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	387,653	-	1,230	386,423
Debtors due in more than one year	83	-	83	-
Other assets/liabilities	(712)	527	(452)	(787)
	387,024	527	861	385,636

TOTAL 2022/23

	Total 2022/23	Restricted Fund	Unrestricted Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	383,027	-	30	382,997
Debtors due in more than one year	422	-	422	-
Other assets/liabilities	7,571	896	(452)	7,127
	391,020	896	-	390,124

20. RECONCILIATION OF NET INCOMING RESOURCES BEFORE GRANTS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023/24	2022/23
	£'000	£'000
Total income	10,973	10,565
Total expenditure before grants	(3,884)	(4,518)
Net incoming resources before grants	7,089	6,047
Grants from annual income	(15,539)	(14,840)
Grants from restricted income	(337)	(125)
Net outgoing resources after grants	(8,787)	(8,918)
Depreciation charge for the year	11	11
Increase in debtors	4,677	(6,524)
Increase/(Decrease) in creditors	894	(501)
Income from listed investments and deposit interest	(3,000)	(2,397)
Net cash outflow from operating activities	(6,205)	(18,329)



21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2023/24	2022/23
	£'000	£'000
Capital Expenditure and Financial Investment Activities		
Net proceeds from property transactions	3,572	4,649
Expenses charged to Endowment Fund	(120)	(148)
Sale of investments	21,712	18,502
Purchase of investments (note 9)	(18,607)	(16,636)
Purchase of plant and equipment (note 7)	(1)	(25)
Sale of plant and equipment (note 7)	-	-
Decrease/(increase) in cash held for investment (note 9)	(6,401)	7,469
Net Cash Inflow from Capital Expenditure and Financial Investment Activities	155	13,811
Net Proceeds from Property Transactions		
Freehold/lease premium proceeds	3,572	4,649
Purchase of properties (note 8)	-	-
	3,572	4,649
Returns on Investment and Servicing of Finance		
Income from listed and unlisted investments	2,894	2,343
Deposit and other interest	106	53
Other income	-	-
	3,000	2,397



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INSTAGRAM: **@JOHNLONSCHARITY**

CHARITY NO. 237725

JOHN LYON'S CHARITY

England & Wales - Charity number 237725

Accounts



JOHN LYON'S CHARITY

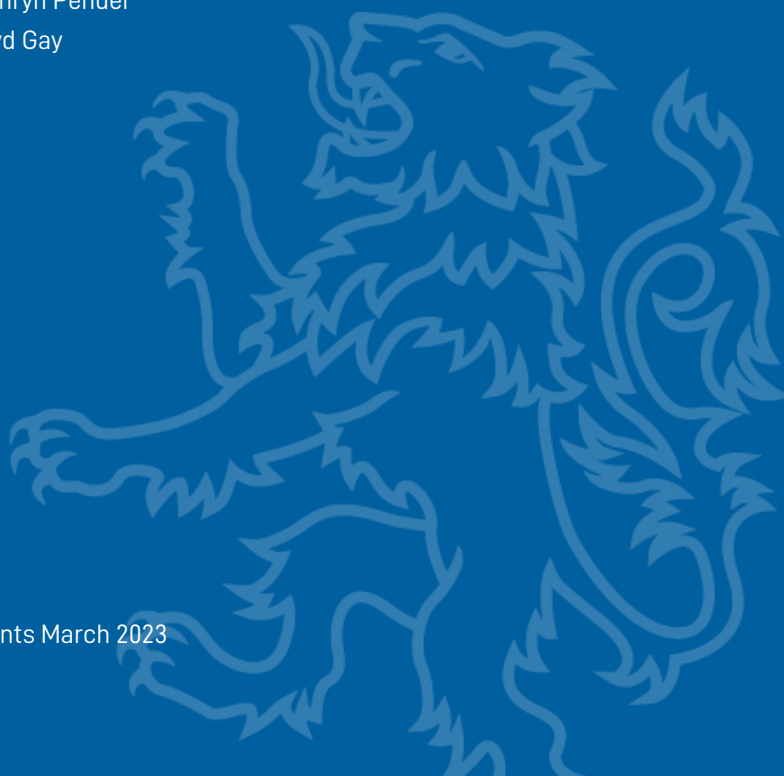


Report of the Trustee and Financial Statements

FOR THE YEAR ENDED
31 MARCH 2023

TRUSTEES AND ADVISERS

Trustee	The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon (A Charter Corporation)
Clerk to the Trustee	Andrew Millett
Registered Charity No.	237725
Registered Address and Charity Office	Savoy Strand 105-109 Strand, London WC2R 0AA
Property Managing Agents	Knight Frank LLP, 55 Baker Street, London W1U 8AN
Bankers	Coutts & Co, 440 Strand, London WC2R 0QS
Auditors	PKF Littlejohn LLP, Statutory Auditor, 15 Westferry Circus, Canary Wharf, London E14 4HD
Solicitors	Cripps LLP, 2nd Floor 80 Victoria Street, London SW1E 5JL
Investment Advisers	Cambridge Associates, 80 Victoria Street, London SW1E 5JL
Custodian	Cazenove Capital, 1 London Wall Place, London Wall, London EC2Y 5AU
Principal Officers	
Chief Executive Officer	Dr Lynne Guyton
Grants Director	Ms Cathryn Pender
Finance and Operations Director	Mr Lloyd Gay



John Lyon's Charity gives grants to benefit children and young people up to the age of 25 who live in nine boroughs in North and West London. Since 1991, the Charity has distributed over £186 million to organisations that seek to encourage the aspirations of children and young people. It does this by supporting projects that provide opportunities for young people to participate in a wide range of activities.

John Lyon's Charity is one of the largest independent funders in London. In the Financial Year ending March 2023 it paid grants of £14.96 million towards work in areas including Arts & Science, Children & Families, Education & Learning, Emotional Well Being, Sport, Special Needs & Disability, Training, Youth Clubs and Youth Issues.

The Charity does not fundraise. Its funds are generated by its financial investments and property portfolios which form the Charity's endowment.

CONTENTS

CEO MESSAGE	4–5
OVERVIEW OF GRANTS 2022/23	6–9
REPORT OF THE TRUSTEE	10–15
FINANCIAL REVIEW OF THE CHARITY	16–20
STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES	21
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JLC	22–26
STATEMENT OF FINANCIAL ACTIVITIES	27
BALANCE SHEET	28
CASH FLOW STATEMENT	29
JLC'S CHARITY NOTES TO THE FINANCIAL STATEMENTS	30–47



VISION



MISSION



VALUES



OBJECTIVES

TO TRANSFORM THE LIVES OF CHILDREN AND YOUNG PEOPLE TO LEARN, GROW & DEVELOP THROUGH EDUCATION.

OUR VISION

- To transform the lives of Children and Young People to learn, grow & develop through **education**

OUR MISSION

- **Education** is at the heart of John Lyon's Charity because it enables us to have the greatest possible impact on Children and Young People in our Beneficial Area. As an independent grant-giver we champion through thought leadership and work in partnership to create systems change for the wider benefit of the Children and Young People and Education sectors.

OUR VALUES

- John Lyon's Charity is a **collaborative** funder, working with grantees, government and trusts and foundations to ensure the needs of the Children and Young People and Education sectors are at the forefront of how we grant.
- We are an **independent** funder, we do not fundraise, and we do not bid for government contracts to provide services. We are apolitical and non-religious. This allows us to judge applications on their own merit.
- We are a **flexible** funder; we aim to be nimble in how we grant. We afford organisations with the space to think strategically, to experiment, to adjust and to have time for reflection.
- We are an **ambitious** funder and see our relationship with grantees as partnerships. Our aim is to be ambitious for the organisations we work with and aim to instil confidence in them.
- We are **dynamic** and passionate about who and what we fund. We also put the fun into funding by focusing on what children and young people need rather than responding to trends.

OUR OBJECTIVES

- To improve the life chances of children and young people through **access** to **education** and learning they might not otherwise have had.
- To be an **inclusive** funder by providing **educational** opportunities for children and young people regardless of faith, ethnicity, gender or special need.
- To build **capacity** for the CYP and **Education** sectors and its organisations.
- To promote **collaboration** between organisations to best serve the CYP and **Education** sectors.

CEO MESSAGE



The impact of Covid and the cost-of-living crisis is still making itself felt amongst the communities we serve in North and West London. The **15% increase in our total grant making last year to £15M** is a reflection of our increased commitment to charities through both our Home-School-Community (HSC) Strategy and through discretionary cost-of-living payments to grantees. HSC was launched specifically as a long-term response to the pandemic to strategically distribute funds over six years to strengthen the resilience of the CYP sector in our Beneficial Area. HSC has allowed the Charity to test out new ways of funding in response to the challenges of austerity and Covid. Crucially, this has been in addition to our 'usual' grant making.

The Children and Young People's sector has never felt more vulnerable in terms of funding and sustainability. We have seen a **46% increase in applications** to us in one year alone, and a **75% increase** over five years. The launch of our new strategy on 1st April 2023 looks to tackle the increasing demand on our funding by streamlining and focussing our grant funds on education, increasing the number and value of grants over £40K and awarding grants for up to five years.

The Charity's unique approach to grant making is born out of over 30 years of working with fixed parameters; the nine boroughs of the Beneficial Area (BA), and the focus of working with young people. These two requirements make the Charity different from other national or more generalist funders and guides the Charity in its thinking. The Charity's BA forms a constituency of young people that is unique in its make-up: it has four outer London boroughs and four inner London boroughs with a mix of inner-city wealth and poverty, including the wealthiest borough in the country, but also child poverty, in areas of North Westminster/South Brent higher than inner Glasgow and Liverpool.

Very few parts of the world rival London for the sheer scale of ethnic, linguistic and religious diversity and the North West of London, that the Charity operate in, is the most diverse of all. By most measures of diversity, the London Borough of Brent is the most ethnically diverse in the UK and Harrow is the most religiously diverse borough in the country. The BA is in many ways the arrival lounge of

the country, very often the first place that new waves of migrants come. This has shaped the structure and makeup of the voluntary sector in the BA, with a much higher proportion of groups serving these communities.

For a number of years now the Trust and Foundation world has been discussing how to deliver funding *in place* while also delivering *relational* grant making. These are two values that the Charity has consistently held as imperative to how it operates. The Charity has developed longstanding relationships with local communities, who in turn value the Charity as a key local stakeholder and an important part of the local funding ecology. As national funders look at ways to be close to their grantees, the Charity already has strong bonds with its grantees. Hence, our mantra of undertaking 'grant making by walking about', boosted by the work of the Young People Foundations (YPFs), has given the Charity a recognisable brand in the sector and in the Beneficial Area.

This closeness to the groups and end users does, however, create its own challenges. For many groups, securing a grant from the Charity is the difference between survival and closure. The austerity of the last 12 years has led to a number of the groups that used to deliver services in the BA closing with the end of public funding. What is left is a sector that is primarily made up of small and medium size organisations. Over the last three years, 66% of the organisations funded by the Charity had incomes of under £1M.

The Charity has always worked hand in hand with grantees to ensure their applications are fit for purpose. Organisations within the BA are able to cope with the shifting priorities of other Funders knowing that the Charity's remit of place and CYP remains. This will clearly continue, but with a tighter focus on education as well. We recognise that we cannot fund every CYP group in today's economic climate. Hence, by viewing applicants with this stricter educational lens we will concentrate on those organisations that we believe can be robust, resilient and sustainable for the sector in our BA. We won't push organisations to expand when it's not appropriate. But where we see opportunity, will look to build capacity for an organisation and the sector as a whole.

We also recognise that we need to be mindful of the funding ecology within our BA because over the past

30 years we have shaped funding of the sector significantly. We have seen that groups which are closer to the people better serve them and are better at working with and understanding the challenges that communities face.

The next two years will see further increases in our grant making as we get into the 'heavy lifting' phase of our HSC covid response; our HSC funds have increased from 15% of total grants given in 2021/22 to 22% last year. Our focus next year and beyond will be on ensuring that we target our funds to ensure that despite the challenges of the cost of living and the aftermath of covid we can create meaningful and life changing opportunities for children and young people.

Dr Lynne Guyton,
Chief Executive Officer

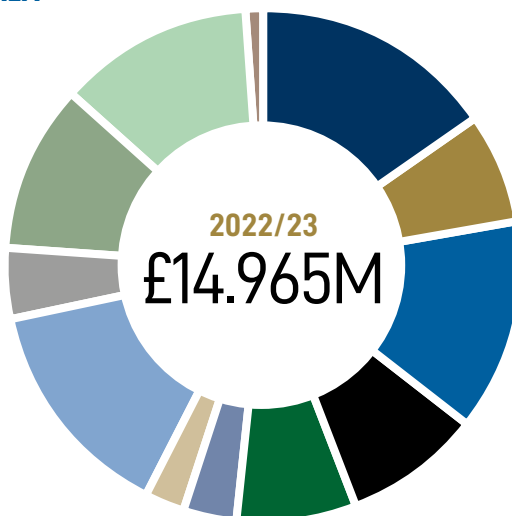


OVERVIEW OF GRANTS 2022/23

TOTAL GRANTS PAID £14.96M (2021/22 - £13.01M)

FUNDING BY PROGRAMME AREA

Grants to Arts & Science increased by 30%, Youth Clubs by 31% and Children & Families by 20% last year. The growth in all three of these Programme Areas can be largely explained by growth of the Home-School-Community Grants Programme. The Cultural Capital Fund accounts for 32% of Arts & Science spend whereas both Youth Clubs & Youth Activities and Children & Families were well represented within the Recovery, Replication and Collaboration Funds.



- Arts & Science **2.311**
- Children & Families **1.053**
- Education & Learning **1.983**
- Emotional Wellbeing **1.281**
- Special Needs & Disabilities **1.124**
- Sport **484**
- Training **401**
- Youth Clubs & Youth Activities **2.099**
- Youth Issues **668**
- Bursaries **1.597**
- Capacity Building **1.839**
- Restricted Grants **125**

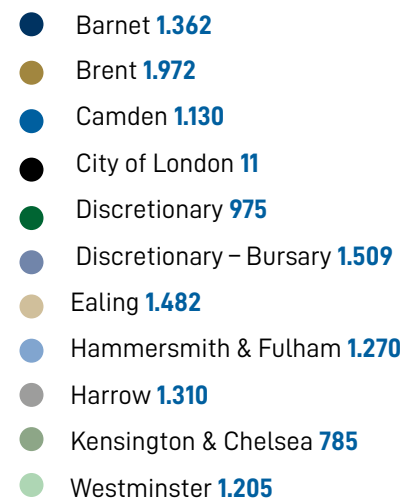
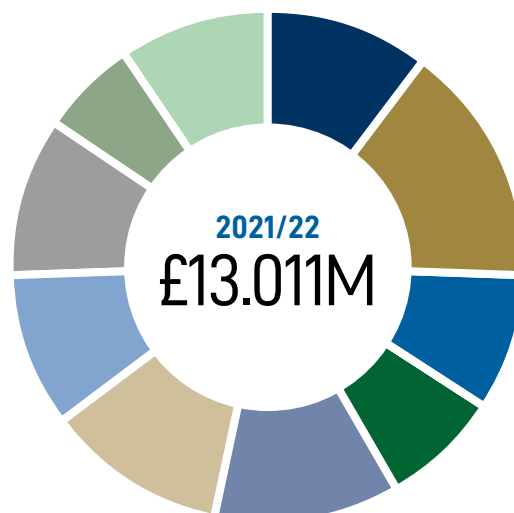
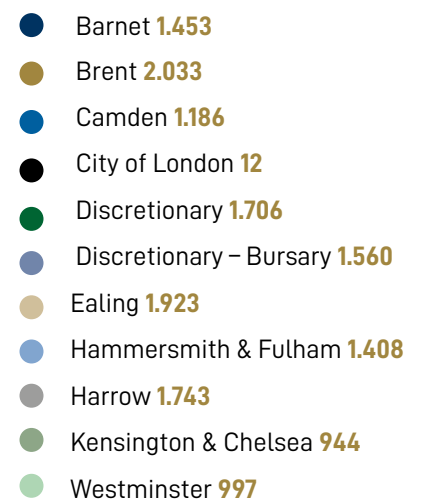
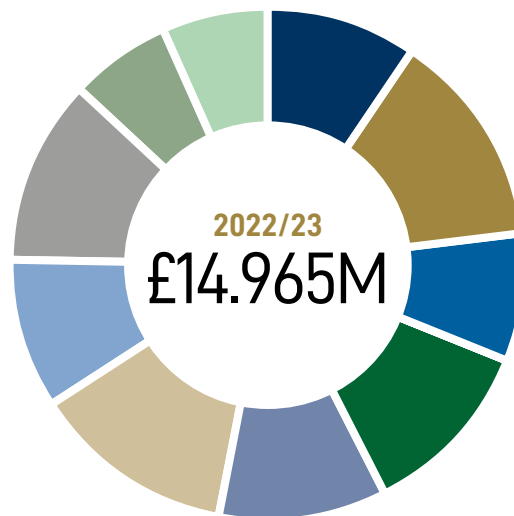


- Arts & Science **1.783**
- Children & Families **874**
- Education & Learning **1.687**
- Emotional Wellbeing **1.292**
- Special Needs & Disabilities **944**
- Sport **314**
- Training **401**
- Youth Clubs & Youth Activities **1.603**
- Youth Issues **724**
- Bursaries **1.527**
- Capacity Building **1.621**
- Restricted Grants **63**

FUNDING BY BOROUGH

Both Ealing and Harrow saw a significant increase in spend under the HSC Grants Programme, with Harrow seeing over a 200% increase on the previous year.

Note: *The difference between the bursaries in the Funding by Programme Area figure above and Funding by Borough – Discretionary Bursary is because there is one older bursary which is split 50% Brent and 50% Harrow for GDST so that is allocated to the boroughs rather than discretionary.*



FUNDING BY GRANT TYPE

£'000	2022/23	2021/22
Schools in Partnership	648	869
Bursaries	1,597	1,527
Small Grants (below £5k)	68	67
Main Grant Fund	6,681	6,829
School Holiday Activity Fund (SHAF)	366	361
Internships	94	106
Capacity Building	1,209	1,067
Uplift (Cost of Living Payments)	847	0
Pupil Exclusion Prevention Initiative	200	200
Resilience (Covid Response)	125	0
Sub Total	11,835	11,026
Home-School-Community Funds		
Cultural Capital	855	705
Recovery	1,024	556
Replication	510	224
YPF Small Grants	500	500
Collaboration	241	0
Sub Total	3,130	1,985
Total	14,965	13,011

The Charity granted just shy of £1M in cost-of-living uplift grants to help charities that were feeling the squeeze on energy bills, rents and salaries. Grants for Capacity Building also saw an increase as we seek to cement the longevity and impact of the eight Young People Foundations in our Beneficial Area.

TOTAL NUMBER OF GRANT APPLICATIONS

	2022/23	2021/22	2020/21	2019/20	2018/19
Approved	453	283	240	255	259
Declined	237	190	164	207	135
Total	690	473	404	462	394

690 applications were received during the last financial year, and as of 31st March 2023, 453 had been approved and 237 had been declined. The number received

represents a 75% increase in applications over the past five years, demonstrating that the demand for the Charity's funds has never been greater.

GRANT PAYMENTS BY VALUE

Grant by size (£)	22/23	22/23	21/22	21/22	20/21	20/21	19/20	19/20
	No. of	£ '000	No. of	£ '000	No. of	£ '000	No. of	£ '000
0-5,000	228	812	149	530	65	196	119	444
5,001-15,000	101	864	35	411	110	950	57	618
15,001- 40,000	275	8,384	249	7,629	275	8,062	265	7,435
Over 40,000	80	4,905	69	4,441	48	3,012	38	2,273

The total number of grants made over £15,000 has been steadily increasing over the past five years. The cost-of-living crisis coupled with the impact of covid has been felt across our Beneficial Area and the request for larger grants is one consequence of this.

More significantly, as we look to have greater impact, the number and value of grants over £40,000 has increased from 21% in 2019/20 to 33% last year. With the launch of our new 5-year strategy on 1st April 2023 the aim will be to continue this trend by giving larger annual grants (up to £50K for Charities and up to £60K for Schools) for up to five years.



REPORT OF THE TRUSTEE

1. INTRODUCTION

The Trustee is the Corporation founded by Royal Charter granted by Queen Elizabeth I on 8th February 1572 to John Lyon, the founder of Harrow School. The Corporation is commonly known as "The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon".

The Corporation is a separately Registered Charity (No. 310033) responsible for Harrow School and The John Lyon School. The Corporation and its subsidiaries together with John Lyon's Charity is commonly known as the John Lyon's Foundation.

In presenting this report for the year ended 31 March 2023 the Trustee has prepared the Financial Statements in accordance with the accounting policies set out in the notes to these financial statements and comply with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities."



2. OBJECTIVES AND ACTIVITIES

A) THE OBJECTS OF THE CHARITY

Under the Scheme (outlined in 3.a) the yearly income of the Charity is applicable for the following charitable purposes:

- A.** the relief of the aged, disabled or poor inhabitants of the London Boroughs of Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow and the Royal Borough of Kensington & Chelsea and the Cities of London and Westminster ("the inhabitants") which together form the Charity's Beneficial Area;
- B.** the relief of distress and sickness among the inhabitants;
- C.** the provision and support (with the object of improving the conditions of life for the inhabitants in the interest of social welfare) of facilities for recreation and other leisure time occupations;
- D.** the provision and support of educational facilities for the inhabitants; and
- E.** any other charitable purposes for the benefit of the inhabitants;

in accordance with certain rules required by the Scheme. The Rules are reviewed every three years and amendments approved by the Charity Commissioners for England and Wales. The current Rules were adopted by the Trustee on 30th November 1991 subject to amendments in 1996, 2001, 2013 (when a minor change was made to value thresholds on consultation) and 2017 (on delegation powers and consultation with each Local Authority on grant allocations and percentages of grants per borough) and 2022 (to permit transactions between the Corporation as corporate trustee of JLC and the Corporation in its own capacity).

The Trustee has referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policies.

B) THE ACTIVITIES OF THE CHARITY

John Lyon's Charity awards grants to a wide variety of projects and initiatives that support children and young people. These Programme Areas reflect the variety of ways in which organisations seek to help children and young people either by providing them with opportunities or seeking to address specific needs directly. Grants are awarded to registered charities, state schools and organisations within the Charity's defined Beneficial Area. The breakdown of grants by area, programme type and grant fund are shown in the previous section.



3. GOVERNANCE, STRUCTURE AND MANAGEMENT

A) GOVERNANCE

The Charity is governed by the Scheme contained in The Charities (John Lyon Road Trust) Order 1991 (SI 1991, No. 1141) as amended by a scheme dated 28 November 1996, trustee's resolutions dated 11 January 2017 and 18 March 2017 (both made pursuant to section 280 of the Charities Act 2011), and a Scheme dated 14 November 2018; and (ii) an Order of the Charity Commission dated 14 November 2018 made under section 105 of the Charities Act 2011, and a Scheme dated 14th April 2022 (made pursuant to section 69 of the Charities Act 2011).

B) CHARITY MANAGEMENT

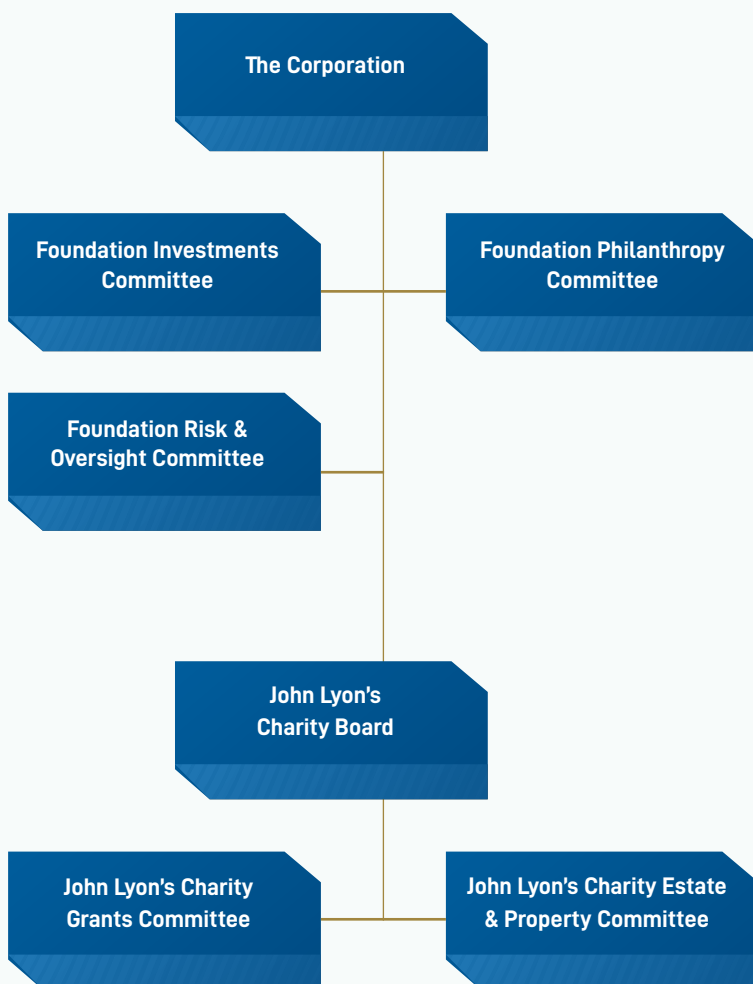
The Charity had an average total of 16 permanent staff in the year. The day-to-day management of the Charity's affairs is conducted through the Chief Executive Officer as the senior executive officer of the Charity reporting to the Trustee through the Charity Management Board. The senior management team includes the Grants Director and Finance and Operations Director.

C) STRUCTURE

The Charity has a clear organisational reporting governance structure with Terms of Reference (ToR) documenting lines of authority and delegation. Each Committee is chaired by a member of the Corporation and is constituted by other members of the Corporation, co-opted members who give specialist advice, and the Chief Executive Officer of John Lyon's Charity. Each Committee has ToR which set out its accountability and purpose. The ToRs are reviewed annually. Each Committee's meetings are noted and circulated to show decision making, actions and issues.

In accordance with the Charity Governance Code, a more robust and accountable governance structure was implemented towards the end of 2018. Good governance is fundamental to John Lyon's Charity's success. It enables and supports our compliance with the law and relevant regulations. It also promotes a culture where everything works towards fulfilling our vision.

The Charity has a fully functioning Charity Management Board with seven members comprising six Governors representing the Trustee and one independent member. The Charity's search for an eighth (and independent) member should be concluded shortly.



John Lyon's Charity Governance Structure

Charity Management Board

The purpose of the Board is to supervise and from time to time direct the management and administration of the Charity.

Grants Committee

The purpose of the Committee is to supervise and from time to time direct the management and administration of the Charity's grant making activities.

Estate & Property Committee

The purpose of the Committee is to supervise and from time to time direct and make decisions in connection with the management and administration of the Charity's Property Portfolio.

Foundation Philanthropy Committee

The purpose of the Philanthropy Committee is to ensure the growth and support of collaborative charity projects and ventures across the John Lyon's Foundation (Harrow School, The John Lyon School and John Lyon's Charity).

Foundation Investments Committee

The purpose of the Investments Committee is to take responsibility for the financial investment assets and, with the advice and assistance of the Investment Adviser, responsibility for determining the appropriate financial investments.

Foundation Risk and Oversight Committee

The purpose of the Committee is take responsibility for and have oversight of all risks for each Foundation entity collectively and individually. Mitigation and reduction of risk is agreed and pursued.

D) FUTURE STRATEGY

We recently conducted a strategic review as there are both 'push' and 'pull' factors as to why we need to take stock and think about the future strategic direction of the Charity. This will require the Charity to continue to be both proactive as well as responsive.



INTERNAL RATIONALE:

The Charity last completed a strategy review in 2017/18. Since then, the Charity has grown, the economic landscape has changed, and we need to ensure we have the vision, mission and objectives that are fit for purpose for the next five years.

The demand for our funding is increasing and our staff are already stretched managing over 500 grants. We cannot fund everything in the CYP sector.



EXTERNAL RATIONALE:

The impact of a shrinking welfare state caused by the effects of austerity, Covid-19 and a Cost-of-Living crisis is threatening the sustainability of the CYP sector in our Beneficial Area.

The funding landscape is changing towards greater collaboration, sharing of resources and research. Our stature has increased over the past five years, and we now have the opportunity to cement our place as a leader in systems change for the sector.

There is an increasing need to refine our focus to ensure the biggest impact in light of the current landscape.

KEY CHANGES PROPOSED

FOCUS:

- A tighter **educational** focus to inform grants chosen to align with our wider Foundation strategy.
- Expansion and implementation of learning and evaluation to better assess impact and outcomes of grant giving.
- As a thought leader and collaborator with government and the Trusts and Foundation (T&F) sector.

PROGRAMME AREAS:

- Streamline from eleven to four.

BURSARIES:

- Continue to fund a small number of 100% bursaries at the two Foundation Schools and Christ's Hospital School.

GRANT PERIOD:

- Increase maximum duration for Main Grants from three to up to five years; security of funding is key in the CYP and Education sectors.

GRANT SIZE:

- Increase in average Main Grant size from £30K p.a. to £40K–£50K p.a.
- Increase in average Schools in Partnership Grant size from £50K p.a. to £60K p.a.
- Increase in SHAF Grant from £4K to £5K.

GRANT FUNDS:

- Introduction of a Refurbishment Fund.
- Introduction of a Gateway Fund for organisations new to the Charity.
- Removal of Small Grants Fund

GRANT NUMBERS/TYPE:

- Fewer, larger, longer grants to be awarded

There are a number of working practices the Charity advocates that are now commonly recognised as exemplars within the T&F sector. This places the Charity as a leader and trusted friend in the sector.

- Its commitment to place-based funding offering 'grantmaking by walking around' is rare in the T&F world yet proven to be effective. Other funders turn to us for references on our grantees and others are now turning to place-based funding.
- Since its inception, the Charity has advocated for the importance of core costs. More than ever before, T&Fs are turning to consider funding what is vital.

The Charity has long been a proponent of investment in systems change and local infrastructure. Examples include the Charity's approach to Emotional Wellbeing in schools (with collaboration between local schools, charities and the Local Authority), piloting new ways of working (the Excluded Programme is supporting new ways to help schools and pupils navigate without permanent exclusions) and the establishment and replication of the YPF Model which has introduced the Charity to new audiences nationwide. Establishing new programmes like these underpins the Charity's commitment to wider community engagement and its ability to act as an advocate and to champion local community voices. We will increase our visibility amongst funder panels, grantees and government by committing to fund research and best practice in the CYP sector (e.g. Propel, Foundation Practice Rating), that gives the Charity a voice in shaping the sector for the future.

The Charity works incredibly closely with YPFs and this gives the Charity a valuable and effective platform from which to influence wider policy and further build its reputation in the sector as an innovator and 'Thought Leader'. The role that the YPFs are playing nationally in setting the direction of both Youth Policy and local collaboration more generally is significant and it is reshaping the sector far beyond the Charity's own Beneficial Area.

The learning and tools garnered from the process of establishing new initiatives such as the YPFs will be harnessed to support the Charity's ambition to reinforce change in other priority areas in the CYP sector (e.g. Arts education). This is about providing capacity building for the sector.

The Charity has the privilege of a large, diverse voluntary sector within its Beneficial Area, and it has refined its grant making over the many years to reflect this. As we move forward with a new strategy our aim is to have the biggest impact possible on the CYP and Education sectors by utilising the skills and knowledge of the wider Foundation family. The next chapter for the Charity and the Foundation's philanthropy will be exciting, meaningful and create a positive transformation for the CYP sector over the next five to ten years.



FINANCIAL REVIEW OF THE CHARITY

ENDOWMENT AND TOTAL RETURN POLICY

The Charity's endowment, which is permanent, derives from conveyances by John Lyon in 1578 and 1581 when the original land in St John's Wood was acquired at a price of £660. It is believed that there have been no material additions to the endowment since the Charity's foundation.

The Trustee originally adopted a total return policy to determine the level of expenditure based on the Charity Commission order made in January 2006. This has been revised in the intervening period and the current total return policy was adopted by the Trustee on 20th March 2021.

In determining the initial unexpended total return, the Trustee had adopted the valuation of the Charity's assets on 31st March 1997, which was the first occasion on which the open market value of all the Charity's assets had been determined. The valuation was £63.8 million and the initial, unapplied total return was £176.7 million. As of 31st March 2023, the unapplied total return fund is £326 million.

In 2010 the Governors adopted the current Total Return Policy applying to all the Charity's assets. The main purpose of adopting the Total Return policy was to provide certainty at the beginning of each financial year of the amount that is available to be spent on the Charity's grant giving and support costs. The amount is determined by taking an average of the value of the Charity's assets at the end of each financial year of the previous four years.

From 1st April 2017 the Trustee adopted a model which defines the circumstances which would require a spending review when the financial returns are such that the Endowment moves outside of a prescribed range of 15% either side of a core index of inflation.

From April 2019 the value available for expenditure has been calculated using the total return rate of 3.5%. This is reviewed by the Charity Management Board on an annual basis.

As a long-term response to the impact of Covid-19 on the Charity's beneficial area the Trustee approved an "Agreed Additional Spend" of £22 million to be applied during the six-year period representing the financial years ending 31st March 2022 to 31st March 2028. The additional funding was approved in March 2021 and will be allocated for spending under the Charity's "Home - School - Community" Covid 19 response strategy. The expendable amount applicable to the strategy will be determined on an annual basis by the Trustee. (i.e. without the wording regarding being added to the amount available).

INVESTMENT POLICY

A formal investment policy is in place setting out the strategic asset allocation. This includes an ESG statement to which the Charity adheres and takes seriously. This takes account of the Charity's extensive property interests and the basis for the measurement of the performance of the various asset classes. The tactical asset allocation is reviewed and revised regularly by the Foundation Investments Committee and the Charity Management Board.

The financial assets portfolio's asset allocation should reflect the Charity's long-term investment objectives and risk tolerances. The portfolio shall be allocated between three primary asset groupings, defined by their role in the portfolio:

- **Growth Assets;** comprising equities and equity-like assets (liquid and illiquid) to drive portfolio growth, support spending and maintain real value over the long term.
- **Diversifiers;** including credit, hedge funds and other alternative assets producing returns with a low correlation to equities to reduce volatility and diversify the portfolio's sources of economic returns.
- **Liquidity Reserves;** comprising government bonds, high quality short-dated credit and cash to provide liquidity to meet spending and other cash requirements during periods of economic stress.

The St John's Wood Estate, consisting principally of residential properties let on long leases, is subject to compulsory disposal of the property interests under the leasehold enfranchisement legislation. It is considered, for the time being, that it is appropriate to retain this original endowment with a view to maximising the proceeds arising under the enfranchisement legislation. In the year, total proceeds of £4.6 million have been received (2021/22 - £2.0 million). The residual value of the reversionary properties as of 31st March 2023 is £34.1 million (2021/22 - £34.5 million). The investment policy excludes these reversionary properties from the asset allocation as they are not regarded as readily disposable on the open market at a level that recognises the full potential realisable on enfranchisement.

Since 2002 it has been the Trustee's policy to invest the surplus proceeds of the St John's Wood estate in both commercial properties and in the investment portfolio, with several prime residential properties on the original estate being retained where vacant possession has been obtained.

OUR APPROACH TO RESPONSIBLE INVESTMENTS

As custodians of an endowment, we endeavour to use all our assets, including investments and properties, to have the greatest possible positive impact on children and young people in our Beneficial Area.

We recognise the importance of environmental, social and corporate governance (ESG) issues in the selection and management of investments within our portfolio. Our Investments Committee asks all our fund managers to have an ESG policy in place and to incorporate an assessment of ESG into their decision-making processes. The Investments Committee also ensures that a consideration of ESG factors are a standard part of our selection process when appointing new fund managers.

UNDERLYING INVESTMENT PRINCIPLES

The underlying principle of John Lyon's Charity's is that it should be an exemplar Foundation, existing in perpetuity with education at the heart of its cause.

The financial objective of the Charity is to at least maintain the real value of its assets whilst generating a stable and sustainable return to fund grant making.

The Charity holds assets invested in a variety of financial instruments, residential and commercial property. Both income and some capital are used to finance the grant making activities under a Total Return Policy (TRP).

The Charity takes a long-term view of its assets and this is demonstrated through the market positions it takes with regard to both financial and property investments.

The investment objective of the property portfolio is to generate a level of net yield in real terms of at least 3.5% across the combined property portfolio. The investment objective is to generate a total return of inflation (CPI) plus 4% per annum over the long term, (after expenses) for the financial investment portfolio.

The Total Return on total assets (before management expenses) in the year is reflected at note 11 and is negative at –£26.5 million (2022 = £60.6 million). Total net assets are valued of £391.0 million, representing a 10.3% decrease on the previous year.

ASSET ALLOCATION

Asset Class	Value at 31 Mar 23		Value at 31 Mar 22	
	£'000	%	£'000	%
Investment Assets				
Fixed Interest	25,687	7%	17,328	4%
UK Equities	17,528	5%	18,372	5%
Global Equities	74,241	19%	77,942	18%
Hedge funds/ Alternatives	21,085	5%	23,432	5%
Unlisted investments	346	0%	–	–
Sterling cash	15,313	4%	22,782	5%
Other investments	7	0%	7	0%
Total Investments	154,207	40%	159,863	37%
Property Assets				
Residential Estate	67,477	17%	65,162	15%
Commercial Property	122,040	31%	163,050	37%
Indirect Property Funds	5,172	1%	10,326	2%
Total Property	194,689	49%	238,538	54%
Investment Assets Totals	348,896	89%	398,401	91%
Reversionary Estate	34,100	9%	34,542	8%
Other Net Assets	8,024	2%	3,106	1%
Total Net Assets	391,020	100%	436,049	100%

The total value of investment assets at the year-end is £159.4 million (2022 = £170.2 million), including indirect property funds, and shows a decrease in value of 6.4% on the previous year. Included in the decrease in the value of the investments assets is £5.1 million which relates to a sale of 50% of the holding in the indirect property fund which was subject to exchange of contracts at the year end with settlement being completed post year end. The debtor representing the proceeds of sale is reflected at note 12. The total return on the Investment Portfolios was £0.90 million, 0.69% (2022 = £8.96 million, 6.2%).

The Charity has continued to hold investment property assets in both residential and commercial property. The residential property portfolios have continued to perform well with minimal voids in the residential estate in the year. Commercial property has been impacted by a softening in the market and this has particularly impacted the property assets within the industrial sector.

The Charity's residential property estate shows unrealised gains based on year end valuation of £2.3 million (2022 = profits £1.8 million). The commercial property assets showed a loss on valuation of £41.04 million (2022 = profit £33.4 million).

ANNUAL INCOME

The income of the Charity derived from its assets totalled £9.54 million, from £9.54 million in 2021/22.

RESERVES POLICY

The Charity has not historically maintained an unrestricted reserve because of the high level of the unapplied Total Return.

ANNUAL EXPENDITURE

During 2022/23 the Charity spent £14.96 million (2022 = £13.01 million) on grants, while operational support costs related to charitable activities was £1.4 million (2022 = £1.2 million). Expenditure on raising funds was £3.1 million (2022 = £2.2 million).

STAFF REMUNERATION

Staff salaries including key management personnel are reviewed annually by the CEO and Charity Management Board. A formal annual review is conducted to assess and ensure remuneration is fair and in line with that paid for similar roles in similar organisations.

The Charity is a Living Wage employer and as such is committed to ensuring staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Charity's objectives.

FUTURE COMMITMENTS

Commitments have been given for grants over the next three years totalling, £8.9 million in 2023/24, £4.9 million in 2024/25 and £0.74million 2025/26. A further £1.0 million has been committed in subsequent years for projects that the Charity has agreed in principle to fund on a longer-term basis, payment of which is, in each case, contingent on the stipulated conditions being met, and review of progress and authorisation by the Grants Committee. The total future commitment is indicated at note 18.

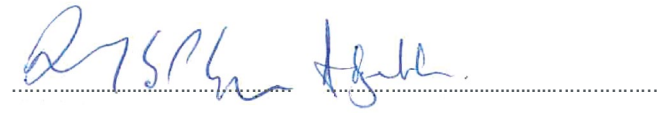
RISK MANAGEMENT

The Trustee, which is responsible for the management of risks faced by the Charity, is satisfied that the major risks identified through the risk management processes are adequately managed but recognise that systems can provide reasonable assurance, but no absolute guarantee, that all important risks are identified and appropriately managed.

In terms of protecting our assets and income from the effects of a bear market or recession, we are confident that the long-term strategic approach we take to all of our investments will mitigate any short-term falls in performance.

AUDITORS

PKF Littlejohn LLP has expressed its willingness to continue in office as auditors.



D Eyton

A Butler

For and on behalf of the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee.

23 June 2023



STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

The Trustee is responsible for preparing the Report of the Trustee and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

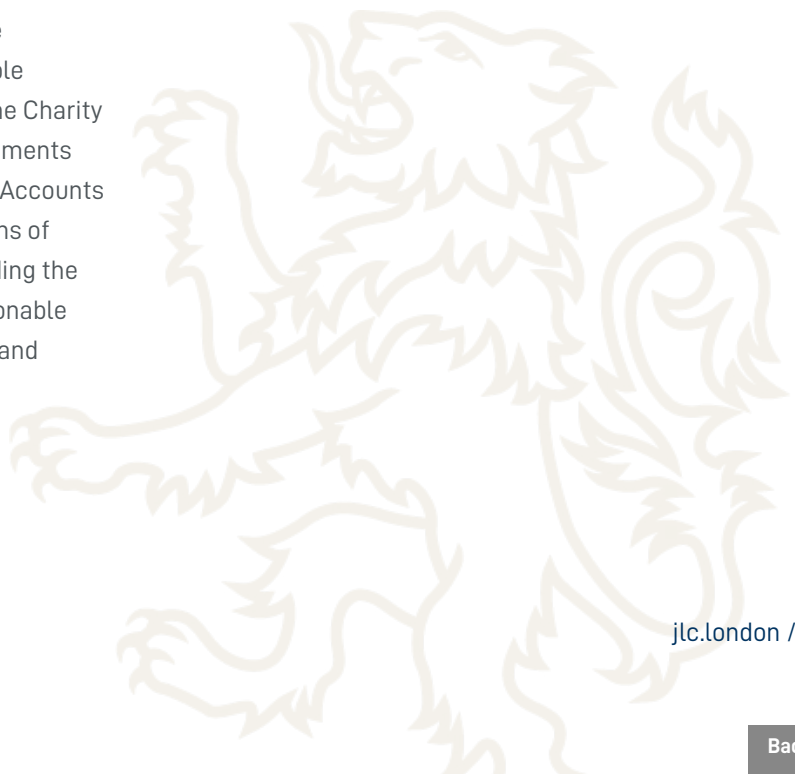
The law applicable to charities in England & Wales requires the Trustee to prepare Financial Statements for each financial year which give a true and fair view of the of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these Financial Statements, the Trustee is required to:

- select **suitable** accounting policies and then apply them consistently;
- **observe** the methods and principles in the Charities SORP;
- make judgments and estimates that are **reasonable** and prudent;
- state whether **applicable** 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 Charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enables it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Members of the Corporation and the Chief Executive Officer has confirmed, so far as he or she is aware, that there is no relevant audit information of which the Auditors are unaware, and each Member has taken all the steps that he or she ought to have taken as a Member of the Corporation to make themselves aware of any relevant audit information and to establish that the Auditors have been made aware of that information.



INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF JOHN LYON'S CHARITY

OPINION

We have audited the financial statements of John Lyon's Charity (the 'charity') for the year ended 31 March 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2023, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.



BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the Report of the Trustee. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF THE TRUSTEE

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Financial Reporting Standard 102, relevant property law and regulations, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Charity with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.

- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the Trustee, as a corporate body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 28 July 2023

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.





STATEMENT OF FINANCIAL ACTIVITIES

	Note	Restricted Fund	Unrestricted Fund	Endowment Fund	Total Funds 2022/23	Total Funds 2021/22
		£'000	£'000	£'000	£'000	£'000
Income and Endowment from:						
Charitable Activities		1,020	–	–	1,020	63
Property Investments	2	–	–	7,148	7,148	7,537
Investments	3	–	–	2,397	2,397	2,006
Other Income	4	–	–	–	–	2,058
Total Income and Endowment		1,020	–	9,545	10,565	11,664
Expenditure on:						
Raising Funds	5	–	–	3,136	3,136	2,195
Charitable Activities	6–7	125	16,222	–	16,347	14,179
Total Expenditure		125	16,222	3,136	19,483	16,374
Net (Losses)/Gains on Property Investments		–	–	(34,636)	(34,636)	38,501
Net (Losses)/Gains on Investments		–	–	(1,475)	(1,475)	10,533
Net Income/(Expenditure)		895	(16,222)	(29,702)	(45,029)	44,324
Transfers Between Funds	11	–	16,222	(16,222)	–	–
Net Movement in Funds		895	–	(45,924)	(45,029)	44,324
Reconciliation of Funds:						
Total Funds Brought Forward		1	–	436,048	436,049	391,725
Balance at End of Year		896	–	390,124	391,020	436,049

There are no recognised gains or losses except as shown above and all income is derived from continuing activities.

Details of the Restricted Fund income can be found at note 15C.

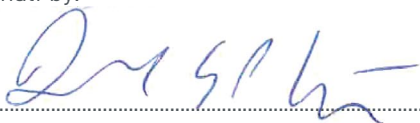
Comparative figures for the respective funds are set out in Note 1.

The Accounting Policies and Notes on pages 30–47 form part of these Financial Statements.

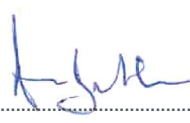
BALANCE SHEET AS AT 31 MARCH 2023

	Note	2023	2022
		£'000	£'000
Fixed Assets			
Tangible assets	8	31	17
Investment properties	9	223,617	262,754
Investments	10	159,379	170,189
		383,027	432,960
Debtors: due within more than one year	12	422	–
Current Assets			
Debtors	12	7,173	1,071
Cash at bank		4,558	6,679
		11,731	7,750
Creditors: due within one year	13	(4,160)	(4,661)
Net Current Assets		7,571	3,089
Net Assets		391,020	436,049
Represented by:			
Endowment fund	15a	390,124	436,048
Unrestricted fund	15b	–	–
Restricted fund	15c	896	1
		391,020	436,049

The Trustee's Report and these Financial Statements were approved by the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee on 23 June 2023 and signed on the Trustee's behalf by:



D Eyton



A Butler

The Accounting Policies and Notes on pages 30–47 form part of these Financial Statements.

CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2023

	Note	2022/23	2021/22
		£'000	£'000
Net Cash outflow from Operating Activities	21	(18,329)	(7,136)
Net Cash inflow from Capital Expenditure and Financial Investment Activities	22	13,811	7,527
Returns on Investment and Servicing of Finance	22	2,397	2,064
(Decrease)/Increase in Cash in the Period		(2,121)	2,455
Cash at the beginning of the year		6,679	4,224
Movement in cash in the year		(2,121)	2,455
Cash at the end of the year		4,558	6,679

The Accounting Policies and Notes on pages 30–47 form part of these Financial Statements.



JOHN LYON'S CHARITY NOTES TO THE FINANCIAL STATEMENTS

GENERAL INFORMATION AND BASIS OF PREPARATION

John Lyon's Charity is a charitable trust registered in the United Kingdom. The registered address and charity office is given in the charity information on page 2 of these financial statements. The nature of the Charity's operations and principal activities are grant making.

The Charity constitutes a public benefit entity as defined by Financial Reporting Standards ('FRS 102'). The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK General Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has been withdrawn.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. A review of the Charity's current activity and future commitments has concluded that the Charity has enough liquid assets which can be realised to meet the rate of expenditure under the current total return policy which is itself based upon valuation. In addition, the Charity operates with a minimal cost base.

The financial statements are prepared in Sterling which is the functional currency of the Charity and rounded to the nearest £000.

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

INVESTMENT PROPERTIES

Investment Properties are stated at fair value in order to comply with the provisions of Accounting and Reporting by Charities Statement of Recommended Practice. Investment Properties which comprise the Reversionary Estate, Residential and Commercial Properties are valued annually as at the year end.

Properties have been valued individually on the basis of fair value, in accordance with RICS Valuation – Global Standards 2022 and UK National Supplement (known as "The Red Book"), incorporating the International Valuation Standards 2020.

Fair value is considered to be market value as defined by The Red Book being: 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion'.

Gains and losses recognised on revaluation, and gains and losses realised on the sale of investment properties, are taken to the Endowment Fund and included in the SOFA.

No depreciation is charged on Investment Properties.

RENTAL INCOME

Rental income is accounted for by reference to the due date under the lease or tenancy.

FIXED ASSET INVESTMENTS

Investments are recorded at cost and are stated at fair value at the balance sheet date. The unrealised gains and losses arising as a result are included in the Statement of Financial Activities (SOFA) together with any realised gains and losses on any investments disposed of in the year.

Financial assets, including investments in equity instruments are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried, where possible, at fair value and the changes in value are recognised in the SOFA. Assets are considered for indications of impairment, with any impairment then recognised in the SOFA.

TANGIBLE FIXED ASSETS

Fixed assets acquired with a value below £1,000 are evaluated for capitalisation based on the economic benefit derived in use. All other assets are capitalised. Leasehold improvements are depreciated over the term of the lease.

Office and computer equipment are depreciated at between 20% and 33% on an annual straight-line basis over the assets useful lives.

GRANTS

Grants payable represent grants paid and payable in the year. Grants payable over a number of years are not recognised until the Trustee is satisfied that the stipulated conditions have been met and payment of a further instalment has been authorised on the recommendation of the Grants Committee.

TAXATION

The Charity is generally exempt from direct taxation on investment income and capital gains but is subject to Value Added Tax (VAT). Unless stated otherwise relevant expenditure is shown inclusive of VAT.

PENSION COSTS

Pension contributions, which are to defined contribution schemes, are charged to the SOFA in the period to which they relate.

OPERATING LEASES

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

1. ANALYSIS OF THE STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2022

	Restricted Fund 2021/22	Unrestricted Fund 2021/22	Endowment Fund 2021/22	Total Funds 2021/22
	£'000	£'000	£'000	£'000
Income and Endowment from:				
Charitable activities	63	–	–	63
Property investments	–	–	7,537	7,537
Investments	–	–	2,006	2,006
Other Income	–	–	2,058	2,058
Total Income and Endowment	63	–	11,601	11,664
Expenditure on:				
Raising funds	–	–	2,195	2,195
Charitable activities	63	14,116	–	14,179
Total Expenditure	63	14,116	2,195	16,374
Net Gains on Property Investments	–	–	38,501	38,501
Net Gains on Investments	–	–	10,533	10,533
Net Income/(Expenditure)	–	(14,116)	58,440	44,324
Transfers between funds	–	14,116	(14,116)	–
Net Movement in Funds	–	–	44,324	44,324
Reconciliation of Funds:				
Total funds brought forward	1	–	391,724	391,725
Balance at end of year	1	–	436,048	436,049

2. INCOME FROM PROPERTY

	2022/23	2021/22
	£'000	£'000
Residential rents	2,456	2,537
Commercial rents	4,692	5,000
Total Incoming resources from property	7,148	7,537

3. INCOME FROM INVESTMENTS

	2022/23	2021/22
	£'000	£'000
Investments	2,344	1,596
Bank and deposit interest	53	2
Loan interest	-	408
Total Incoming resources from investments	2,397	2,006

4. OTHER INCOME

	2022/23	2021/22
	£'000	£'000
Dilapidations recharged	-	58
Prior amounts written off now recovered	-	2,000
Total other incoming resources	-	2,058

5. EXPENDITURE ON RAISING FUNDS

	2022/23	2021/22
	£'000	£'000
Property management charges	485	399
Property repairs and other expenses	1,695	913
Total cost of generating income from property	2,180	1,312
Other management and support costs	956	883
	3,136	2,195

6. ANALYSIS OF CHARITABLE ACTIVITIES

Direct charitable expenditure represents grants made under the Scheme by the Charity. The policy of the Trustee is to restrict grants to registered or exempt charities and not to make grants to individuals.

	Total 2022/23	Grant Funded Activity	Support Costs	Total 2021/22	Grant Funded Activity	Support Costs
	£'000	£'000	£'000	£'000	£'000	£'000
Arts & Science	1,478	1,353	125	1,197	1,098	99
Children & Families	957	876	81	874	802	72
Education & Learning	1,914	1,741	173	1,650	1,513	137
Capacity Building	1,404	1,285	119	1,219	1,117	102
Emotional Wellbeing	1,016	929	87	1,207	1,107	100
Special Needs & Disability	967	885	82	850	780	70
Sport	524	479	44	631	579	52
Training	438	402	36	341	313	28
Youth Clubs and Youth Activities	1,903	1,743	160	1,692	1,553	139
Youth Issues	458	420	39	626	574	52
Bursaries	1,744	1,597	147	1,666	1,527	139
Restricted grants	125	125	–	63	63	–
	12,928	11,835	1,093	12,016	11,026	990
Home – School – Community Strategic Funds						
Cultural Capital Fund	934	855	79	768	705	63
Recovery Fund	1,119	1,024	95	606	556	50
Replication Fund	557	510	47	244	224	20
Collaboration Fund	263	241	22	–	–	–
YPF Small Grants Fund	546	500	46	545	500	45
	16,347	14,965	1,382	14,179	13,011	1,168

7. SUPPORT COSTS

The breakdown of support costs is shown in the table below. The allocation to Charitable Activities is shown in Note 6 above.

		2022/23	2021/22
		£'000	£'000
Audit fees	– current year	27	26
	– prior year (over)/under provision	5	4
Valuation fees	– current year	30	27
	– prior year (over)/under provision	6	8
Depreciation		11	8
Consultancy fees		74	38
Staff costs		791	695
Operating lease	– office equipment	7	7
Other support costs		431	355
		1,382	1,168

		2022/23	2021/22
		£'000	£'000
Staff costs			
Wages and salaries		904	830
Social security costs		111	94
Pension & health care contributions		165	150
		1,180	1,074

Included in the above amount is salary costs of £389,567 (2022 - £379,382) which relates to expenditure on raising funds and are reflected within other management costs in Note 5.

The Charity contributes as a minimum 15% of pensionable salary to the Pensions Trust, a defined contribution pension scheme established for the employees of voluntary organisations. All employees are members of this scheme (The Flexible Retirement Plan) for which the Charity has no residual liability.

Average number of employees during year:	16	14
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7. SUPPORT COSTS *CONTINUED*

In the year, the number of employees who were entitled to emoluments of more than £60,001 was as follows:

	2022/23	2021/22
	£'000	£'000
£70,001 - £80,000	1	1
£80,001 - £90,000	-	1
£90,001 - £100,000	2	1
£160,001 - £170,000	1	1

The total amount of employee benefits received in the year by key management personnel, was £472,371 (2022 - £449,948). The Charity considers its key management personnel to comprise the Chief Executive Officer, Grants Director, Finance & Operations Director and the Trustee.



8. TANGIBLE FIXED ASSETS

	Furniture & Equipment	Total
	£'000	£'000
Cost at 1 April 2022	113	113
Additions in the year	25	25
Disposal in the year	-	-
At 31 March 2023	138	138
Accumulated depreciation at 1 April 2022	96	96
Depreciation charge in year	11	11
Accumulated depreciation on disposal	-	-
At 31 March 2023	107	107
Net Book Value at 31 March 2023	31	31
Net Book Value at 31 March 2022	17	17

9. INVESTMENT PROPERTIES

	2023	2022
	£'000	£'000
Reversionary estate	34,100	34,542
Residential properties	67,477	65,162
Commercial properties	122,040	163,050
Market value	223,617	262,754
Balance at beginning of year	262,754	229,326
	-	-
Unrealised (loss)/gain on revaluation	(36,181)	37,848
Disposals at valuation	(2,956)	(4,420)
Balance at end of year	223,617	262,754

The investment properties (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2023 by Cluttons LLP, Chartered Surveyors, in accordance with guidance set out in the Valuation and Appraisal Manual of the Royal Institution of Chartered Surveyors.

Properties forming the Charity's original endowment and properties acquired prior to 31 March 1997 were not recorded in the Balance Sheet at the date of acquisition; most of these were acquired many years ago and it is not practicable to identify and disclose the original cost, which is unlikely to be material.

Disposals at valuation during the year resulted in a realised gain of £1.7 million (2021/22 – £0.8 million).



10. INVESTMENTS

	2023	2022
	£'000	£'000
Listed investments		
Free (Main) Fund	146,940	151,370
Special Fund	12,093	18,819
	159,033	170,189
Unlisted investments	346	-
Market value	159,379	170,189
Historical cost	150,271	157,581

At the year end the Charity was committed to investing \$2.3M into a private equity unlisted investment through Hollyport Secondary Opportunities VIII management Ltd.

Included in listed investments is sterling cash invested and cash held for investment of £8,399,474 (2021/22 = £14,296,444) in the Special Fund and £6,914,357 (2021/22 = £8,485,702) in the Free Fund. The Special Fund is defined in the Governing Documents.

	2023	2022
	£'000	£'000
Balance at beginning of year	170,189	162,117
Investment purchases	16,636	25,558
Net investment realisations	(18,940)	(28,752)
Unrealised gain/(loss) on revaluation	(1,037)	7,960
Net movement in cash held for investment	(7,469)	3,306
Balance at end of year	159,379	170,189

Net investment realisations resulted in realised gains of £0.44m (2021/22 = gains of £2.57m).

10. INVESTMENTS *CONTINUED*

At 31 March 2022 the following investments accounted for more than 5% of the overall portfolio:

	2023	2022
	%	%
Children's Investment Fund USD Class	5.6	6.2
The NT World Equity Index Feeder	13.1	14.0
Ownership Capital Global Equity	6.9	6.6
Russell Acadian Global Managed	6.3	7.7
Institutional GBP Liquidity Fund	5.3	13.4
Unite student accommodation	6.1	6.1
The Emerging World Fund	5.2	5.0
Stewart Investors Global Emerging Markets Sustainability Fund	5.0	5.1
Maj Invest Global Value	6.7	7.4
Heronbridge UK Equity Fund	5.8	5.3
Pimco income Fund	5.6	–
Jupiter UK Alpha Fund	5.3	5.6



11. APPLICATION OF THE POWER OF TOTAL RETURN

In January 2006, the Charity Commission made an order permitting the Charity to adopt total return investment powers in relation to its permanent endowment in the form of the Commission's model order. In March 2012 the Trustee resolved that, subject to the Charity Commission's approval, the Order be implemented with effect from 1 April 2012 on the basis that the amount applicable for charitable purposes of the Charity shall be determined by reference to the value of all the Charity's assets. The Charity Commission's approval was given on 12 June 2012.

The total return policy (which has been set and adopted by the Trustee in accordance with the 2006 Order) provides that the amount to be applied annually is determined by taking an average of the value of the Charity's net assets on the last four balance sheet dates. The policy allows the Trustee to expend up to 3.5% of that rolling average on charitable activities including support costs and the cost of generating funds and governance costs.

The calculation to determine the amount available in the years to 31 March 2023 and 2024 is:

Year ended:	Net asset Values £'000	4 year Average £'000	Expendable Percentage of Average %	Expendable Amount £'000
31 March 2020	345,398	361,163	3.50	12,641
31 March 2021	391,725	367,761	3.50	12,872
31 March 2022	436,048	384,458	3.50	13,456
31 March 2023	391,113	391,071	3.50	13,687

The amount available for the year ended 31 March 2023 was £13,456,033, and for year ending 31 March 2024 is £13,687,484.

	2022/23 £'000	2021/22 £'000
Expendable amount	13,456	12,872
Additional expendable amount	2,766	1,244
	16,222	14,116
Transferred to Unrestricted Fund	(16,222)	(14,116)
Reinvested	-	-

11. APPLICATION OF THE POWER OF TOTAL RETURN *CONTINUED*

Movements in the Total Return Fund in the Year and Application of Total Return from the Endowment Fund	2022/23	2021/22
	£'000	£'000
Opening value of endowment fund at 1 April	436,048	391,724
Less: Opening value of the fund at 31 March 1997	(63,797)	(63,797)
Opening value of Total Return Funds	372,251	327,927
Add:		
Investment return – income	9,638	11,601
Investment return – realised/unrealised gains	(36,111)	49,034
	345,778	388,562
Less:		
Raising funds	(3,136)	(2,195)
Unapplied total return before transfers carried forward	342,642	386,367
Return applied during the year	(16,222)	(14,116)
Unapplied total return as at 31 March	326,420	372,251
Add: value of the fund at 31 March 1997	63,797	63,797
	390,217	436,048

12. DEBTORS

	2023	2022
	£'000	£'000
Amounts due from tenants and managing agents	2,152	987
Other debtors and prepayments	21	84
Proceed receivable on investment sale completed after year end	5,000	–
Due within one year	7,173	1,071
Due within more than one year	422	–
	7,595	1,071

13. CREDITORS:

	2023	2022
	£'000	£'000
Creditor amounts falling due within one year:		
Grants payable	3,405	4,046
Other creditors and accruals	755	615
	4,160	4,661

14. OPERATING LEASE COMMITMENTS

As at 31 March 2023 the total minimum payments to which The Charity is committed under non-cancellable operating leases for property and office equipment are:

	2023	2022
	£'000	£'000
Due within one year	220	54
Due within two and not later than five years	860	–
Due over five years	890	
	1,970	9



15. FUNDS

A. ENDOWMENT FUND

The capital assets of the Charity are those derived from the Founder's original gift of land in 1578 and 1581 and represent permanent endowment, subject to the application of the Total Return policy.

B. UNRESTRICTED FUND

The Unrestricted Fund represents income available for distribution in accordance with the Scheme referred to in the Report of the Trustee.

C. RESTRICTED FUND

The restricted Fund represents a grant received from The City Bridge Trust to the Charity for its Recovery Fund, for the provision of grants to strengthen children & young people's organisations in its beneficial area.

2022/23

	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment	436,048	9,545	(3,136)	(16,222)	(36,111)	390,124
Unrestricted	-	-	(16,222)	16,222	-	-
Restricted	1	1,020	(125)	-	-	896
	436,049	10,565	(19,483)	-	(36,111)	391,020

2021/22

	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment	391,724	11,601	(2,195)	(14,116)	49,034	436,048
Unrestricted	-	-	(14,116)	14,116	-	-
Restricted	1	63	(63)	-	-	1
	391,725	11,664	(16,374)	-	49,034	436,049

16. TRANSACTIONS WITH THE TRUSTEE AND CONNECTED PERSONS

The Charity made grants in the year to both Harrow School of £426,407 (£437,216 in 2021/22) and the John Lyon School of £556,700 (£578,985 in 2021/22) for the benefit of children resident in the Beneficial Area. Grants for bursaries enable children to attend those schools, who would not be able to do so without that financial support. These grants are aimed at providing wider access to education at the schools and are consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper disclosure of such interests. In 2022/23 there have been 11 grants totalling £422,080 (2021/22 – five grants totalling £305,880) which were made to charities where one or more such persons are charity trustees. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation.

Angus Goswell is a member of the Corporation and a partner in the firm Knight Frank LLP, the Charity's property managing agents, (from 1 September 2018). Remuneration for Knight Frank's services, based on a detailed contract of engagement, paid by the Charity are:

	2022/23	2021/22
	£'000	£'000
Management fees and insurance commissions	484	394
Valuation and lease audit fees	–	–
Capital transaction fees	102	130
	586	524

The Charity Management Board reviews the terms of engagement of the Charity's professional advisers annually.

No individual member of the Corporation received any expenses or other remuneration from the Charity.

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon, as Trustee (registered charity No. 310033).

18. FUTURE COMMITMENTS

GRANT COMMITMENTS

The Charity has committed to multi-year grants including bursary support totaling £15.5 million up to 2028/29, payment of which is in each case contingent on the stipulated conditions being met, following a review of progress by the Grants Committee, and formal authorisation by the Trustee.

CAPITAL COMMITMENTS

During the year the Charity committed to investing up to \$2.3M into a private equity unlisted investment, Hollyport Secondary Opportunities VIII Management Ltd. At 31 March 2023 a drawdown of \$0.4m had been made, leaving a remaining capital commitment of \$1.9m (2022 - £nil)

19. CONTINGENT LIABILITIES

The Charity is involved in a number of legal actions which are related to property assets. The costs related to these actions cannot be reasonably quantified and the outcome uncertain and therefore no provision has been made in these financial statements.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2022/23

	Total 2022/23	Restricted Fund	Unrestricted Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	383,027	-	30	382,997
Debtors due in more than one year	422	-	422	-
Net Current Assets	7,571	896	(452)	7,127
	391,020	896	-	390,124

TOTAL 2021/22

	Total 2021/22	Restricted Fund	Unrestricted Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	432,960	-	17	432,943
Debtors due in more than one year	-	-	-	-
Other assets/liabilities	3,089	1	(17)	3,105
	436,049	1	-	436,048

21. RECONCILIATION OF NET INCOMING RESOURCES BEFORE GRANTS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2022/23	2021/22
	£'000	£'000
Total income	10,565	11,664
Total expenditure before grants	(4,518)	(3,363)
Net incoming resources before grants	6,047	8,301
Grants from annual income	(14,840)	(12,948)
Grants from restricted income	(125)	(63)
Net outgoing resources after grants	(8,918)	(4,710)
Depreciation charge for the year	11	8
Increase in debtors	(6,524)	(2)
Increase/(Decrease) in creditors	(501)	(368)
Income from listed investments and deposit interest	(2,397)	(2,064)
Net Cash outflow from Operating Activities	(18,329)	(7,136)



22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2022/23	2021/22
	£'000	£'000
Capital Expenditure and Financial Investment Activities		
Net proceeds from property transactions	4,649	5,240
Expenses charged to Endowment Fund	(148)	(167)
Sale of investments	18,502	31,325
Purchase of investments (note 10)	(16,636)	(25,558)
Purchase of plant and equipment (note 8)	(25)	(7)
Sale of plant and equipment (note 8)	-	-
Decrease/(increase) in cash held for investment (note 10)	7,469	(3,306)
Net Cash Inflow from Capital Expenditure and Financial Investment Activities	13,811	7,527
Net Proceeds from Property Transactions		
Freehold/lease premium proceeds	4,649	5,240
Purchase of properties (note 9)	-	-
	4,649	5,240
Returns on Investment and Servicing of Finance		
Income from listed and unlisted investments	2,244	1,596
Deposit and other interest	53	410
Other income	-	58
	2,397	2,064



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INSTAGRAM: @JOHNLONSCHARITY

CHARITY NO. 237725

JOHN LYON'S CHARITY

England & Wales - Charity number 237725

Accounts

Promoting the life chances of children and young people through education



Contents

Our Values	2
Trustee and Advisers	4
CEO Message	5
Overview of Grants	10
Report of the Trustee	14
Statement of the Trustee's Responsibilities	28
Report of the Independent Auditor	29
Statement of Financial Activities	33
Balance Sheet	34
Cash Flow Statement	35
Notes to the Financial Statements	36

OUR MISSION STATEMENT

Champion, Support, Provide

We believe in transforming the lives of children and young people by creating opportunities to learn, grow and develop through education.

OUR VISION

We **believe** in promoting and supporting **collaboration and partnerships** that can have a **sustainable impact** on the **aspirations** of children and young people. We will not shy away from taking **informed risks** to support projects and organisations that **pioneer** new initiatives and ideas. As an independent funder we will **share the knowledge** from our work and seek to **influence** public policy for the benefit of the voluntary sector to ensure it is **valued**.

OUR VALUES

These are the internal values we promote, share and reinforce within the Charity.



John Lyon's Charity gives grants to benefit children and young people up to the age of 25 who live in nine boroughs in North and West London. Since 1991, the Charity has distributed over £170 million to organisations that seek to encourage the aspirations of children and young people. It does this by supporting projects that provide opportunities for young people to participate in a wide range of activities.

John Lyon's Charity is one of the largest independent funders in London. In the Financial Year ending March 2022 it paid grants of £13.01 million towards work in Arts & Science, Children & Families, Education & Learning, Emotional Well Being, Sport, Special Needs & Disability, Training, Youth Clubs and Youth Issues.

The Charity does not fundraise. Its funds are generated by its financial investments and property portfolios which form the Charity's endowment.

Trustee and Advisers

Trustee	The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon (A Charter Corporation)
Clerk to the Trustee	Andrew Millett
Registered Charity No.	237725
Registered Address and Charity Office	Savoy Strand 105-109 Strand London WC2R 0AA
Property Managing Agents	Knight Frank LLP 55 Baker Street London W1U 8AN
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Cripps Pemberton Greenish LLP 2nd Floor, 80 Victoria Street London SW1E 5JL
Investment Advisers	Cambridge Associates 80 Victoria Street London SW1E 5JL
Custodian	Cazenove Capital 1 London Wall Place London Wall London EC2Y 5AU
Principal Officers	Dr Lynne Guyton <i>Chief Executive Officer</i> Ms Cathryn Pender <i>Grants Director</i> Mr Lloyd Gay <i>Finance Director</i>

CEO Message

In November 2021 it was 30 years ago that the Order to establish John Lyon's Charity was adopted and signed by our Trustee. By the end of our fiscal year in March 2022 we have committed to grant just shy of £200 million to over 1,800 organisations. And £100 million of that we will have granted in the last five years alone.

I think that if there is a single word that sums up the children and young people's sector over the past 20 months it is RESILLIENCE. To recover or adjust to change; the ability to bounce back.

Covid-19 has had a devastating impact upon the children and young people's (CYP) sector in the Charity's Beneficial Area. This has exacerbated the difficulties the sector was already facing following the multiple funding cuts experienced over the past decade, threatening to sweep away even the strongest of organisations. We ring-fenced an additional £22 million from our endowment to be spent over six years (which commenced on 1st April 2021) to help protect the CYP sector in our Beneficial Area. This funding is in addition to the Charity's ongoing annual grant giving of c.£12 million per annum.

The Charity has 30 years' experience of grant giving to the CYP sector in our Beneficial Area. We have the reputation and the tenacity to make a difference. To ensure the continued health and effectiveness of the vibrant voluntary sector across the Charity's boroughs, we have created a strategic approach to protect the CYP sector in the long term, with the core focus on Home – School – Community; the three main points of reference in any child's life. The Home – School – Community strategy is in complete synergy with our current overarching grant giving structures and will compliment an existing funding portfolio designed around the Charity's expertise and CYP needs. The additional funding will allow us to do more of the same, but crucially this further investment will allow us to make a bigger difference to the CYP voluntary sector in our Beneficial Area at this vital time.

The impact of Covid-19 threatens to sweep away even the strongest of organisations. Once they are gone, they won't come back. We want to safeguard the CYP sector within the Beneficial Area; Home - School - Community will seek to ensure that every viable organisation can survive and thrive, providing the vital services needed in the local community. Our mission is to help those charities that are already recognised as being essential to the health and diversity of the voluntary sector within the Beneficial Area and who make a very real difference to the lives of young people. These charities are a part of the social fabric. We know we cannot save every organisation that is at risk of closure but where it can, the Charity will commit to provide alternative resources and advice.

Covid-19 coupled with a decade of austerity has widened the social divide and as a grant giving charity we see this every day in London. Many thought Covid-19 would be a great leveller, where, as in WW2, people of all walks of life came together and made sacrifices together. However, what we have seen is the inequalities that exist have been exposed and widened.

- 29% of state school pupils are eligible for free school meals in K&C.
- 40% of children are living in poverty in Brent. In Ealing it is 38%.
- The increase in children with SEND requiring specialist provision has risen by 22% since 2010.
- Harrow has one of the lowest spends on child mental health in the UK (less than 1% of budget).
- A 50% decrease in Arts funding in schools, universities and the voluntary sector compared to 7 years ago.
- Youth work and youth clubs' funds have been cut by 70% in just 10 years.

Hence, why our funding and that of other funders is so badly needed and never more so than right now. I don't believe we can take the longevity of the voluntary sector in our boroughs for granted; and this is why we are taking positive action to preserve those charities that are part of the social fabric of their communities. Organisations that the Charity has spent the last 30 years nurturing. We are already speaking up on behalf of the charities we fund and our aim is to ensure that our grantees have a platform to voice their concerns over how policy for children and young people is affecting them.

As we looked back over the past 30 years at the charities we have supported, it is fantastic to see that for so many we were their first and only funder. What we could see in the early days, was a nub of an idea, a pocket of light that we believed was worth funding. It's the same principle we apply today. I've said it so many times, but we really do our grant-making by walking around. We aren't sat in front of computer screens making funding decisions. We are out in our patch, seeing with our own eyes what needs to be funded.

The creation of the Young People's Foundations (YPFs) was a direct response to the state of the CYP sector in London. What began as only three YPFs in operation – Barnet, Brent and Harrow quickly spread across the remaining boroughs. Put simply, the YPFs have filled the void, the duty of care that Councils used to perform. Because there is no statutory requirement to provide youth clubs, youth services, etc – these have been cut. We will continue to fund the YPFs, but what we are rightly proud of is how successful our YPFs have been in raising funds, building their membership and creating a real focus for CYP groups based on locality, on place. And we are especially proud that the YPF model has now expanded to many other London Boroughs and outside of London including the very successful Young Manchester.

We have established five new concepts to cement our strategic response to Covid-19: Home – School – Community to ensure the £22 million will be well spent over the coming years. These five concepts embrace the Charity's longstanding vision and will go further to unlock doors to ensure groups are reached, rehabilitated and recovered in light of the current crisis. Highlights of the HSC programme for Year 1 include 71 grants awarded from four of the five Funds, equating to £1,985,200 of new funding paid in the year to date.

RECOVERY The additional funding is dedicated to the Recovery process to ensure that organisations will survive a post-Covid-19 world. The Recovery approach is designed to support organisations severely impacted financially by the pandemic, that have experienced a significant drop in income, which cannot easily be replaced. This is vital to help ensure that organisations are sufficiently resourced and able to concentrate on the delivery of the vital services that they provide for their local communities.

COLLABORATION The additional funding will enable more organisations to work together as clusters to address identified needs for children and young people and allow them to push the parameters of their practice. This will include collaborations between schools and local voluntary organisations, working with a variety of other stakeholders to ensure as many organisations are working together in response to issues that have been exposed as a result of the Covid-19 pandemic. A shared approach locally will enable greater intelligence sharing, avoid duplication and more accurate signposting to ensure that services reach the young people most in need.

REPLICATION Over the past 30 years we have helped to develop a number of highly successful initiatives that are having an incredibly positive impact on the lives of children and young people. This additional funding, together with the Charity's knowledge and expertise, will help successful initiatives extend their reach to benefit more children and young people.

CULTURAL CAPITAL Since Covid-19, schools have been working overtime to help their children catch up on the core academic subjects, putting access to Arts subjects lower down on their agenda. As a result, there are significant numbers of children who are not accessing any Arts activities at school or being exposed to them through their families or afterschool activities, risking a generation of children who have no 'Cultural Capital'. This is coupled with the crisis that has developed for Arts institutions, and their practitioners, as a result of the pandemic. We have additional funding to bring Arts organisations and schools together, to ensure there continues to be a varied and accessible offer from Arts institutions in London, run by experienced and high-quality practitioners.

GRASSROOTS Supporting grassroots organisations, that work directly with local communities, has always proven to be an effective way for the Charity to direct its funding to those who need it most. To respond most effectively to these organisations, in recent years the Charity has created Young People's Foundations that support and nurture the CYP sector.

One of the functions of the YPFs is to distribute small grants to the local organisations that often cannot access funding directly from larger funders, such as John Lyon's Charity. We now have additional funds to allocate directly to the YPFs throughout our Beneficial Area for them to distribute on our behalf to these groups.

While our funding makes support of the sector possible, it's our grantees who are on the front line with the children and young people of London. Throughout this year we have been celebrating the work they do on our website, on social media and at events with our "throwback 30" stories. John Lyon's Charity has been here for our grantees for 30 years, we're here today and we will walk alongside them as a partner in the future. We're here to stay.

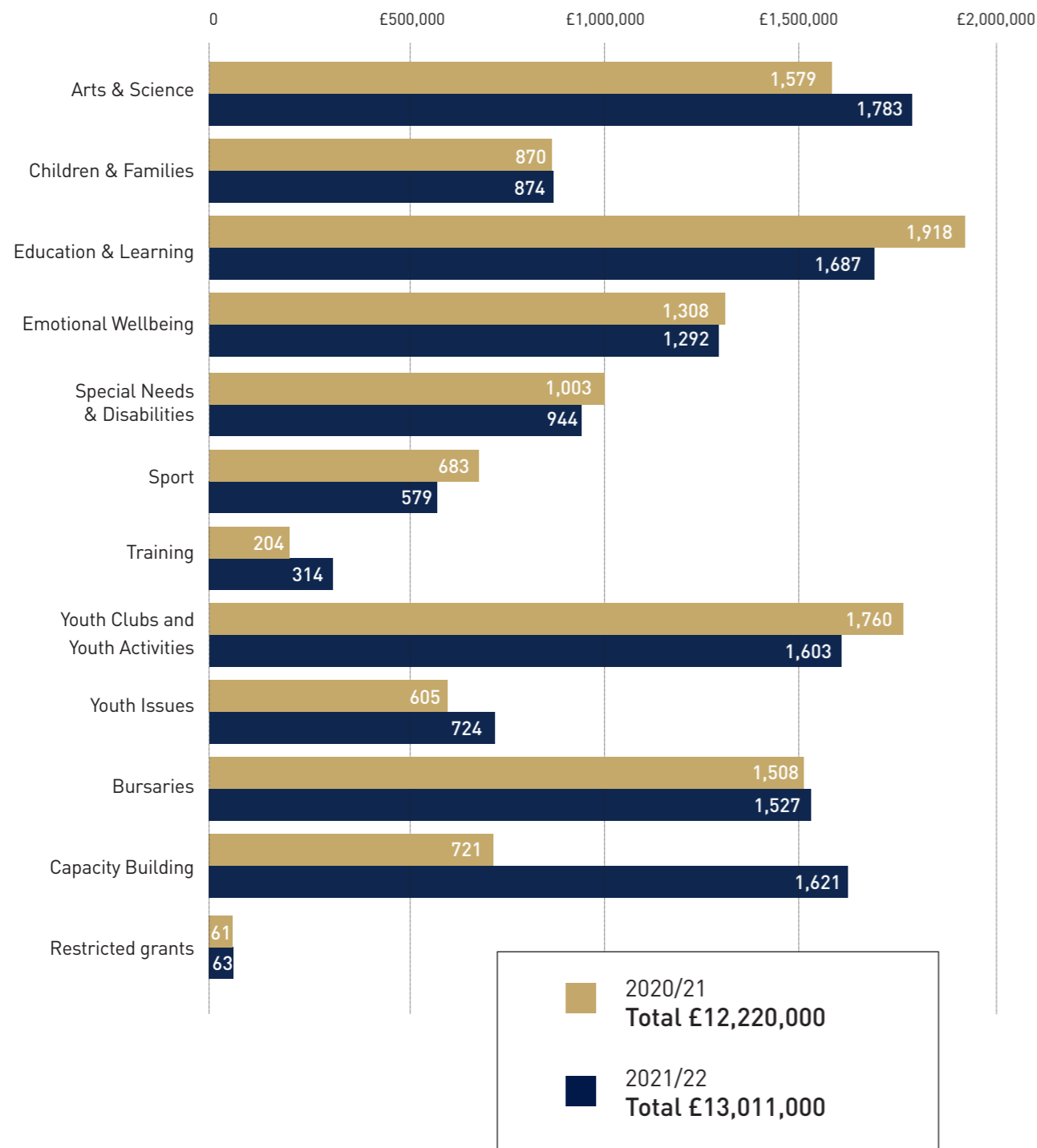


Dr Lynne Guyton
Chief Executive Officer

Overview of Grants

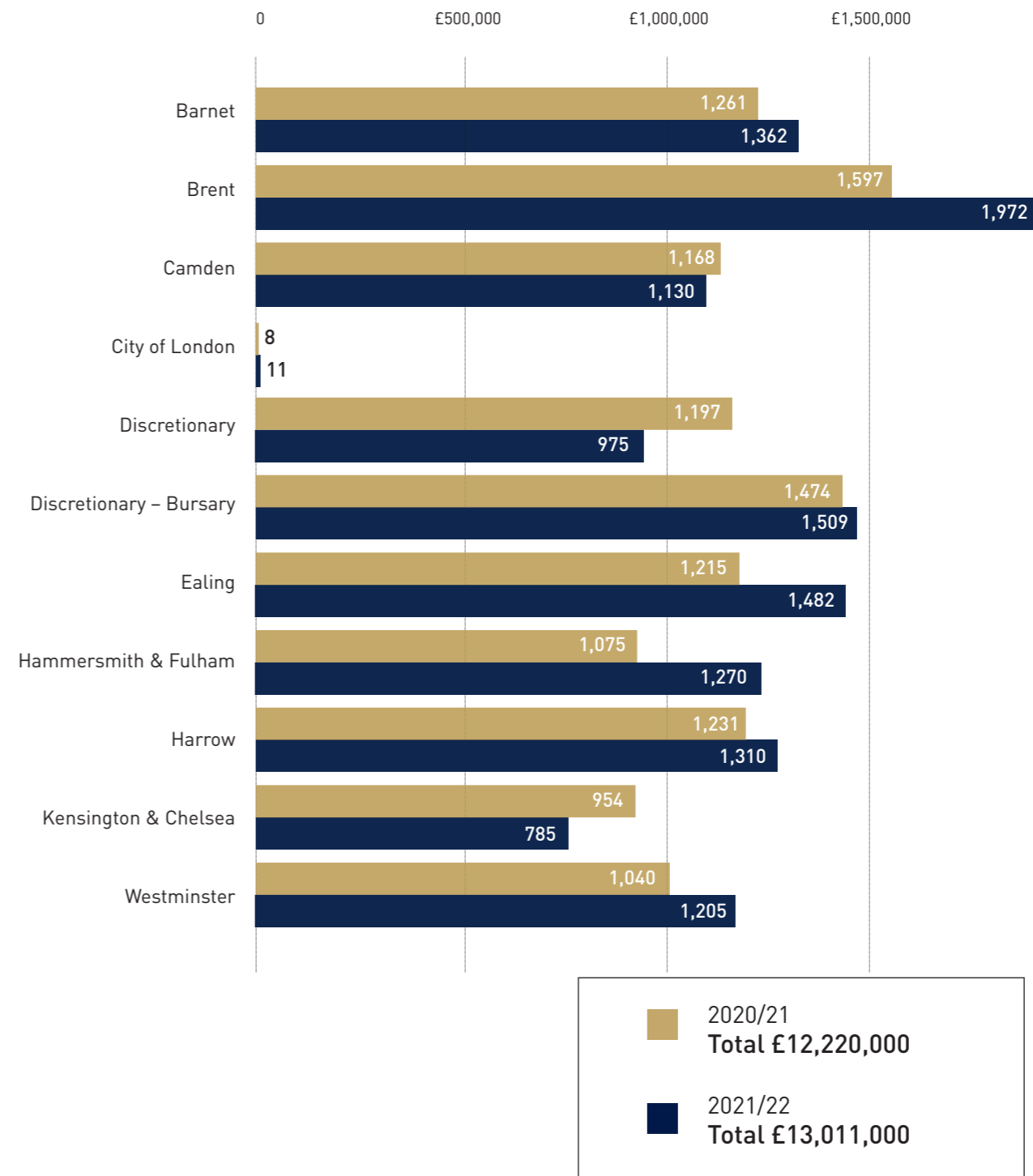
Total Grants paid **£13.01m** (2020/21 - £12.22m)

Funding by Programme Area



Note: The difference between the bursaries in the Funding by Programme Area figure above and Funding by Borough – Discretionary Bursary is because there is one older bursary which is split 50% Brent and 50% Harrow for GDST so that is allocated to the boroughs rather than discretionary.

Funding by Borough



Funding by Grant Type

	2021/22 £'000	2020/21 £'000
Schools in Partnership	869	1,004
Bursaries	1527	1,508
Small Grants (below £5k)	67	22
Main Grant Fund	6829	7,536
SHAF	361	329
Internship	106	12
Capacity Building	1067	707
Covid-19	-	903
Exclusion	200	200
Cultural Capital	705	-
Recovery	556	-
Replication	224	-
YPF Small Grants	500	-
Total	13,011	12,220

Total Number of Grant Applications

	2021/22	2020/21	2019/20	2018/19	2017/18
Approved	283	240	255	259	260
Declined	190	164	207	135	199
Total Applications	473	404	462	394	459

473 requests were received during the last financial year, and as of 31st March 2022, 283 had been approved and 190 had been declined.

The total number of grant applications has remained fairly consistent over the past four years, with the total number of successful applicants at 60% in 2021/22. We have a flexible approach to grant-making, often working with an applicant for several months to ensure their application succeeds. We undertake grant making by 'walking around' on the ground to fully understand the needs of applicants which contributes to the high number of successful applications.

Grant Payments by Value

Range £	No. of Grants Payments	Total 2021/22 £'000	No. of Grants Payments	Total 2020/21 £'000	No. of Grants Payments	Total 2019/20 £'000	No. of Grants Payments	Total 2018/19 £'000
0-5,000	149	530	65	196	119	444	126	495
5,001-15,000	35	411	110	950	57	618	70	607
15,001-40,000	249	7,629	275	8,062	265	7,435	250	6,925
Over 40,000	69	4,441	48	3,012	38	2,273	48	4,228

The total number of grants made over £15,000 has been steadily increasing over the past few years. The impact of the pandemic has been felt across our Beneficial Area and the request for larger grants is one consequence of this.

Report of the Trustee

1. Introduction

The Trustee is the Corporation founded by Royal Charter granted by Queen Elizabeth I on 8th February 1572 to John Lyon, the founder of Harrow School. The Corporation is commonly known as "The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon".

The Corporation is a separately Registered Charity (No. 310033) responsible for Harrow School and The John Lyon School. The Corporation and its subsidiaries together with John Lyon's Charity is commonly known as the John Lyon's Foundation.

In presenting this report for the year ended 31 March 2022 the Trustee has prepared the Financial Statements in accordance with the accounting policies set out in the notes to these financial statements and comply with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities."

2. Objectives and Activities

a) The Objects of the Charity

Under the Scheme (outlined in 3.a) the yearly income of the Charity is applicable for the following charitable purposes:

- a. the relief of the aged, disabled or poor inhabitants of the London Boroughs of Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow and the Royal Borough of Kensington & Chelsea and the Cities of London and Westminster ("the inhabitants") which together form the Charity's Beneficial Area;
- b. the relief of distress and sickness among the inhabitants;
- c. the provision and support (with the object of improving the conditions of life for the inhabitants in the interest of social welfare) of facilities for recreation and other leisure time occupations;
- d. the provision and support of educational facilities for the inhabitants; and
- e. any other charitable purposes for the benefit of the inhabitants;

in accordance with certain rules required by the Scheme. The Rules are reviewed every three years and amendments approved by the Charity Commissioners for England and Wales. The current Rules were adopted by the Trustee on 30th November 1991 subject to amendments in

1996, 2001, 2013 (when a minor change was made to value thresholds on consultation) and 2017 (on delegation powers and consultation with each Local Authority on grant allocations and percentages of grants per borough) and 2022 (to permit transactions between the Corporation as corporate trustee of JLC and the Corporation in its own capacity).

The Trustee has referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policies.

b) The Activities of the Charity

John Lyon's Charity awards grants to a wide variety of projects and initiatives that support children and young people. These Programme Areas reflect the variety of ways in which organisations seek to help children and young people either by providing them with opportunities or seeking to address specific needs directly. Grants are awarded to registered charities, state schools and organisations within the Charity's defined Beneficial Area. The breakdown of grants by area, programme type and grant fund are shown in the previous section.

3. Governance, Structure and Management

a) Governance

The Charity is governed by the Scheme contained in The Charities (John Lyon Road Trust) Order 1991 (SI 1991, No.1141) as amended by a scheme dated 28 November 1996, trustee's resolutions dated 11 January 2017 and 18 March 2017 (both made pursuant to section 280 of the Charities Act 2011), and a Scheme dated 14 November 2018; and (ii) an Order of the Charity Commission dated 14 November 2018 made under section 105 of the Charities Act 2011, and a Scheme dated 14th April 2022 (made pursuant to section 69 of the Charities Act 2011).

b) Charity Management

The Charity had an average total of 14 permanent staff in the year. The day-to-day management of the Charity's affairs is conducted through the Chief Executive Officer as the senior executive officer of the Charity reporting to the Trustee through the Charity Management Board. The senior management team includes the Grants Director and Finance Director.

c) Structure

The Charity has a clear organisational reporting governance structure with Terms of Reference (ToR) documenting lines of authority and delegation. Each Committee is chaired by a member of the Corporation and is constituted by other members of the Corporation, co-opted members who give specialist advice, and the Chief Executive Officer of John Lyon's Charity. Each committee has Terms of Reference (ToR) which set out its accountability and purpose. The ToRs are reviewed annually. Each Committee's meetings are noted and circulated to show decision making, actions and issues.

In accordance with the Charity Governance Code, a more robust and accountable governance structure was implemented towards the end of 2018. Good governance is fundamental to John Lyon's Charity's success. It enables and supports our compliance with the law and relevant

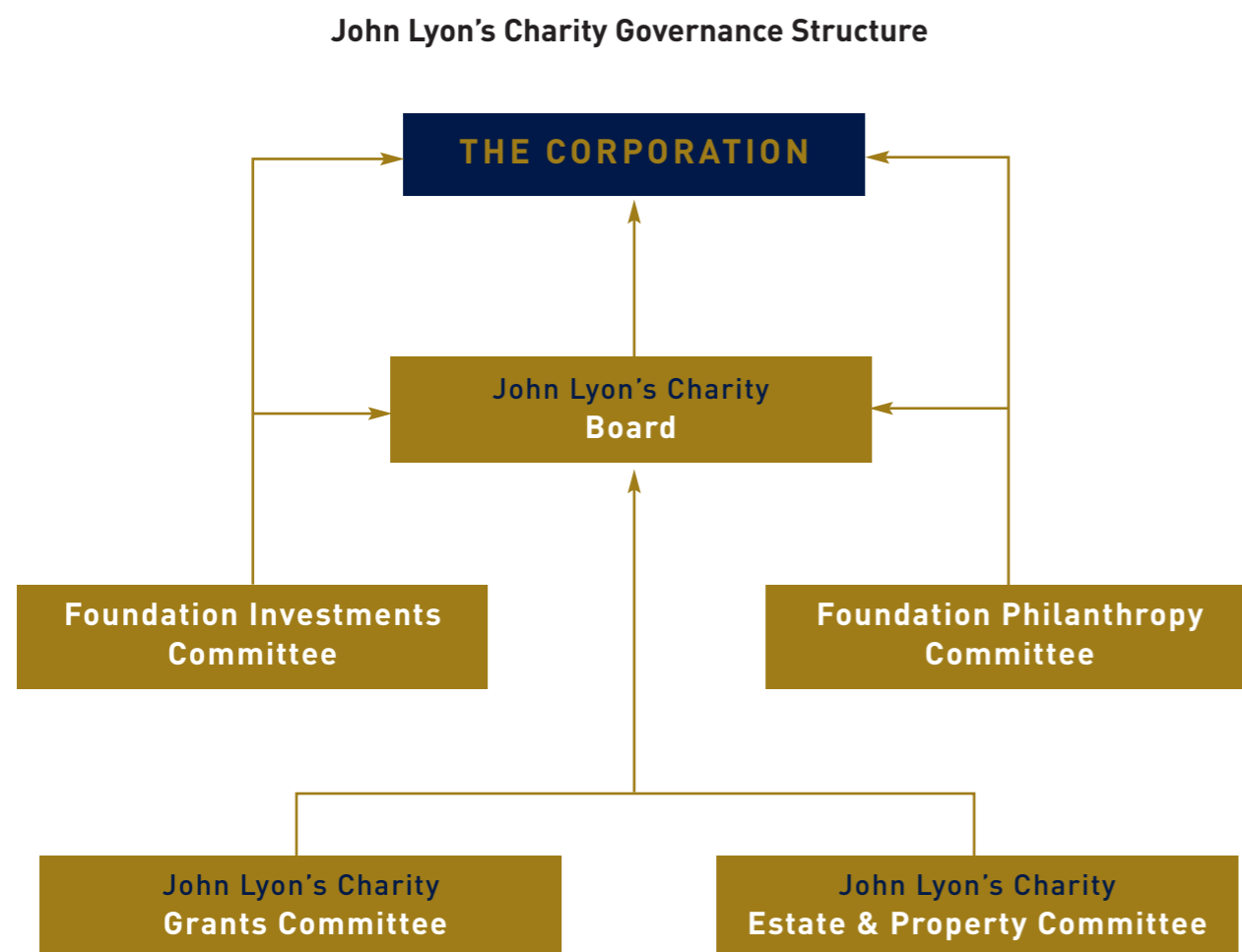
regulations. It also promotes a culture where everything works towards fulfilling our vision.

The Charity has a fully functioning Charity Management Board with seven members comprising five Governors representing the Trustee and two independent members. Due to Covid-19, the Charity's search for an eighth had been delayed but is now being pursued.

d) Diversity

In order to have as full a picture as possible, the Charity took advantage of its relatively small staff team to request that every member anonymously complete the Association of Charitable Foundation's (ACF) DEI Self-Assessment Toolkit, one of six that the ACF has developed in recent years. Undertaking the survey also presented a key opportunity to ascertain the understanding of the staff team around some of the Charity's existing quality marks and policies within DEI, and to anonymously discuss any barriers to further engagement that could hopefully be mitigated with additional support.

The DEI Toolkit is comprised of nine pillars, which have been identified by ACF as tenets of best practice. Importantly, ACF created the self-assessment toolkits in the knowledge and anticipation that Trusts and Foundations would very likely be at the beginning of their journey. Indeed, its recommendation is to focus on improving just one or two pillars at a time.



The DEI pillar scores showed that the Charity is at the beginning of its journey around diversity, equity and inclusion, with the most confidence across the Charity in its externally facing DEI work, as it applies to the Charity's grant-making practice and use of its power as an advocate.

However, the Board can take great comfort in knowing that responses to the survey undeniably demonstrate the staff team's belief in diversity, equity and inclusion, their desire to improve personally and support John Lyon's Charity to become stronger.

Having gained a solid understanding of its baseline, the Charity can now seek to build from this foundation and build a comprehensive action plan. The Board and Trustee are with the Executive as one on this journey so that DEI can truly become integral at all levels of the Charity, and look forward to sharing learning, training and progress over the coming months.

Charity Management Board

The purposes of the Board are:

- a. To supervise and from time to time direct the management of the Charity, including its strategy, policies, investments and finances.
- b. To supervise and from time to time direct the activities of the Charity Grants Committee, the Charity Estate & Property Committee, and such other committees or working groups as there may be of the Charity.
- c. To have oversight of the activities of the Foundation Investments Committee, Foundation Philanthropy Committee and such other committees or working groups as there may be of the Foundation, to the extent that they relate to the Charity.

The Charity Management Board will:

- a. Have overall responsibility for the formulation and oversight of the Charity's strategy and policies for recommendation to the Governing Body (the 'Corporation') including, but not limited to:
 - i. The strategy and policy for the Charity's grant making activities (the 'Charity's Grants Policy') (including all small grants programmes).
 - ii. The Charity's investment strategy and policy (the 'Charity's Investment Policy').
 - iii. The Charity's total return policy.
- b. Have overall responsibility for overseeing the investment and management of the Charity's assets.
- c. Monitor the implementation of the Charity's Investment Policy, review the Investment Policy annually and advise the Foundation Investments Committee and/or the Governing Body on any recommended changes.

- d. Receive and review reports and recommendations from the Charity Grants Committee in relation to the Charity's grant making activities and make decisions (in accordance with the Charity's Grants Policy approved by the Governing Body) on all grant applications referred to it by the Charity Grants Committee.
- e. Determine (on an annual basis) the maximum amount (within the annual budget for grant making approved by the Governing Body) that may be awarded (per individual grant and in aggregate in each year) under the Charity's small grants programme.
- f. Receive and review reports and recommendations from the Charity Estate & Property Committee in relation to the management and composition of the Charity's property portfolio and make decisions (in accordance with the Charity's Investment Policy approved by the Governing Body) on all matters referred to it by the Charity Estate & Property Committee.

Grants Committee

The purpose of the Grants Committee is to:

- Oversee and make recommendations to the Charity Management Board in relation to the Charity's grant making activities.

The Grants Committee will:

- a. Formulate the criteria for the Charity's grant making (in accordance with the policy for the Charity's grant making as determined by the Charity Management Board) for recommendation to the Charity Management Board.
- b. Consider details of the Charity's individual grant applications and make recommendations to the Charity Management Board for their approval or otherwise.
- c. Monitor the implementation of the Charity's small grants programmes.
- d. Monitor and evaluate the effectiveness of the grants approved by the Committee and the other activities carried on by the Charity's staff and advisers and report to the Charity Management Board thereon.

The Charity has several specialist advisers who are engaged on a consultancy basis to advise on specialist areas in grant making. Full details of these advisers appear in the annual report and on the Charity's website. The grant-giving guidelines and details of the application procedures are published on the website and reviewed regularly.

The Charity pays advisers a fee to work with individual organisations to assist them in areas such as business plans, staffing, board issues, operations, organisational structure, and programme delivery. This occurs either before a grant has been awarded or during the lifetime of a grant. During the assessment process of individual organisations by advisers, they frequently provide advice and guidance on an informal basis over a range of capacity issues.

Estate & Property Committee

The purpose of the Estate & Property Committee is to:

- Oversee, manage and make recommendations to the Charity Board in relation to the management and administration of the Charity's Property Portfolio.

The Estate and Property Committee will:

- a. Be responsible for the management of the Charity's Property Portfolio.
- b. Formulate the strategy and any policies relating to the Charity's property portfolio, for recommendation to the Charity Management Board.
- c. Oversee the enfranchisement process for the Reversionary Portfolio.
- d. Supervise the participation by the Chairman, the Charity's Estate Managers and the Chief Executive Officer in the conduct and use of the Scheme of Management.
- e. Oversee or make decisions relating to the terms of leases of properties in the Charity's property portfolio, including but not limited to considering and determining requests for consent and approval.
- f. Make decisions on the sale and acquisition of property assets or interests and determine the terms of any such transaction on the recommendation of the Charity's Estate Managers.
- g. Monitor the investment performance of the Charity's property portfolio.

Foundation Investments Committee

The purpose of the Investments Committee is to:

- Take responsibility for the financial investment assets and, with the advice and assistance of the Investment Manager, responsibility for determining the appropriate financial investments.

The Investments Committee will:

- Monitor the performance of the Investment Advisor and advise on strategic asset allocation between cash, financial investments and property for recommendation to and approval by the Trustee (annually).

Our Approach to Responsible Investments

As custodians of an endowment, we endeavour to use all our assets, including investments and properties, to have the greatest possible positive impact on children and young people in our Beneficial Area.

We recognise the importance of environmental, social and corporate governance (ESG) issues in the selection and management of investments within our portfolio. Our Investment Committee asks all our fund managers to have an ESG policy in place and to incorporate an assessment of ESG into their decision-making processes. The Investment Committee also ensures that a consideration of ESG factors are a standard part of our selection process when appointing new fund managers.

Underlying Principles

The underlying principle of John Lyon's Charity's is that it should be an exemplar Foundation, existing in perpetuity with education at the heart of its cause.

The financial objective of the Charity is to at least maintain the real value of its assets whilst generating a stable and sustainable return to fund grant making.

The Charity holds assets invested in a variety of financial instruments, residential and commercial property. Both income and some capital are used to finance the grant making activities under a Total Return Policy (TRP).

The Charity has adopted a TRP that calculates the amount of its investment return that it can spend annually by reference to an agreed percentage of the Charity's assets. The amount is calculated by taking the average of the previous four year's total net assets as at 31st March and apply the agreed percentage to that. The Total Return Policy was last reviewed on 19th March 2022, whereby the Trustee agreed to continue with the same policy (using 3.5%) by resolution.

The Charity takes a long-term view of its assets and this is demonstrated through the market positions it takes with regard to both financial and property investments. Providing short-term gain is not the objective; rather sustainability of the assets is fundamental to ensure longevity of grant giving and sustainability of returns.

The investment objective of the property portfolio is to generate a level of net yield in real terms of at least 3.5% across the combined property portfolio.

The Charity seeks to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return of inflation (CPI) plus 4% per annum over the long term, (after expenses) for the financial investment portfolio.

Foundation Philanthropy Committee

The purpose of the Philanthropy Committee is to:

- Ensure the growth and support of collaborative charity projects and ventures across the John Lyon's Foundation (Harrow School, The John Lyon School and John Lyon's Charity).

The Philanthropy Committee will:

- Work to create more joined up thinking and to be more strategic about joint initiatives.
- Ensure high quality communications.
- Harness the power of the Foundation for the benefit of charitable causes.
- Help boys at both Schools become more involved in charity at a local level.
- Embed philanthropy across the Foundation.
- Raise the profile of John Lyon's Charity within the two schools.

4. Future Strategy

A core theme and focus that will run throughout the Charity's programmes will be on **collaboration** in a number of different ways:

- 1. Collaboration is the most complex and ambitious element of the HSC strategy**, requiring significant amounts of development time to ensure that the right organisations are involved in each of the clusters. Each of the boroughs in the Beneficial Area has different strengths and gaps, along with their YPFs being at different stages of development. Themes emerging as potential collaboration points include Serious Youth Violence (SYV), Access to Careers and Enterprise Development Support, Music and the Arts, the isolation of families with children with SEND and the impact of Covid-19 on the physical and mental health of young people. The first Collaboration Fund grants will be considered by the Grants Committee at its June 2022 meeting:
 - One will be for a Collaboration in the Wealdstone area of Harrow. The Charity is working closely with Young Harrow Foundation and Harrow School to support the development of this potential collaboration. Harrow School generously provided a small grant to cover the development costs of the organisations coming together to pitch.
 - The second application is likely to come from a group of organisations from Hammersmith and Fulham with the focus on 'Reducing family conflict and supporting positive interactions in the family' by working with children and young people and their families.
 - Discussions are continuing in Northolt in Ealing, which borders Harrow, about how to address issues of SYV. The second Ealing Collaboration Fund will focus on Southall.
 - A further Collaboration Fund application will be brought forward for Westminster on the issue of SYV in 2022/23.
 - One in Brent is in discussion and in the very early stages of development.

2. **Collaboration to address the lack of Arts opportunities for children and young people in Harrow.** An initial discussion is planned with YHF, the Foundation Schools, A New Direction, Harrow Arts Centre and Harrow Music Service to assess how the Charity can best seed the development of Arts opportunities in Harrow. Unlike other boroughs in the Beneficial Area, Harrow does not have an Arts infrastructure function. It is this lack of infrastructure that is viewed by the Grants Team as a significant factor as to why Harrow is the only borough within the Beneficial Area where there have been no applications from Arts organisation to work in. Priority will be given to schools who have not received funding before from the Charity and those in Harrow, to balance out the lack of opportunity for children and young people to benefit in Harrow directly from Arts organisations coming into their school as outlined above.
3. **Collaboration with other funders to collectively address issues facing the CYP sector post Covid-19.** Over the past five years the Charity has worked with London Funders (LF) in particular to corral funders into acting with speed during emergencies (such as Grenfell and Covid-19). We are part of a group convened by LF to work together in 'normal' times outside of crises. A framework for collaborative grant-making is being worked on and our hope is that this will have a huge benefit on the CYP sector. Our partnership with the London Community Foundation on an initiative to reduce exclusions in schools will also continue, and we have found sharing ideas on how we grant and who we grant makes for more effective grant-making.
4. **Finally, there will be a push to collaborate further and celebrate the three entities within the John Lyon's Foundation.** The Foundation consists of the Charity, and Harrow Corporation (which includes Harrow School and the John Lyon School). We all support opportunities for children and young people to thrive not just survive. Together, what we can achieve philanthropically is greater than the sum of its parts. Between Harrow and John Lyon School – they have over 60 secondary school partners supporting over 10,000 young people; with around 15,000 children using the schools' facilities for holiday activities and performances. Not only that, but by the Charity introducing the schools to different charities we fund has led to a greater depth and breadth to the schools' philanthropic work. And it's not just fundraising or easy wins. They are working with Children Looked After, a group at a significant educational disadvantage to mentor and help them aspire to University and beyond. The current number of 100% bursaries given by John Lyon's Charity to both schools is currently 63. John Lyon School in particular, is a beacon of social mobility and aspiration in London as it seeks to engage an ethnically and class diverse population to be the best young men and now women they can possibly be. The Charity's role will be pivotal in ensuring that education is at the heart of the Foundation's strategic direction and a helping a wider audience to appreciate its significance and impact for the CYP sector.

Financial Review of the Charity

Endowment and Total Return Policy

The Charity's endowment, which is permanent, derives from conveyances by John Lyon in 1578 and 1581 when the original land in St John's Wood was acquired at a price of £660. It is believed that there have been no material additions to the endowment since the Charity's foundation.

The Total Return Policy was last reviewed on 19th March 2022, whereby the Trustee agreed to continue with the same policy by resolution.

In determining the initial unexpended total return, the Trustee had adopted the valuation of the Charity's assets on 31st March 1997, which was the first occasion on which the open market value of all the Charity's assets had been determined. The valuation was £63.8 million and the initial, unapplied total return was £176.7 million. As of 31st March 2022, the unapplied total return fund is £372 million.

In 2010 the Governors adopted the current Total Return Policy applying to all the Charity's assets. The main purpose of adopting the Total Return policy was to provide certainty at the beginning of each financial year of the amount that is available to be spent on the Charity's grant giving and support costs. The amount is determined by taking an average of the value of the Charity's assets at the end of each financial year of the previous four years.

From 1st April 2017 the Trustee adopted a model which defines the circumstances which would require a spending review when the financial returns are such that the Endowment moves outside of a prescribed range of 15% either side of a core index of inflation.

From April 2019 the value available for expenditure has been calculated using the total return rate of 3.5%. This is reviewed by the Charity Management Board on an annual basis.

As a long-term response to the impact of Covid-19 on the Charity's beneficial area the Trustee approved an "Agreed Additional Spend" of £22 million to be applied during the six-year period representing the financial years ending 31st March 2022 to 31st March 2028. The additional funding was approved in March 2021 and will be allocated for spending under the Charity's new "Home - School - Community" strategy. The expendable amount applicable to the strategy will be determined on an annual basis by the Trustee.

Investment Policy

A formal investment policy is in place setting out the strategic asset allocation. This includes an ESG statement to which the Charity adheres to and takes seriously. This takes account of the Charity's extensive property interests and the basis for the measurement of the performance of the various asset classes. The tactical asset allocation is reviewed and revised regularly by the Foundation Investment Committee and the Charity Management Board.

The financial assets portfolio's asset allocation should reflect the Charity's long-term investment objectives and risk tolerances. The portfolio shall be allocated between three primary asset groupings, defined by their role in the portfolio:

- **Growth Assets;** comprising equities and equity-like assets (liquid and illiquid) to drive portfolio growth, support spending and maintain real value over the long term.
- **Diversifiers;** including credit, hedge funds and other alternative assets producing returns with a low correlation to equities to reduce volatility and diversify the portfolio's sources of economic returns.
- **Liquidity Reserves;** comprising government bonds, high quality short-dated credit and cash to provide liquidity to meet spending and other cash requirements during periods of economic stress.

The St John's Wood Estate, consisting principally of residential properties let on long leases, is subject to compulsory disposal of the property interests under the leasehold enfranchisement legislation. It is considered, for the time being, that it is appropriate to retain this original endowment with a view to maximising the proceeds arising under the enfranchisement legislation. In the year, total proceeds of £2.0 million have been received (2020/21 - £3.3 million). The residual value of the reversionary properties as of 31st March 2022 is £34.5 million (2020/21 - £33.7 million). The investment policy excludes these reversionary properties from the asset allocation as they are not regarded as readily disposable on the open market at a level that recognises the full potential realisable on enfranchisement. The investment objective is to generate a level of net yield in real terms of at least 3.5% across the combined property portfolio.

Since 2002 it has been the Trustee's policy to invest the proceeds of the St John's Wood estate in both commercial properties and in the investment portfolio, with several prime residential properties on the original estate being retained where vacant possession has been obtained.

Asset Allocation

Asset Class	Value at 31 March 2022		Value at 31 March 2021	
	£'000	%	£'000	%
Investment Assets				
Fixed Interest	17,328	4%	20,291	5%
UK Equities	18,372	5%	17,270	4%
Global Equities	77,942	18%	78,749	20%
Hedge funds/Alternatives	23,432	5%	16,536	4%
Sterling cash	22,782	5%	19,476	5%
Other investments	7	-	7	0%
Total Investments	159,863	37%	152,329	38%
Property Assets				
Residential Estate	65,162	15%	66,007	17%
Commercial Property	163,050	37%	129,650	33%
Indirect Property Funds	10,326	2%	9,788	2%
Total Property	238,538	54%	205,445	52%
Investment Assets Totals	398,401	91%	357,774	90%
Reversionary Estate	34,542	8%	33,669	9%
Other Net (Liabilities) / Assets	3,106	1%	282	1%
Total Net Assets	436,049	100%	391,725	100%

The Total Return on total assets (before management expenses) in the year is reflected at note 11 and is positive at £60.6 million (2021 = £62.2 million). Total net assets are valued of £436.0 million, representing a 11.3% increase on the previous year.

The total value of investment assets at the year-end is £170.2 million (2021 = £162.1 million), including indirect property funds, and shows an increase in value of 4.9% on the previous year. Cambridge Associates were appointed as the new Investment Advisors to the Charity at the beginning of 2020. The main fund investment portfolio has gone through a period of adjustment and is now strategically aligned with the current investment policy. The total return on the Investment Portfolios was £8.96 million (6.2%).

The Charity has continued to hold investment property assets in both residential and commercial property. The property portfolios performed well with no voids currently in the residential estate. The Charity's residential property estate shows unrealised gains based on year end valuation of £1.8 million (2021 = profits £0.1 million) and the commercial property assets also showed a profit on valuation of £33.4 million (2021 = profit £10.1 million).

Annual Income

The income of the Charity derived from its assets totalled £9.67 million, an increase of 10.8% from £8.72 million in 2020/21.

The Charity's aim under the current total return policy is to distribute grants of between £11 million to £13 million per annum on its main grant programmes, excluding the Home - School - Community strategy and depending on grant making opportunities, and the returns on the assets which form the endowment. A conservative view has been taken in our projections of income returns for the next five years. The returns from the reversionary estate which forms the original endowment is expected to fall as the estate is wound down.

Reserves Policy

The Charity has not historically maintained an unrestricted reserve because of the high level of the unapplied Total Return.

Annual Expenditure

During 2021/22 the Charity spent £13.01 million (2021 = £12.22 million) on grants, while operational support costs related to charitable activities was £1.2 million (2021 = £1.0 million). Expenditure on raising funds was £2.2 million (2021 = £2.6 million).

Staff Remuneration

Staff salaries including key management personnel are reviewed annually by the CEO and Charity Management Board. A formal annual review is conducted to assess and ensure remuneration is fair and in line with that paid for similar roles in similar organisations.

The Charity is a Living Wage employer and as such is committed to ensuring staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Charity's objectives.

Future Commitments

Commitments have been given for grants over the next three years totalling, £8.7 million in 2022/23, £4.6 million in 2023/24 and £1.0million 2024/25. A further £1.1 million has been committed in subsequent years for projects that the Charity has agreed in principle to fund on a longer-term basis, payment of which is, in each case, contingent on the stipulated conditions being met, and review of progress and authorisation by the Grants Committee. The total future commitment is indicated at note 18.

Risk Management

The Trustee, which is responsible for the management of risks faced by the Charity, is satisfied that the major risks identified through the risk management processes are adequately managed but recognise that systems can provide reasonable assurance, but no absolute guarantee, that all important risks are identified and appropriately managed.

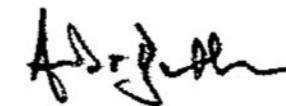
Our response to grant making during Covid-19 and subsequently has been nimble, flexible and supportive. In terms of protecting our assets and income from the effects of a bear market or recession, we are confident that the long-term strategic approach we take to all of our investments will mitigate any short-term falls in performance.

Auditors

PKF Littlejohn LLP has expressed its willingness to continue in office as auditors.



J Batting



A Butler

For and on behalf of the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee.

24 June 2022

Statement of the Trustee's Responsibilities

The Trustee is responsible for preparing the Report of the Trustee and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare Financial Statements for each financial year which give a true and fair view of the of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these Financial Statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enables it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Members of the Corporation and the Chief Executive Officer has confirmed, so far as he or she is aware, that there is no relevant audit information of which the Auditors are unaware, and each Member has taken all the steps that he or she ought to have taken as a Member of the Corporation to make themselves aware of any relevant audit information and to establish that the Auditors have been made aware of that information.

Independent Auditor's Report to the Trustee of John Lyon's Charity

Opinion

We have audited the financial statements of John Lyon's Charity (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the Report of the Trustee. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Financial Reporting Standard 102, relevant property law and regulations, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as

we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trustee, as a corporate body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 19 August 2022

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Statement of Financial Activities

	Note	Restricted Fund £'000	Unrestricted Fund £'000	Endowment Fund £'000	Total Funds 2021/22 £'000	Total Funds 2020/21 £'000
Income and Endowment from:						
Charitable Activities		63	-	-	63	58
Property Investments	2	-	-	7,537	7,537	7,161
Investments	3	-	-	2,006	2,006	1,501
Other income	4	-	-	2,058	2,058	-
Total Income and Endowment		63	-	11,601	11,664	8,720
Expenditure on:						
Raising Funds	5	-	-	2,195	2,195	2,633
Charitable Activities	6-7	63	14,116	-	14,179	13,231
Total Expenditure		63	14,116	2,195	16,374	15,864
Net Gains/(Losses) on Property Investments						
		-	-	38,501	38,501	21,704
Net Gains/ (Losses) on Investments						
		-	-	10,533	10,533	31,767
Net Income/(Expenditure)						
		-	(14,116)	58,440	44,324	46,327
Transfers Between Funds						
	11	-	14,116	(14,116)	-	-
Net Movement in Funds						
		-	-	44,324	44,324	46,327
Reconciliation of Funds:						
Total Funds Brought Forward		1	-	391,724	391,725	345,398
Balance at End of Year		1	-	436,048	436,049	391,725

There are no recognised gains or losses except as shown above and all income is derived from continuing activities.

Comparative figures for the respective funds are set out in Note 1.

The Accounting Policies and Notes on pages 36 to 52 form part of these Financial Statements.

Balance Sheet

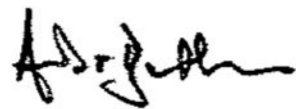
at 31 March 2022

	Note	2022		2021	
		€'000	€'000	€'000	€'000
Fixed Assets					
Tangible assets	8		17		18
Investment properties	9		262,754		229,326
Investments	10		170,189		162,117
			432,960		391,461
Current Assets					
Debtors	12	1,071		1,070	
Cash at bank		6,679		4,224	
		7,750		5,294	
Creditors: due within one year	13	(4,661)		(4,740)	
Net Current Assets			3,089		554
Creditor: due within more than one year	14		-		(290)
Net Assets			436,049		391,725
Represented by:					
Endowment fund	15a	436,048		391,724	
Unrestricted fund	15b	-		-	
Restricted fund	15c	1		1	
			436,049		391,725

The Trustee's Report and these Financial Statements were approved by the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee on 24 June 2022 and signed on the Trustee's behalf by:



J Batting



A Butler

The Accounting Policies and Notes on pages 36 to 52 form part of these Financial Statements.

Cash Flow Statement

Year ended 31 March 2022

	Note	2021/22 €'000	2020/21 €'000
Net Cash outflow from Operating Activities	22	(7,136)	(5,809)
Net Cash inflow from Capital Expenditure and Financial Investment Activities	23	7,527	6,293
Returns on Investment and Servicing of Finance	23	2,064	1,501
Increase/(decrease) in Cash in the Period		2,455	1,985
Cash at the beginning of the year		4,224	2,239
Movement in Cash in the year		2,455	1,985
Cash at the end of the year		6,679	4,224

The Accounting Policies and Notes on pages 36 to 52 form part of these Financial Statements.

Notes to the Financial Statements

General information and basis of preparation

John Lyon's Charity is a charitable trust registered in the United Kingdom. The registered address and charity office is given in the charity information on page 2 of these financial statements. The nature of the Charity's operations and principal activities are grant making.

The Charity constitutes a public benefit entity as defined by Financial Reporting Standards ('FRS 102'). The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK General Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has been withdrawn.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. A review of the Charity's current activity and future commitments has concluded that the Charity has enough liquid assets which can be realised to meet the rate of expenditure under the current total return policy which is itself based upon valuation. In addition, the Charity operates with a minimal cost base.

The financial statements are prepared in Sterling which is the functional currency of the Charity and rounded to the nearest £000.

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

Investment Properties

Investment Properties are stated at open market value in order to comply with the provisions of Accounting and Reporting by Charities Statement of Recommended Practice. Investment Properties which comprise the Reversionary Estate, Residential and Commercial Properties are valued annually as at the year end.

Open market value is defined as the best price at which the sale of an interest in property would have been completed unconditionally for a cash consideration on the date of valuation, assuming:

Notes to the Financial Statements continued

- a. a willing seller;
- b. that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- c. that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d. that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- e. that both parties to a transaction had acted knowledgeably, prudently and without compulsion.

Gains and losses recognised on revaluation, and gains and losses realised on the sale of investment properties, are taken to the Endowment Fund and included in the SOFA.

No depreciation is charged on Investment Properties.

Rental Income

Rental income is accounted for by reference to the due date under the lease or tenancy.

Investments

Investments are stated at market value as at the year-end.

All gains and losses on sale, and unrealised gains and losses on revaluation of investments at year-end market value, are taken to the Endowment Fund and included in the SOFA.

Tangible fixed assets

Fixed assets acquired with a value below £1,000 are evaluated for capitalisation based on the economic benefit derived in use. All other assets are capitalised. Leasehold improvements are depreciated over the term of the lease.

Office and computer equipment are depreciated at between 20% and 33% on an annual straight-line basis over the assets useful lives.

Grants

Grants payable represent grants paid and payable in the year. Grants payable over a number of years are not recognised until the Trustee is satisfied that the stipulated conditions have been met and payment of a further instalment has been authorised on the recommendation of the Grants Committee.

Taxation

The Charity is generally exempt from direct taxation on investment income and capital gains but is subject to Value Added Tax (VAT). Unless stated otherwise relevant expenditure is shown inclusive of VAT.

Notes to the Financial Statements continued

Pension Costs

Pension contributions, which are to defined contribution schemes, are charged to the SOFA in the period to which they relate.

Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

1. Analysis of the Statement of Financial Activities

for the year ended 31 March 2021

	Restricted Fund 2020/21 £'000	Unrestricted Fund 2020/21 £'000	Endowment Fund 2020/21 £'000	Total Funds 2020/21 £'000
Income and Endowment from:				
Charitable activities	58	-	-	58
Property investments	-	-	7,161	7,161
Investments	-	-	1,501	1,501
Total Income and Endowment	58	-	8,662	8,720
Expenditure on:				
Raising funds	-	-	2,633	2,633
Charitable activities	61	13,170	-	13,231
Total Expenditure	61	13,170	2,633	15,864
Net Gains on Property Investments	-	-	21,704	21,704
Net Gains on Investments	-	-	31,767	31,767
Net Income/(Expenditure)	(3)	(13,170)	59,500	46,327
Transfers between funds	-	12,792	(12,792)	-
Net Movement in Funds	(3)	(378)	46,708	46,327
Reconciliation of Funds:				
Total funds brought forward	4	378	345,016	345,398
Balance at end of year	1	-	391,724	391,725

Notes to the Financial Statements continued

2. Income from Property

	2021/22 £'000	2020/21 £'000
Residential rents	2,537	2,382
Commercial rents	5,000	4,779
Total Incoming Resources from Property	7,537	7,161

3. Income from Investments

	2021/22 £'000	2020/21 £'000
Investments	1,596	1,500
Bank and deposit interest	2	1
Loan interest	408	-
Total Incoming Resources from Investments	2,006	1,501

4. Other Income

	2021/22 £'000	2020/21 £'000
Dilapidations recharged	58	-
Prior amounts written off now recovered	2,000	-
Total other incoming resources	2,058	-

5. Expenditure on Raising Funds

	2021/22 £'000	2020/21 £'000
Property management charges	399	390
Property repairs and other expenses	913	1,347
Total cost of generating income from property	1,312	1,737
Other management and support costs	883	896
Total	2,195	2,633

Notes to the Financial Statements continued

6. Analysis of Charitable Activities

Direct charitable expenditure represents grants made under the Scheme by the Charity. The policy of the Trustee is to restrict grants to registered or exempt charities and not to make grants to individuals.

	Total 2021/22	Grant Funded Activity	Support Costs	Total 2020/21	Grant Funded Activity	Support Costs
	£'000	£'000	£'000	£'000	£'000	£'000
Arts & Science	1,197	1,098	99	1,710	1,579	131
Children & Families	874	802	72	942	870	72
Education & Learning	1,650	1,513	137	2,077	1,918	159
Capacity Building	1,219	1,117	102	781	721	60
Emotional Wellbeing	1,207	1,107	100	1,417	1,308	109
Special Needs & Disability	850	780	70	1,086	1,003	83
Sport	631	579	52	740	683	57
Training	341	313	28	221	204	17
Youth Clubs and Youth Activities	1,692	1,553	139	1,907	1,760	147
Youth Issues	626	574	52	655	605	50
Bursaries	1,666	1,527	139	1,634	1,508	126
Restricted grants	63	63	-	61	61	-
	12,016	11,026	990	13,231	12,220	1,011
Home – School – Community Strategic Funds						
Cultural Capital Fund	768	705	63	-	-	-
Recovery Fund	606	556	50	-	-	-
Replication Fund	244	224	20	-	-	-
YPF Small Grants Fund	545	500	45	-	-	-
	14,179	13,011	1,168	13,231	12,220	1,011

Notes to the Financial Statements continued

7. Support Costs

The breakdown of support costs is shown in the table below. The allocation to Charitable Activities is shown in Note 6 above.

	2021/22 £'000	2020/21 £'000
Audit fees - current year	26	26
- prior year over/(under) provision	4	3
Valuation fees - current year	27	56
- prior year (over)/under provision	8	3
Depreciation	8	70
Consultancy fees	38	17
Staff costs	695	540
Operating lease - Office equipment	7	7
Other support costs	355	289
	1,168	1,011
Staff Costs		
Wages and salaries	830	726
Social security costs	94	92
Pension & health care contributions	150	134
	1,074	952

Included in the above amount is salary costs of £379,382 (2021 - £412,127) which relates to expenditure on raising funds and are reflected within other management costs in Note 5.

The Charity contributes as a minimum 15% of pensionable salary to the Pensions Trust, a defined contribution pension scheme established for the employees of voluntary organisations. All employees are members of this scheme (The Flexible Retirement Plan) for which the Charity has no residual liability.

	2021/22	2020/21
Average number of employees during year:	14	11

Notes to the Financial Statements continued

7. Support Costs continued

In the year, the number of employees who were entitled to emoluments of more than £60,001 was as follows:

	2021/22 £'000	2020/21 £'000
£60,001 - £70,000	-	2
£70,001 - £80,000	1	-
£80,001 - £90,000	1	2
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

The total amount of employee benefits received in the year by key management personnel, was £449,948 (2021 - £430,017). The Charity considers its key management personnel to comprise the Chief Executive Officer, Grants Director, Finance Director and the Trustee.

8. Tangible Fixed Assets

	Leasehold Improvement £'000	Furniture & equipment £'000	Total £'000
Cost at 1 April 2021	-	106	106
Additions in the year	-	7	7
Disposal in the year	-	-	-
At 31 March 2022	-	113	113
Accumulated depreciation at 1 April 2021	-	88	88
Depreciation charge in year	-	8	8
Accumulated depreciation on disposal	-	-	-
At 31 March 2022	-	96	96
Net Book Value at 31 March 2022	-	17	17
Net book value at 31 March 2021	-	18	18

Notes to the Financial Statements continued

9. Investment Properties

	2022 £'000	2021 £'000
Reversionary estate	34,542	33,669
Residential properties	65,162	66,007
Commercial properties	163,050	129,650
Market value	262,754	229,326
Balance at beginning of year	229,326	210,877
Additions at cost	-	13
Unrealised gain / (loss) on revaluation	37,848	20,323
Disposals at valuation	(4,420)	(1,887)
Balance at end of year	262,754	229,326

The investment properties (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2022 by Cluttons LLP, Chartered Surveyors, in accordance with guidance set out in the Valuation and Appraisal Manual of the Royal Institution of Chartered Surveyors.

Properties forming the Charity's original endowment and properties acquired prior to 31 March 1997 were not recorded in the Balance Sheet at the date of acquisition; most of these were acquired many years ago and it is not practicable to identify and disclose the original cost, which is unlikely to be material.

Disposals at valuation during the year resulted in a realised gain of £0.8 million (2019/20 - £1.4 million).

10. Investments

	2022 £'000	2021 £'000
Free (Main) Fund	151,370	146,061
Special Fund	18,819	16,056
Market value	170,189	162,117
Historical cost	157,581	156,507

Notes to the Financial Statements continued

10. Investments continued

Included in the above is sterling cash invested and cash held for investment of £14,296,444 (2020/21 = £6,260,221) in the Special Fund and £8,485,702 (2020/21 = £13,215,445) in the Free Fund. The Special Fund is defined in the Governing Documents.

	2022 £'000	2021 £'000
Balance at beginning of year	162,117	133,392
Investment purchases	25,558	132,686
Net investment realisations	(28,752)	(121,613)
Unrealised gain/(loss) on revaluation	7,960	7,075
Net movement in cash held for investment	3,306	10,577
Balance at end of year	170,189	162,117

Net investment realisations resulted in realised gains of £2.57m (2020/21 = gains of £24.68m).

At 31 March 2022 the following investments accounted for more than 5% of the overall portfolio:

	2022 %	2021 %
Children's Investment Fund USD Class	6.2	5.0
I Shares Physical Gold Plc	-	5.1
The NT World Equity Index Feeder	14.0	15.6
Ownership Capital Global Equity	6.6	7.1
Russell Acadian Global Managed	7.7	7.0
Institutional GBP Liquidity Fund	13.4	11.8
Unite student accommodation	6.1	-
The Emerging World Fund	5.0	5.5
Stewart Investors Global Emerging Markets Sustainability Fund	5.1	5.5
Maj Invest Global Value	7.4	7.9
Heronbridge UK Equity Fund	5.3	-
Jupiter UK Alpha Fund	5.6	-

Notes to the Financial Statements continued

11. Application of the Power of Total Return

In January 2006, the Charity Commission made an order permitting the Charity to adopt total return investment powers in relation to its permanent endowment in the form of the Commission's model order. In March 2012 the Trustee resolved that, subject to the Charity Commission's approval, the Order be implemented with effect from 1 April 2012 on the basis that the amount applicable for charitable purposes of the Charity shall be determined by reference to the value of all the Charity's assets. The Charity Commission's approval was given on 12 June 2012.

The total return policy (which has been set and adopted by the Trustee in accordance with the 2006 Order) provides that the amount to be applied annually is determined by taking an average of the value of the Charity's net assets on the last four balance sheet dates. The policy allows the Trustee to expend up to 3.25% (3.5% from 31 March 2019) of that rolling average on charitable activities including support costs and the cost of generating funds and governance costs.

The calculation to determine the amount available in the years to 31 March 2021 and 2022 is:

Year ended:	Net Asset Values £'000	4 year Average £'000	Expendable percentage of average %	Expendable amount £'000
31 March 2019	345,661	360,567	3.50	12,620
31 March 2020	345,398	361,163	3.50	12,641
31 March 2021	391,725	367,761	3.50	12,872
31 March 2022	436,048	384,458	3.50	13,456

The amount available for the year ended 31 March 2022 was £12,871,617, and for year ending 31 March 2023 is £13,456,033.

	2021/22 £'000	2020/21 £'000
Expendable amount	12,872	12,641
Additional expendable amount	1,244	151
Transferred to Unrestricted Fund	14,116	12,792
Reinvested	-	-

Notes to the Financial Statements continued

11. Application of the Power of Total Return continued

Movements in the Total Return Fund in the Year and Application of Total Return from the Endowment Fund

	2021/22 £'000	2020/21 £'000
Opening value of endowment fund at 1 April	391,724	345,016
Less: Opening value of the fund at 31 March 1997	(63,797)	(63,797)
Opening value of Total Return Funds	327,927	281,219
Add:		
Investment return – income	11,601	8,662
Investment return – realised/unrealised gains	49,034	53,471
	388,562	343,352
Less:		
Raising funds	(2,195)	(2,633)
Unapplied total return before transfers carried forward	386,367	340,719
Return applied during the year	(14,116)	(12,792)
Unapplied total return as at 31 March	372,251	327,927
Add: value of the fund at 31 March 1997	63,797	63,797
	436,048	391,724

12. Debtors

	2022 £'000	2021 £'000
Amounts due from tenants and managing agents	987	990
Other debtors and prepayments	84	80
	1,071	1,070

Notes to the Financial Statements continued

13. Creditors

	2022 £'000	2021 £'000
Creditor amounts falling due within one year		
Grants payable	4,046	4,012
Other creditors and accruals	615	728
	4,661	4,740
Creditor amounts falling due within more than one year		
Grants payable after more than one year	-	290
	-	290

14. Operating Lease Commitments

As at 31 March 2022 the total minimum payments to which The Charity is committed under non-cancellable operating leases for property and office equipment are:

	2022 £'000	2021 £'000
Due within one year	5	128
Due within two and not later than five years	4	9
	9	137

Notes to the Financial Statements continued

15. Funds

a. Endowment Fund

The capital assets of the Charity are those derived from the Founder's original gift of land in 1578 and 1581 and represent permanent endowment, subject to the application of the Total Return policy.

b. Unrestricted Fund

The Unrestricted Fund represents income available for distribution in accordance with the Scheme referred to in the Report of the Trustee.

c. Restricted Fund

The restricted Fund represents a grant received from The City Bridge Trust to co-fund the salary and running costs of Young People's Foundations in each of the boroughs of Brent, Harrow and Barnet, Camden, Westminster and Hammersmith and Fulham in the year and the requisite payment of said grant.

2021/22	Balance brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	Balance carried forward £'000
Endowment	391,724	11,601	(2,195)	(14,116)	49,034	436,048
Unrestricted	-	-	(14,116)	(14,116)	-	-
Restricted	1	63	(63)	-	-	1
	391,725	11,664	(16,374)	-	49,034	436,049

2020/21	Balance brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	Balance carried forward £'000
Endowment	345,016	8,662	(2,633)	(12,792)	53,471	391,724
Unrestricted	378	-	(13,170)	12,792	-	-
Restricted	4	58	(61)	-	-	1
	345,398	8,720	(15,864)	-	53,471	391,725

Notes to the Financial Statements continued

16. Transactions with the Trustee and Connected Persons

The Charity made grants in the year to both Harrow School of £437,216 (£465,774 in 2020/21) and The John Lyon School of £578,985 (£525,902 in 2020/21) for the benefit of children resident in the Beneficial Area. Grants for bursaries enable children to attend those schools, who would not be able to do so without that financial support. These grants are aimed at providing wider access to education at the schools and are consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper disclosure of such interests five grants totalling £305,880 (2020/21 – Three grants totalling £253,800) were made to charities where one or more such persons are charity trustees. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation

The Clerk to the Corporation was for part of the year a partner in the firm of Cripps Pemberton Greenish LLP which act as Solicitors to the Charity.

Legal fees of £153,951 (£108,334 in 2020/21) were paid by the Charity to Cripps Pemberton Greenish LLP for work undertaken in connection with the management of the Charity's estates, which are included in the property expenses detailed in Note 5, and for work undertaken in the sale and purchase of property on the Charity's estates, which are included in expenses charged to capital.

	2021/22 £'000	2020/21 £'000
Fees charged to Endowment Fund in respect of investment property transactions	77	36

Angus Goswell is a member of the Corporation and a partner in the firm Knight Frank LLP, the Charity's property managing agents, (from 1 September 2018). Remuneration for Knight Frank's services, based on a detailed contract of engagement, paid by the Charity are:

	2021/22 £'000	2020/21 £'000
Management fees and insurance commissions	394	386
Valuation and lease audit fees	-	3
Capital transaction fees	130	82
	524	471

Notes to the Financial Statements continued

16. Transactions with the Trustee and Connected Persons continued

The Charity Management Board reviews the terms of engagement of the Charity's professional advisers annually.

No individual member of the Corporation received any expenses or other remuneration from the Charity.

17. Ultimate Controlling Party

The ultimate controlling party is the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon, as Trustee (registered charity No. 310033).

18. Future Commitments

Grant commitments

The Charity has committed to multi-year grants including bursary support totalling £15.4 million up to 2027/28, payment of which is in each case contingent on the stipulated conditions being met, following a review of progress by the Grants Committee, and formal authorisation by the Trustee.

Capital Commitments

There were no capital commitments as at 31 March 2022 (2021 - £0)

19. Contingent Liabilities

The Charity is involved in a number of legal actions which are related to property assets. The costs related to these actions cannot be reasonably quantified and the outcome uncertain and therefore no provision has been made in these financial statements.

20. Post balance sheet event

As at 31 March 2022 the Charity was negotiating a 10-year lease for new offices. After the year end agreement was reached with exchange of contact occurring on 6 April 2022 and completion scheduled for 23 May 2022.

Notes to the Financial Statements continued

21. Analysis of Net Assets Between Funds

2021/22	Total 2021/22 £'000	Restricted Fund £'000	Unrestricted Fund £'000	Endowment Fund £'000
Fixed assets	432,960		17	432,943
Debtors due in more than one year	-	-	-	-
Other assets/liabilities	3,089	1	(17)	3,105
	436,049	1	-	436,048

2020/21	Total 2020/21 £'000	Restricted Fund £'000	Unrestricted Fund £'000	Endowment Fund £'000
Fixed assets	391,461	-	18	391,443
Debtors due in more than one year	-	-	-	-
Other assets/liabilities	264	1	(18)	281
	391,725	1	-	391,724

22. Reconciliation of Net Incoming Resources before Grants to Net Cash Inflow from Operating Activities

	2021/22 £'000	2020/21 £'000
Total income	11,664	8,720
Total expenditure before grants	(3,363)	(3,644)
Net incoming resources before grants	8,301	5,076
Grants from annual income	(12,948)	(12,159)
Grants from restricted income	(63)	(61)
Net outgoing resources after grants	(4,710)	(7,144)
Depreciation charge for the year	8	70
Decrease in debtors	(2)	423
Increase/(decrease) in creditors	(368)	2,343
Income from listed investments and deposit interest	(2,064)	(1,501)
Net Cash outflow from Operating Activities	(7,136)	(5,809)

Notes to the Financial Statements continued

23. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	2021/22 £'000	2020/21 £'000
Capital Expenditure and Financial Investment Activities		
Net proceeds from property transactions	5,240	3,312
Expenses charged to Endowment Fund	(167)	(56)
Sale of investments	31,325	146,305
Purchase of investments (note 10)	(25,558)	(132,686)
Purchase of plant and equipment (note 8)	(7)	(5)
Sale of plant and equipment (note 8)	-	-
Decrease/(increase) in cash held for investment (note 10)	(3,306)	(10,577)
Net Cash inflow from Capital Expenditure and Financial Investment Activities	7,527	6,293
Net Proceeds from Property Transactions		
Freehold/lease premium proceeds	5,240	3,325
Purchase of properties (note 9)	-	(13)
	5,240	3,312
Returns on Investment and Servicing of Finance		
Income from listed and unlisted investments	1,596	1,500
Deposit and other interest	410	1
Other Income	58	-
	2,064	1,501



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Registered Charity No. 237725

JOHN LYON'S CHARITY

England & Wales - Charity number 237725

Accounts

**Promoting the life chances
of children and young
people through education**



Contents

Our Values	2
Trustee and Advisers	4
CEO Message	5
Overview of Grants	10
Report of the Trustee	14
Statement of the Trustee's Responsibilities	29
Report of the Independent Auditor	30
Statement of Financial Activities	34
Balance Sheet	35
Cash Flow Statement	36
Notes to the Financial Statements	37

OUR MISSION STATEMENT

Champion, Support, Provide

We believe in transforming the lives of children and young people by creating opportunities to learn, grow and develop through education.

OUR VISION

We **believe** in promoting and supporting **collaboration and partnerships** that can have **a sustainable impact** on the **aspirations** of children and young people. We will not shy away from taking **informed risks** to support projects and organisations that **pioneer** new initiatives and ideas. As an independent funder we will **share the knowledge** from our work and seek to **influence** public policy for the benefit of the voluntary sector to ensure it is **valued**.

OUR VALUES

These are the internal values we promote, share and reinforce within the Charity.



John Lyon's Charity gives grants to benefit children and young people up to the age of 25 who live in nine boroughs in North and West London. Since 1991, the Charity has distributed over £156 million to organisations that seek to encourage the aspirations of children and young people. It does this by supporting projects that provide opportunities for young people to participate in a wide range of activities.

John Lyon's Charity is one of the largest independent funders in London. In the Financial Year ending March 2021 it paid grants of £12.22 million towards work in Arts & Science, Children & Families, Education & Learning, Emotional Well Being, Sport, Special Needs & Disability, Training, Youth Clubs and Youth Issues.

The Charity does not fundraise. Its funds are generated by its financial investments and property portfolios which form the Charity's endowment.

Trustee and Advisers

Trustee	The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon (A Charter Corporation)
Clerk to the Trustee	Andrew Millett
Registered Charity No.	237725
Registered Address and Charity Office	45a Cadogan Gardens Griffin Lodge London SW3 2TB
Property Managing Agents	Knight Frank LLP 55 Baker Street London W1U 8AN
Bankers	Coutts & Co 440 Strand London WC2R 0QS
Auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
Solicitors	Cripps Pemberton Greenish LLP 2nd Floor 80 Victoria Street London SW1E 5JL
Investment Advisers	Cambridge Associates 80 Victoria Street London SW1E 5JL
Custodian	Cazenove Capital 1 London Wall Place London Wall London EC2Y 5AU
Principal Officers	Dr Lynne Guyton <i>Chief Executive Officer</i> Ms Cathryn Pender <i>Grants Director</i> Mr Lloyd Gay <i>Finance Director</i>

CEO Message

The impact of the pandemic has not been felt the same way across different parts of the country and indeed, even within London. Certain geographical areas within the Charity's own Beneficial Area have been identified as having communities that have been hardest hit by this pandemic: South Brent and Southall have both been highlighted nationally as being significantly impacted by the virus. Furthermore, areas in West London have been identified as being particularly vulnerable to the economic impact of Covid-19: Kensington and Chelsea, Hammersmith and Fulham and Ealing.

The crisis has so far impacted the earnings of the poorest households the most. Households in the poorest fifth – as measured by their pre-crisis income – have seen a fall in their median household earnings of around 15% (circa £160 per month). Overall relative poverty (using incomes measured after housing costs are deducted) was 22% in 2018-19, and it has fluctuated little since the early 2000s. Some groups though, have seen more change. Relative poverty among working age adults without children has fallen since 2011-12, while relative child poverty has increased by 3 percentage points – the most sustained rise in relative child poverty since the early 1990s.

The Covid-19 pandemic has posed big challenges to the early years sector. The economic and public health consequences of the crisis are threatening to deepen existing patterns of vulnerability and under-achievement for young children and families, especially those living in poverty and disadvantage. We know that the early years are a crucial stage for social mobility, with the poorest children already 11 months behind their better-off peers before they start school and that attending high-quality early years provision provides a vital opportunity to narrow this gap before children start school. Furthermore, school spending per pupil in England fell by 9% in real terms between 2009-10 and 2019-20. This represents the largest cut in over 40 years and is having a likely widening of educational inequalities (IFS, Nov 2020). What Covid-19 has done is to reveal the problems which families in poverty have been struggling with for much longer. The pandemic has exacerbated inequalities in children's outcomes. Inequalities in learning time and learning resources during the lockdown have been compounded by the fact that Covid-19 has caused children to lose the protective and safeguarding environment of schools. In these conditions, inequalities in family circumstances and home environments are likely to have even deeper consequences for inequalities in children's attainment and well-being than they would otherwise have had.

With the outbreak of COVID-19 in the UK and the subsequent national lockdown, the funding community responded quickly and collectively. London Funders (the membership network for funders and investors in London's civil society – 160 members across all sectors and all 33 boroughs) released a funder statement: 'We Stand with the Sector', which made clear that the funding community would be as flexible and understanding as possible in this time of national crisis, working with grantees to ensure they felt supported to be able to respond to their local communities. The statement also reassured grantees and organisations that funders would understand the additional pressures the voluntary sector finances would be under in this time. The Charity was one of the initial five funders that signed up to the London Funders Pledge and all eight Young Peoples Foundations signed up within the first two days.

Following the statement from London Funders, the next step was to act. The experience the Charity gained because of the Grenfell Tower tragedy led to the resurrection of the funding portal. The Grenfell Tower Fire Funder Collaboration was established by John Lyon's Charity, London Funders and Tudor Trust, with support from 10 additional funders. Central to that collaboration (where the

Charity led on the Children and Young People response) was the establishment of a Funder Portal and a single application form. Applications were triaged by the Charity Grants Team and then uploaded onto the Portal, making applications readily available to all funders who wished to contribute to the response. Most importantly, the model also made it much simpler for applicant organisations to access the funding rapidly. With the introduction of the COVID-19 lockdown and the growing crisis, the portal was quickly resurrected and enabled the London Community Response Fund (LCR) collaboration to respond swiftly and efficiently. The Charity played a leading role in the collaboration and has also put in significant time and resource to make this work, with representation on the LCR Strategy group, Communication group and CYP task group. John Lyon's Charity ringfenced £1M for the immediate COVID response and awarded circa £900K to over 60 organisations during the five waves of funding. The in-depth knowledge and relationships the grants team hold with grantees was crucial in ensuring the Charity's grants were directed to those most in need. The Charity also utilised the insight and real time intelligence of YPFs on the ground to assist in decisions making.

Our Response Timeline

27 March 2020	May 2020	June/July 2020	November-March 2021
<p>Contacted grantees to give assurances on flexibility:</p> <ul style="list-style-type: none"> • Adapting Activities • Discussing Dates • Financial Flexibility • Listening <p>Wave 1 of LCRF:</p> <ul style="list-style-type: none"> • Emergency Response 	<p>Wave 2 of LCRF:</p> <ul style="list-style-type: none"> • Crisis Response • Delivering Differently <p>Launch of newsletter: Lyon Bites</p> <p>Adapting our processes to respond in lockdown:</p> <ul style="list-style-type: none"> • Bank statements • Approval procedure • NYA guidelines 	<p>Wave 3 of LCRF:</p> <ul style="list-style-type: none"> • Crisis • Enable • Adapt <p>June Grants Round as normal</p> <p>COVID SHAFs</p>	<p>November & March Grants Round as normal</p> <p>Increased flexibility on repeat grant requests</p> <p>Developing a future strategy: Home – School - Community</p>
Ongoing conversations with grantees →			

Our approach to tackling the impact of Covid 19 on the CYP sector was to use our core values to define how we responded:

Flexible	Integrity	Collaborative	Ambitious	Fair
Working with our grantees to ensure continuity of our funding and being as flexible as possible around reporting requirements and outcomes. This has allowed us to be nimble and pragmatic in our grant making.	We are a funder with integrity shown by how we listened and collated intelligence and lived experience from each of our grantees on their current situation.	We have supported and collaborated with infrastructure organisations including London Funders, BBC Children in Need, Youth Futures, ACEVO, ACF and NCVO to provide information, support and advocacy for the voluntary sector.	We were ambitious by taking a calculated risk to support emergency grant funding while keeping our regular grants programmes remained open.	We have been transparent and fair with grantees, balancing current need against the capacity to sustain longer term grant making.

Even in the middle of the pandemic we were able to re-open our hugely popular School Holiday Activity Funds. Funding covered all of July and August and organisations could apply for a higher amount (£6K rather than £4K) in recognition of the longer time frame and additional staffing/PPE costs incurred as a result of social distancing. Demand was high with over 80 applications received and circa £300K awarded.

The Grants Team spoke to over 350 grantees between March and July 2020. Charities showed they were trying to adapt by furloughing staff, extending services such as providing emergency food parcels and upskilling staff to offer digital delivery and online mental health first aid training. By listening to our grantees we understood where the impact was being most felt and what the risks for the future are.

What was important to our grantees was that we were **measured** in our response – we helped with immediate emergency needs while also considering a longer-term strategic response. We were also **nimble** and adapted our approvals and payments process to support grantee needs. Being **relational and visible** was also crucial **as it** ensured grantees could have **open, honest conversations** with us. Finally, we had **open** grant making – we maintained our regular grants rounds in addition to offering emergency support.

Finding a lasting solution has taken on a new urgency as the crisis has shown how close many young people are to being swept into poverty when circumstances change. This is why we believe John Lyon's Charity has a duty to respond to this crisis on its doorstep by taking a pragmatic and strategic approach, being as responsive and inclusive as possible. Our long-term strategic response was to launch a new strategy – Home - School -Community – on 1st April 2021. We have ring-fenced £22 million from our endowment to be spent over the next six years to help the CYP sector in our Beneficial Area. We will step up our grant funding to safeguard previous investment in the sector and secure it for future generations. This really is the proverbial rainy day and our funding has never been more needed.

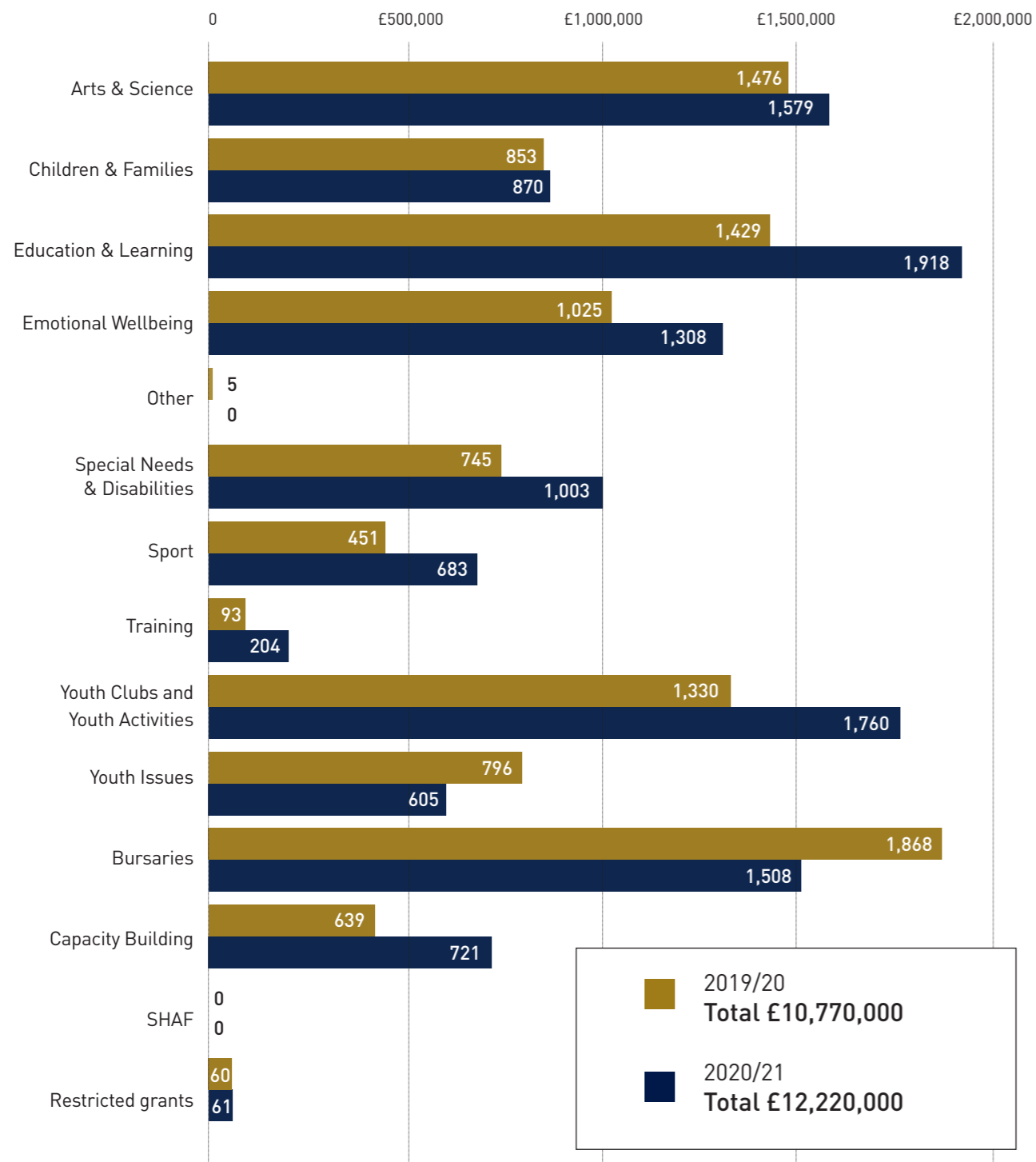


Dr Lynne Guyton
Chief Executive Officer

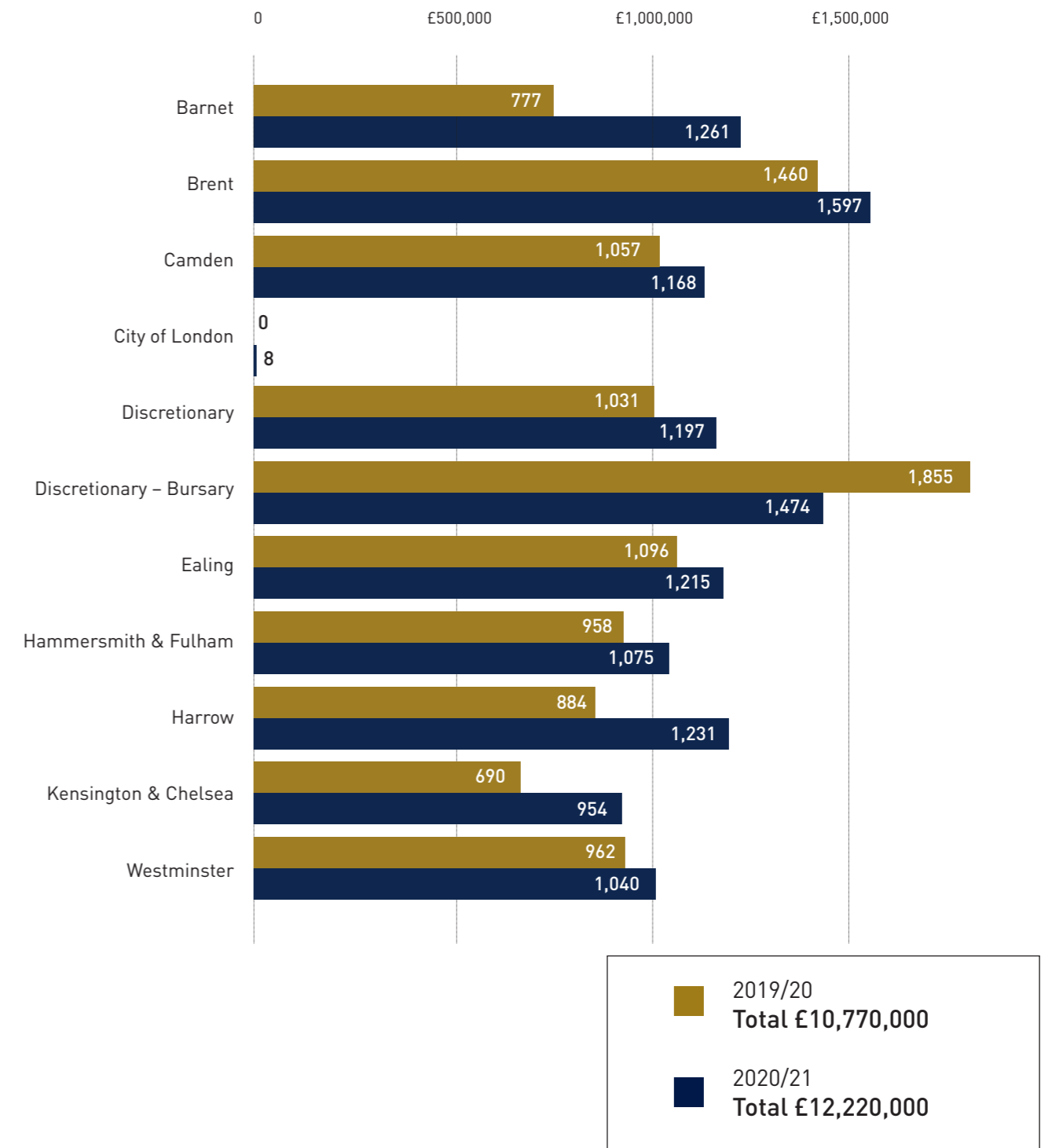
Overview of Grants

Total Grants paid **£12.22m** (2019/20 – £10.77m)

Funding by Programme Area



Funding by Borough



Funding by Grant Type

	2019/20 £'000	2018/19 £'000
Schools in Partnership	1,004	836
Bursaries	1,508	1,868
Small Grants (below £5k)	22	60
Main Grant Fund	7,536	7,141
School Explorer	(1)	12
SHAF	329	358
Internship	12	66
Capacity Building	707	429
COVID-19	903	-
Exclusion	200	-
Total	12,220	10,770

Total Number of Grant Applications

	2020/21	2019/20	2018/19	2017/18
Approved	240	255	259	260
Declined	164	207	135	199
Total Applications	404	462	394	459

404 requests were received during the last financial year, and as of 31st March 2021, 240 had been approved and 164 had been declined.

The total number of grant applications has remained fairly consistent over the past four years, with the total number of successful applicants at 59% in 2020/21. We have a flexible approach to grant-making, often working with an applicant for several months to ensure their application succeeds. We undertake grant making by 'walking around' on the ground to fully understand the needs of applicants which contributes to the high number of successful applications

Grant Payments by Size

Range £	No. of Grants Payments	Total 2020/21 £'000	No. of Grants Payments	Total 2019/20 £'000	No. of Grants Payments	Total 2018/19 £'000
0-5K	65	196	119	444	126	495
5,001-15K	110	950	57	618	70	607
15,001-40K	275	8,062	265	7,435	250	6,925
Over 40K	48	3,012	38	2,273	48	4,228

The number of grants made over £15,000 has increased since last year, as has the total number and value of grants over £40,000. We are already seeing the impact of organisations requiring larger grants to survive the crisis caused by Covid 19.

Report of the Trustee

1. Introduction

The Trustee is the Corporation founded by Royal Charter granted by Queen Elizabeth I on 8th February 1572 to John Lyon, the founder of Harrow School. The Corporation is commonly known as "The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon".

The Corporation is a separately Registered Charity (No. 310033) responsible for Harrow School and The John Lyon School. The Corporation and its subsidiaries together with John Lyon's Charity is commonly known as the John Lyon's Foundation.

In presenting this report for the year ended 31 March 2021 the Trustee has prepared the Financial Statements in accordance with the accounting policies set out in the notes to these financial statements and comply with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities."

2. Objectives and Activities

a) The Objects of the Charity

Under the Scheme (outlined in 3.a) the yearly income of the Charity is applicable for the following charitable purposes:

- a. the relief of the aged, disabled or poor inhabitants of the London Boroughs of Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow and the Royal Borough of Kensington & Chelsea and the Cities of London and Westminster ("the inhabitants") which together form the Charity's Beneficial Area;
- b. the relief of distress and sickness among the inhabitants;
- c. the provision and support (with the object of improving the conditions of life for the inhabitants in the interest of social welfare) of facilities for recreation and other leisure time occupations;
- d. the provision and support of educational facilities for the inhabitants; and
- e. any other charitable purposes for the benefit of the inhabitants;

in accordance with certain rules required by the Scheme. The Rules are reviewed every three years and amendments approved by the Charity Commissioners for England and Wales. The current Rules were adopted by the Trustee on 30th November 1991 subject to amendments in

1996, 2001, 2013 (when a minor change was made to value thresholds on consultation) and 2017 (on delegation powers and consultation with each Local Authority on grant allocations and percentages of grants per borough).

The Trustee has referred to the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities and setting the grant making policies.

b) The Activities of the Charity

John Lyon's Charity awards grants to a wide variety of projects and initiatives that support children and young people. These Programme Areas reflect the variety of ways in which organisations seek to help children and young people either by providing them with opportunities or seeking to address specific needs directly. Grants are awarded to registered charities, state schools and organisations within the Charity's defined Beneficial Area. The breakdown of grants by area, programme type and grant fund are shown in the previous section.

3. Governance, Structure and Management

a) Governance

The Charity is governed by the Scheme contained in The Charities (John Lyon Road Trust) Order 1991 (SI 1991, No.1141) as amended by a scheme dated 28 November 1996, trustee's resolutions dated 11 January 2017 and 18 March 2017 (both made pursuant to section 280 of the Charities Act 2011), and a Scheme dated 14 November 2018; and (ii) an Order of the Charity Commission dated 14 November 2018 made under section 105 of the Charities Act 2011.

b) Charity Management

The Charity had an average total of 12 permanent staff in the year. The day-to-day management of the Charity's affairs is conducted through the Chief Executive Officer as the senior executive officer of the Charity reporting to the Trustee through the Charity Management Board. The senior management team includes the Grants Director and Finance Director.

c) Structure

The Charity has a clear organisational reporting governance structure with Terms of Reference (ToR) documenting lines of authority and delegation. Each Committee is chaired by a member of the Corporation and is constituted by other members of the Corporation, co-opted members who give specialist advice, and the Chief Executive Officer of John Lyon's Charity. Each committee has Terms of Reference (ToR) which set out its accountability and purpose. The ToRs are reviewed annually. Each Committee's meetings are noted and circulated to show decision making, actions and issues.

In accordance with the Charity Governance Code, a more robust and accountable governance structure was implemented towards the end of 2018. Good governance is fundamental to John Lyon's Charity's success. It enables and supports our compliance with the law and relevant regulations. It also promotes a culture where everything works towards fulfilling our vision.

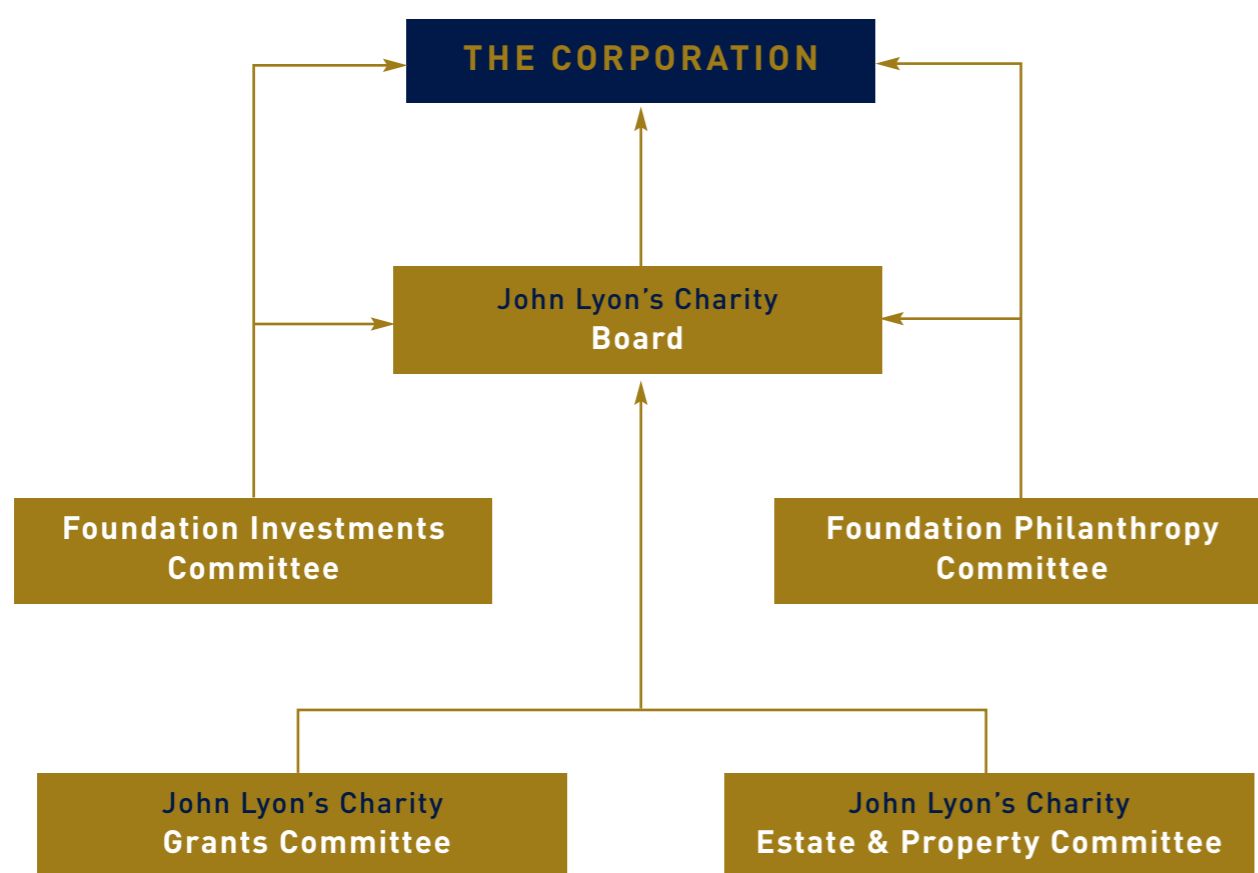
The Charity has a fully functioning Charity Management Board with seven members comprising five Governors representing the Trustee and two independent members. The Charity will commence a search for an eighth trustee during 2021/22.

d) Diversity

The Charity has a fully functioning Charity Management Board with five Governors and two independent members representing the Trustee. An audit of skills, experience and diversity was carried out in early 2019. The appointment of two independent members to the Board was successful in creating more diversity.

The Charity voluntarily undertook a Race Equality Audit which had been designed by the Funders for Race Equality Alliance (FREAA). The results of the audit demonstrated that the Charity had already implemented a number of positive practices, but there was room for improvement. The Association of Charitable Funders has also developed some very helpful guidelines in relation to diversity, equality and inclusion more generally. In the coming year, the Charity will conduct a full internal review among staff and trustees of its own practices in terms of policy making, employment and grant making.

John Lyon's Charity Governance Structure



Charity Management Board

The purposes of the Board are:

- a. To supervise and from time to time direct the management of the Charity, including its strategy, policies, investments and finances.
- b. To supervise and from time to time direct the activities of the Charity Grants Committee, the Charity Estate & Property Committee, and such other committees or working groups as there may be of the Charity.
- c. To have oversight of the activities of the Foundation Investments Committee, Foundation Philanthropy Committee and such other committees or working groups as there may be of the Foundation, to the extent that they relate to the Charity.

The Charity Management Board will:

- a. Have overall responsibility for the formulation and oversight of the Charity's strategy and policies for recommendation to the Governing Body (the 'Corporation') including, but not limited to:
 - i. The strategy and policy for the Charity's grant making activities (the 'Charity's Grants Policy') (including all small grants programmes).
 - ii. The Charity's investment strategy and policy (the 'Charity's Investment Policy').
 - iii. The Charity's total return policy.
- b. Have overall responsibility for overseeing the investment and management of the Charity's assets.
- c. Monitor the implementation of the Charity's Investment Policy, review the Investment Policy annually and advise the Foundation Investments Committee and/or the Governing Body on any recommended changes.
- d. Receive and review reports and recommendations from the Charity Grants Committee in relation to the Charity's grant making activities and make decisions (in accordance with the Charity's Grants Policy approved by the Governing Body) on all grant applications referred to it by the Charity Grants Committee.
- e. Determine (on an annual basis) the maximum amount (within the annual budget for grant making approved by the Governing Body) that may be awarded (per individual grant and in aggregate in each year) under the Charity's small grants programme.
- f. Receive and review reports and recommendations from the Charity Estate & Property Committee in relation to the management and composition of the Charity's property portfolio and make decisions (in accordance with the Charity's Investment Policy approved by the Governing Body) on all matters referred to it by the Charity Estate & Property Committee.

Grants Committee

The purpose of the Grants Committee is to:

- Oversee and make recommendations to the Charity Management Board in relation to the Charity's grant making activities.

The Grants Committee will:

- Formulate the criteria for the Charity's grant making (in accordance with the policy for the Charity's grant making as determined by the Charity Management Board) for recommendation to the Charity Management Board.
- Consider details of the Charity's individual grant applications and make recommendations to the Charity Management Board for their approval or otherwise.
- Monitor the implementation of the Charity's small grants programmes.
- Monitor and evaluate the effectiveness of the grants approved by the Committee and the other activities carried on by the Charity's staff and advisers and report to the Charity Management Board thereon.

The Charity has several specialist advisers who are engaged on a consultancy basis to advise on specialist areas in grant making. Full details of these advisers appear in the annual report and on the Charity's website. The grant-giving guidelines and details of the application procedures are published on the website and reviewed regularly.

The Charity pays advisers a fee to work with individual organisations to assist them in areas such as business plans, staffing, board issues, operations, organisational structure, and programme delivery. This occurs either before a grant has been awarded or during the lifetime of a grant. During the assessment process of individual organisations by advisers, they frequently provide advice and guidance on an informal basis over a range of capacity issues.

Estate & Property Committee

The purpose of the Estate & Property Committee is to:

- Oversee, manage and make recommendations to the Charity Board in relation to the management and administration of the Charity's Property Portfolio.

The Estate and Property Committee will:

- Be responsible for the management of the Charity's Property Portfolio.
- Formulate the strategy and any policies relating to the Charity's property portfolio, for recommendation to the Charity Management Board.
- Oversee the enfranchisement process for the Reversionary Portfolio.

d. Supervise the participation by the Chairman, the Charity's surveyor and the Chief Executive Officer in the conduct and use of the Scheme of Management.

e. Oversee or make decisions relating to the terms of leases of properties in the Charity's property portfolio, including but not limited to considering and determining requests for consent and approval.

f. Make decisions on the sale and acquisition of property assets or interests and determine the terms of any such transaction on the recommendation of the Charity's surveyors.

g. Monitor the investment performance of the Charity's property portfolio.

Foundation Investments Committee

The purpose of the Investments Committee is to:

- Take responsibility for the financial investment assets and, with the advice and assistance of the Investment Manager, responsibility for determining the appropriate financial investments.

The Investments Committee will:

- Monitor the performance of the Investment Advisor and advise on strategic asset allocation between cash, financial investments and property for recommendation to and approval by the Trustee (annually).

There is an Investment Policy which was updated in December 2020. The Charity seeks to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return of inflation (CPI) plus 4% per annum over the long term, (after expenses) for the financial investment portfolio. The Charity takes a long-term view of its assets and this is demonstrated through the market positions it takes with regard to both financial and property investments. Providing short-term gain is not the objective; rather sustainability of the assets is fundamental to ensure longevity of grant giving and sustainability of returns.

The Charity has also adopted a Socially Responsible Investment Policy in December 2020. As custodians of an endowment, the Investment Committee endeavours to use all its assets, including investments and properties, to have the greatest possible positive impact on children and young people in the Charity's Beneficial Area. It recognises the importance of environmental, social and corporate governance issues in the selection and management of investments within the portfolio. The Committee requires all fund managers to have an environmental, social and governance policy in place. It also ensures that a consideration of environmental, social, governance and ethical factors are a standard part of the selection process when appointing new fund managers.

Foundation Philanthropy Committee

The purpose of the Philanthropy Committee is to:

- Ensure the growth and support of collaborative charity projects and ventures across the John Lyon's Foundation (Harrow School, The John Lyon School and John Lyon's Charity).

The Philanthropy Committee will:

- Work to create more joined up thinking and to be more strategic about joint initiatives.
- Ensure high quality communications.
- Harness the power of the Foundation for the benefit of charitable causes.
- Help boys at both Schools become more involved in charity at a local level.
- Embed philanthropy across the Foundation.
- Raise the profile of John Lyon's Charity within the two schools.

4. Future Strategy

Covid-19 has had a devastating impact upon the children and young peoples' (CYP) sector in the Charity's Beneficial Area. This has exacerbated the difficulties the sector was already facing following the multiple funding cuts experienced over the past decade, threatening to sweep away even the strongest of organisations. We have ring-fenced an additional £22 million from our endowment to be spent over the next six years to help protect the CYP sector in our Beneficial Area. This funding will be in addition to the Charity's ongoing annual grant giving of c.£12 million per annum. From 1st April 2021, we will act to step up our grant funding to safeguard previous investment in the sector and secure it for future generations.

Home – School – Community: The Strategy

The Charity has 30 years' experience of grant giving to the CYP sector in our Beneficial Area. We have the reputation and the tenacity to make a difference. To ensure the continued health and effectiveness of the vibrant voluntary sector across the Charity's boroughs, we have created a strategic approach to protect the CYP sector in the long term, with the core focus on Home – School – Community; the three main points of reference in any child's life. The Home – School – Community strategy is in complete synergy with our current overarching grant giving structures and will compliment an existing funding portfolio designed around the Charity's expertise and CYP needs. The additional funding will allow us to do more of the same, but crucially this further investment will allow us to make a bigger difference to the CYP voluntary sector in our Beneficial Area at this vital time.

The impact of Covid-19 threatens to sweep away even the strongest of organisations. Once they are gone, they won't come back. We want to safeguard the CYP sector within the Beneficial

Area; Home - School - Community will seek to ensure that every viable organisation can survive and thrive, providing the vital services needed in the local community. Our mission is to help those charities that are already recognised as being essential to the health and diversity of the voluntary sector within the Beneficial Area and who make a very real difference to the lives of young people. These charities are a part of the social fabric. We know we cannot save every organisation that is at risk of closure but where it can, the Charity will commit to provide alternative resources and advice.

How Will We Do This?

Most young people spend their time either at school, at home or in the community (such as at a youth club). It is already part of the Charity's ethos to work collaboratively across these three environments and support organisations who already competently work in these areas. Additional funding would reinforce and add scope to this holistic approach and demonstrate that each vertex of the funding triangle (Home - School - Community) is as important as another in impacting on children and young people and their future life chances.

Home The importance of a stable and safe family environment cannot be underestimated in the normal growth and development of a child. Home is the constant; it is where life begins, and it is the most significant factor in whether a child succeeds or otherwise later in life. The first '1000 days' of a child's life (from conception to age two) is a unique period when a child's brain begins to grow and develop and when the foundations for their lifelong health are built. All too often, families under strain are unable to manage not only during these first 1000 days, but far longer. Lockdown has put incredible stress on often fragile relationships within the home, and families were left without the support systems in place that were vital in keeping families together. We know that incidences of domestic abuse increased massively over this period; family breakdowns due to inability to cope day in day out with children with additional needs over this period also increased. This Home (and family life) strand will focus on supporting organisations that work with those families who have suffered exponentially during the last six months.

School Children have to go to school; and the majority of children do attend school and spend most of their time there. It is therefore an ideal place to carefully target funding to have the most impact. The Charity has long supported schools directly (particularly through emotional wellbeing initiatives) as well as through organisations delivering projects within schools, such as enrichment activities through a range of Arts providers. The Charity's funding will not replace that which schools should be providing themselves, but rather, adds value to the experience of young people in school. Funded initiatives bring insight into a wider world and provide routes to extend those opportunities as real options, especially for those for whom horizons are so often far too narrow or simply not exist. The Education & Learning Programme Area is often one of the highest areas of spend for the Charity in recognition of the importance of engaging children in school. Schools are increasingly charged with the wider pastoral needs of children and links with home are vital. It is becoming more necessary for schools to create partnerships with organisations beyond the school gates to support them in this provision. This School strand will support schools in the creation of these partnerships and seek to target funding to a wide cross section of children who do not access support elsewhere.

Community These are places where young people can go to (outside formal learning settings or

their home) to take up activities that are rewarding, fun and they are vitally important. They serve to broaden horizons, give a sense of independence and develop skills. Often these activities are provided by voluntary sector organisations e.g. youth clubs and are free to members to ensure that they are open access and inclusive. In the context of local authority funding cuts in the wake of Covid-19 and the difficulty in sourcing funding for these activities, the Community strand would aim to maintain and increase youth and play provision throughout the Beneficial Area.

Home – School – Community and its Five Concepts

To ensure distribution of the additional spend adheres to the regular grant giving principles we have invested in over the last 30 years, we have established five new concepts to cement Home – School – Community and its strategic approach. These five concepts embrace the Charity's longstanding vision and will go further to unlock doors to ensure groups are reached, rehabilitated and recovered in light of the current crisis.

Recovery Covid-19 has had a devastating impact upon the CYP sector in our Beneficial Area. The additional funding is dedicated to the Recovery process to ensure that organisations will survive a post-Covid world. The Recovery approach is designed to support organisations severely impacted financially by the pandemic, that have experienced a significant drop in income, which cannot easily be replaced. This Recovery approach within the Home - School - Community strategy is vital to help ensure that organisations are sufficiently resourced and able to concentrate on the delivery of the vital services that they provide for their local communities.

Collaboration Collaboration is a philosophy already embedded within the Charity's grant-giving practice. Collaboration is at the heart of the Home – School – Community strategy and the additional funding will enable more organisations to work together as clusters to address identified needs for children and young people and allow them to push the parameters of their practice. This will include collaborations between schools and local voluntary organisations, working with a variety of other stakeholders to ensure as many organisations are working together in response to issues that have been exposed as a result of the Covid-19 pandemic. A shared approach locally will enable greater intelligence sharing, avoid duplication and more accurate signposting to ensure that services reach the young people most in need.

Replication Over the years we have helped to develop a number of highly successful initiatives that are having an incredibly positive impact on the lives of children and young people. The Charity frequently observes that these initiatives could be successfully replicated to benefit children and young people in other areas, but that organisations often lack the necessary resource and capacity to do so. With the impact of the pandemic still raw for many, not all organisations will be ready or able to expand their services and successfully transfer them to a different area. This additional funding, together with the Charity's knowledge and expertise, will help successful initiatives extend their reach to benefit more children and young people. These initiatives will specifically fall under programmes that represent Disability & Inclusion, Youth Issues, Youth Clubs, Emotional Wellbeing, Young Carers, and Family & Early Years.

Cultural Capital Since Covid-19, schools have been working overtime to help their children catch up on the core academic subjects, putting access to Arts subjects lower down on their agenda. As a result, there are significant numbers of children who are not accessing any Arts

activities at school or being exposed to them through their families or afterschool activities, risking a generation of children who have no 'Cultural Capital'. This is coupled with the crisis that has developed for Arts institutions, and their practitioners, as a result of the pandemic. The schools in the Charity's Beneficial Area are fortunate to be near some of the world's finest Arts institutions. The Charity has funded these organisations to deliver creative learning opportunities that put young people from our boroughs at the front and centre of their offering to help schools deliver high quality arts experience for their children. We have additional funding to bring Arts organisations and schools together, to ensure there continues to be a varied and accessible offer from Arts institutions in London, run by experienced and high-quality practitioners. As a result of this approach within Home - School - Community, it will mean that young people from all backgrounds can access and enjoy the Arts and the value it can bring.

Grassroots Supporting grassroots organisations, that work directly with local communities, has always proven to be an effective way for the Charity to direct its funding to those who need it most. To respond most effectively to these organisations, in recent years the Charity has created Young People's Foundations that support and nurture the CYP sector. YPFs are independent registered charities, and their success in developing good local networks, trusted by even the smallest and newest organisations, have proved to be an excellent vehicle for helping the Charity steer its resources to where they are most needed. One of the functions of the YPFs is to distribute small grants to the local organisations that often cannot access funding directly from larger funders, such as John Lyon's Charity. These are often new organisations that may not be registered as a charity and have very small incomes. We now have an additional funds to allocate directly to the YPFs throughout our Beneficial Area for them to distribute on our behalf to these groups.

Making Change Happen

Our strategic ambition is to find solutions to the two most significant issues facing the voluntary sector today:

1. The disruption of funding for the CYP sector due to Covid-19.
2. The Government's lack of investment across the CYP sector in the last 10 years.

The unprecedented convergence of these issues is leading to a medium-term funding shortage for the CYP voluntary sector. It is crucial to act now to ensure vital services are not lost. The huge disruption to young people's lives caused by the pandemic will put pressure on the Government in the longer term and it is hoped this will lead to a re-focus on the CYP sector. As a responsive, relational and responsible funder, we have walked alongside the groups we fund as the pandemic has unfolded. The unprecedented decision to draw down an additional £22million from our endowment is a direct response to the needs of our groups. We hope this additional investment can make a bigger difference for children and young people throughout our Beneficial Area, when it has never been more needed. We will aim to be the bridge from this current crisis to better times.

Financial Review of the Charity

Endowment and Total Return Policy

The Charity's endowment, which is permanent, derives from conveyances by John Lyon in 1578 and 1581 when the original land in St John's Wood was acquired at a price of £660. It is believed that there have been no material additions to the endowment since the Charity's foundation.

The Trustee originally adopted a total return policy to determine the level of expenditure based on the Charity Commission order made in January 2006. This has been revised in the intervening period and the current total return policy was adopted by the Trustee on 20th March 2021.

In determining the initial unexpended total return, the Trustee had adopted the valuation of the Charity's assets on 31st March 1997, which was the first occasion on which the open market value of all the Charity's assets had been determined. The valuation was £63.8 million and the initial, unapplied total return was £176.7 million. As of 31st March 2021, the unapplied total return fund is £328 million.

In 2010 the Governors adopted the current Total Return Policy applying to all the Charity's assets. The main purpose of adopting the Total Return policy was to provide certainty at the beginning of each financial year of the amount that is available to be spent on the Charity's grant giving and support costs. The amount is determined by taking an average of the value of the Charity's assets at the end of each financial year of the previous four years.

From 1st April 2017 the Trustee adopted a model which defines the circumstances which would require a spending review when the financial returns are such that the Endowment moves outside of a prescribed range of 15% either side of a core index of inflation.

From April 2019 the value available for expenditure has been calculated using the total return rate of 3.5%. This is reviewed by the Charity Management Board on an annual basis.

As a long-term response to the impact of Covid-19 on the Charity's beneficial area the Trustee has approved an "Agreed Additional Spend" of £22 million to be applied during the six-year period representing the financial years ending 31st March 2022 to 31st March 2028. The additional funding was approved in March 2021 and will be allocated for spending under the Charity's new "Home School - Community" strategy. The expendable amount applicable to the strategy will be determined on an annual basis by the Trustee.'

Investment Policy

A formal investment policy is in place setting out the strategic asset allocation. This includes an ESG statement to which the Charity adheres to and takes seriously. This takes account of the Charity's extensive property interests and the basis for the measurement of the performance of the various asset classes. The tactical asset allocation is reviewed and revised regularly by the Foundation Investment Committee and the Charity Management Board.

The financial assets portfolio's asset allocation should reflect the Charity's long-term investment objectives and risk tolerances. The portfolio shall be allocated between three primary asset groupings, defined by their role in the portfolio:

- **Growth Assets;** comprising equities and equity-like assets (liquid and illiquid) to drive portfolio growth, support spending and maintain real value over the long term.
- **Diversifiers;** including credit, hedge funds and other alternative assets producing returns with a low correlation to equities to reduce volatility and diversify the portfolio's sources of economic returns.
- **Liquidity Reserves;** comprising government bonds, high quality short-dated credit and cash to provide liquidity to meet spending and other cash requirements during periods of economic stress.

The St John's Wood Estate, consisting principally of residential properties let on long leases, is subject to compulsory disposal of the property interests under the leasehold enfranchisement legislation. It is considered, for the time being, that it is appropriate to retain this original endowment with a view to maximising the proceeds arising under the enfranchisement legislation. In the year, total proceeds of £3.3 million have been received (2019/20 – £3.2 million). The residual value of the reversionary properties as of 31st March 2021 is £33.7 million (2019/20 – £25.5 million). The investment policy excludes these reversionary properties from the asset allocation as they are not regarded as readily disposable on the open market at a level that recognises the full potential realisable on enfranchisement. The investment objective is to generate a level of net yield in real terms of at least 3.5% across the combined property portfolio.

Since 2002 it has been the Trustee's policy to invest the proceeds of the St John's Wood estate in both commercial properties and in the investment portfolio, with several prime residential properties on the original estate being retained where vacant possession has been obtained.

Asset Allocation

Asset Class	Value at 31 March 2021		Value at 31 March 2020	
	£'000	%	£'000	%
Investment Assets				
Fixed Interest	20,291	5%	5,370	1%
UK Equities	17,270	4%	12,708	4%
Global Equities	78,749	20%	82,201	24%
Hedge funds/Alternatives	16,536	4%	14,125	4%
Foreign cash funds	-	-	-	-
Sterling cash	19,476	5%	8,887	3%
Other investments	7	0%	7	
Total Investments	152,329	38%	123,298	36%
Property Assets				
Residential Estate	66,007	17%	65,885	19%
Commercial Property	129,650	33%	119,485	34%
Indirect Property Funds	9,788	2%	10,094	3%
Total Property	205,445	52%	195,464	56%
Investment Assets Totals	357,774	90%	318,762	92%
Other Assets				
Reversionary Estate	33,669	9%	25,507	7%
Other Net (Liabilities) / Assets	282	1%	1,129	1%
Total Net Assets	391,725	100%	345,398	100%

The Total Return on total assets (before management expenses) in the year is reflected at note 10 and is positive at £62.2 million (2020 = £-3.0 million). **Total net assets are valued of £391.7 million, representing a 13.4% increase on the previous year.**

The timing and impact of the worldwide Covid 19 virus epidemic initially had a negative impact on the Charity's financial investments assets, reflected in the value of the assets at the previous year end. One year on from the first lockdown, the Charity's financial investments have increased by 24% on the previous year. The total value of investment assets at the year-end is £162.1 million (2020 = £133.4 million), including indirect property funds, and shows an increase in value of 21.5% on the previous year. Cambridge Associates were appointed as the new Investment Advisors to the Charity at the beginning of 2020. The main fund investment portfolio has been overhauled with expensive funds exited; exposure to gold reduced to 4% (compared to 15% 18 months ago); and a much more long-term strategic view on funds taken.

The Charity has continued to hold investment property assets in both residential and commercial property. Despite Covid-19, the Charity's property portfolios performed exceptionally well with zero voids in the residential portfolio and only three commercial tenants requiring rent modifications. The residential property estate showed unrealised gains based on year end valuation of £0.1 million (2020 = loss £0.6 million) and the commercial property assets also showed a profit on valuation of £10.1 million (2020 = loss £1.4 million).

Annual Income

The income of the Charity derived from its assets totalled £8.72 million, a decrease of 6.5% from £9.3 million in 2019/20.

The Charity's aim under the current total return policy is to distribute grants of between £10m to £12m per annum, depending on grant making opportunities, and the returns on the assets which form the endowment. A conservative view has been taken in our projections of income returns for the next five years. The returns from the reversionary estate which forms the original endowment is expected to fall as the estate is wound down.

Reserves Policy

The Charity has not historically maintained an unrestricted reserve because of the high level of the unapplied Total Return.

Annual Expenditure

During 2020/21 the Charity spent £12.22 million (2020 = £10.7 million) on grants, while operational support costs related to charitable activities was £1.0 million (2020 = £1.1 million). Expenditure on raising funds was £2.6 million (2020 = £4.1 million).

Staff Remuneration

Staff salaries including key management personnel are reviewed annually by the CEO and Charity Management Board. A formal annual review is conducted to assess and ensure remuneration is fair and in line with that paid for similar roles in similar organisations.

The Charity is a Living Wage employer and as such is committed to ensuring staff are paid fairly with a view to retaining and attracting appropriately skilled staff to deliver the Charity's objectives.

Future Commitments

Commitments have been given for grants over the next three years totalling, £8.5 million in 2021/22, £4.5 million in 2022/23 and £1.1million 2023/24. A further £1.4 million has been committed in subsequent years for projects that the Charity has agreed in principle to fund on a longer-term basis, payment of which is, in each case, contingent on the stipulated conditions being met, and review of progress and authorisation by the Grants Committee. The total future commitment is indicated at note 17.

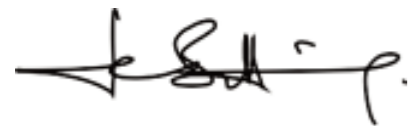
Risk Management

The Trustee, which is responsible for the management of risks faced by the Charity, is satisfied that the major risks identified through the risk management processes are adequately managed but recognise that systems can provide reasonable assurance, but no absolute guarantee, that all important risks are identified and appropriately managed.

Our response to grant making during Covid-19 and subsequently has been nimble, flexible and supportive. In terms of protecting our assets and income from the effects of a bear market or recession, we are confident that the long-term strategic approach we take to all of our investments will mitigate any short-term falls in performance.

Auditors

PKF Littlejohn LLP has expressed its willingness to continue in office as auditors.



J Batting



A Butler

For and on behalf of the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee.

25 June 2021

Statement of the Trustee's Responsibilities

The Trustee is responsible for preparing the Report of the Trustee and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare Financial Statements for each financial year which give a true and fair view of the of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these Financial Statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable 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 Charity will continue in business.

The Trustee is responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enables it to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the Scheme. It is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

Each of the Members of the Corporation and the Chief Executive Officer has confirmed, so far as he or she is aware, that there is no relevant audit information of which the Auditors are unaware, and each Member has taken all the steps that he or she ought to have taken as a Member of the Corporation to make themselves aware of any relevant audit information and to establish that the Auditors have been made aware of that information.

Independent Auditor's Report to the Trustee of John Lyon's Charity

Opinion

We have audited the financial statements of John Lyon's Charity (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information contained within the Report of the Trustee. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of the Trustee; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines 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 Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Financial Reporting Standard 102, relevant property law and regulations, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements,

as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Trustee, as a corporate body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

PKF Littlejohn LLP
Statutory Auditor



15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 9 July 2021

PKF Littlejohn LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006

Statement of Financial Activities

	Note	Restricted Fund £'000	Unrestricted Fund £'000	Endowment Fund £'000	Total Funds 2020/21 £'000	Total Funds 2019/20 £'000
Income and Endowment from:	<i>1</i>					
Charitable Activities		58	-		58	64
Property Investments	<i>2</i>	-	-	7,161	7,161	7,364
Investments	<i>3</i>	-	-	1,501	1,501	1,908
Total Income and Endowment		58	-	8,662	8,720	9,336
Expenditure on:						
Raising Funds	<i>4</i>	-	-	2,633	2,633	4,134
Charitable Activities	<i>5-6</i>	61	13,170	-	13,231	11,861
Total Expenditure		61	13,170	2,633	15,864	15,995
Net Gains/(Losses) on Property Investments		-	-	21,704	21,704	(29)
Net Gains/ (Losses) on Investments		-	-	31,767	31,767	(12,575)
Net Income/(Expenditure)		(3)	(13,170)	59,500	46,327	(19,263)
Transfers Between Funds	<i>10</i>	-	12,792	(12,792)	-	-
Net Movement in Funds		(3)	(378)	46,708	46,327	(19,263)
Reconciliation of Funds:						
Total Funds Brought Forward		4	378	345,016	345,398	364,661
Balance at End of Year	<i>1</i>	-	-	391,724	391,725	345,398

There are no recognised gains or losses except as shown above and all income is derived from continuing activities.

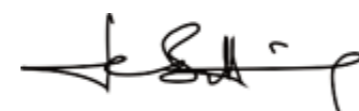
Comparative figures for the respective funds are set out in Note 1.

The Accounting Policies and Notes on pages 37 to 54 form part of these Financial Statements.

Balance Sheet at 31 March 2021

	Note	2021 £'000		2020 £'000	
Fixed Assets					
Tangible assets	<i>7</i>		18		83
Investment properties	<i>8</i>		229,326		210,877
Investments	<i>9</i>		162,117		133,392
			391,461		344,352
Debtors: due within more than one year	<i>11</i>		-		66
Current Assets					
Debtors	<i>11</i>	1,070		1,427	
Cash at bank		4,224		2,239	
		5,294		3,666	
Creditors: due within one year	<i>12</i>	(4,740)		(2,136)	
Net Current Assets			554		1,530
Creditor: due within more than one year	<i>12</i>		(290)		(550)
Net Assets			391,725		345,398
Represented by:					
Endowment fund	<i>14a</i>		391,724		345,016
Unrestricted fund	<i>14b</i>		-		378
Restricted fund	<i>14c</i>		1		4
			391,725		345,398

The Trustee's Report and these Financial Statements were approved by the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee on 25 June 2021 and signed on the Trustee's behalf by:



J Batting



A Butler

The Accounting Policies and Notes on pages 37 to 54 form part of these Financial Statements.

Cash Flow Statement

Year ended 31 March 2021

	Note	2020/2021 £'000	2019/20 £'000
Net Cash outflow from Operating Activities	21	(5,809)	(22,294)
Net Cash inflow from Capital Expenditure and Financial Investment Activities	22	6,293	19,893
Returns on Investment and Servicing of Finance	22	1,501	1,908
Increase/(decrease) in Cash in the Period		1,985	(493)
Cash at the beginning of the year		2,239	2,732
Movement in Cash in the year		1,985	(493)
Cash at the end of the year		4,224	2,239

The Accounting Policies and Notes on pages 37 to 54 form part of these Financial Statements.

Notes to the Financial Statements

General information and basis of preparation

John Lyon's Charity is a charitable trust registered in the United Kingdom. The registered address and charity office is given in the charity information on page 2 of these financial statements. The nature of the Charity's operations and principal activities are grant making.

The Charity constitutes a public benefit entity as defined by Financial Reporting Standards ('FRS 102'). The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011 and UK General Accepted Practice as it applies from 1 January 2019.

The financial statements have been prepared to give a 'true and fair' view and have departed from the charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) rather than the Accounting and reporting by Charities: Statement of recommended Practice effective from 1 April 2005 which has been withdrawn.

The Financial Statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. A review of the Charity's current activity and future commitments has concluded that the Charity has enough liquid assets which can be realised to meet the rate of expenditure under the current total return policy which is itself based upon valuation. In addition, the Charity operates with a minimal cost base.

The financial statements are prepared in Sterling which is the functional currency of the Charity and rounded to the nearest £000.

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

Investment Properties

Investment Properties are stated at open market value in order to comply with the provisions of Accounting and Reporting by Charities Statement of Recommended Practice. Investment Properties which comprise the Reversionary Estate, Residential and Commercial Properties are valued annually as at the year end.

Open market value is defined as the best price at which the sale of an interest in property would have been completed unconditionally for a cash consideration on the date of valuation, assuming:

- a willing seller;
- that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;

Notes to the Financial Statements continued

- c. that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d. that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- e. that both parties to a transaction had acted knowledgeably, prudently and without compulsion.

Gains and losses recognised on revaluation, and gains and losses realised on the sale of investment properties, are taken to the Endowment Fund and included in the SOFA.

No depreciation is charged on Investment Properties.

Rental Income

Rental income is accounted for by reference to the due date under the lease or tenancy.

Investments

Investments are stated at market value as at the year-end.

All gains and losses on sale, and unrealised gains and losses on revaluation of investments at year-end market value, are taken to the Endowment Fund and included in the SOFA.

Tangible fixed assets

Fixed assets acquired with a value below £1,000 are evaluated for capitalisation based on the economic benefit derived in use. All other assets are capitalised. Leasehold improvements are depreciated over the term of the lease.

Office and computer equipment are depreciated at between 20% and 33% on an annual straight-line basis over the assets useful lives.

Grants

Grants payable represent grants paid and payable in the year. Grants payable over a number of years are not recognised until the Trustee is satisfied that the stipulated conditions have been met and payment of a further instalment has been authorised on the recommendation of the Grants Committee.

Taxation

The Charity is generally exempt from direct taxation on investment income and capital gains but is subject to Value Added Tax (VAT). Unless stated otherwise relevant expenditure is shown inclusive of VAT.

Pension Costs

Pension contributions, which are to defined contribution schemes, are charged to the SOFA in the period to which they relate.

Operating Leases

Rentals payable under operating leases are charged to the SOFA on a straight-line basis over the period of the lease.

Notes to the Financial Statements continued

1. Analysis of the Statement of Financial Activities

for the year ended 31 March 2021

	Restricted Fund 2020/21 £'000	Unrestricted Fund 2020/21 £'000	Endowment Fund 2020/21 £'000	Total Funds 2020/21 £'000
Income and Endowment from:				
Charitable activities	64	-	-	64
Property investments	-	-	7,364	7,364
Investments	-	-	1,908	1,908
Total Income and Endowment	64	-	9,272	9,336
Expenditure on:				
Raising funds	-	-	4,134	4,134
Charitable activities	60	11,801	-	11,861
Total Expenditure	60	11,801	4,134	15,995
Net Gains on Property Investments	-	-	(29)	(29)
Net Gains on Investments	-	-	(12,575)	(12,575)
Net Income/(Expenditure)	4	(11,801)	(7,466)	(19,263)
Transfers between funds	-	12,179	(12,179)	-
Net Movement in Funds	4	378	(19,645)	(19,263)
Reconciliation of Funds:				
Total funds brought forward	-	-	364,661	364,661
Balance at end of year	4	378	345,016	345,398

Notes to the Financial Statements continued

2. Income from Property

	2020/21 £'000	2019/20 £'000
Residential rents	2,382	2,183
Commercial rents	4,779	5,181
Total Incoming Resources from Property	7,161	7,364

3. Income from Investments

	2020/21 £'000	2019/20 £'000
Investments	1,500	1,589
Bank and deposit interest	1	19
Loan interest	-	300
Total Incoming Resources from Investments	1,501	1,908

4. Expenditure on Raising Funds

	2020/21 £'000	2019/20 £'000
Property management charges	390	374
Property repairs and other expenses	1,347	870
Total cost of generating income from property	1,737	1,244
Other management and support costs	896	2,890
	2,633	4,134

Notes to the Financial Statements continued

5. Analysis of Charitable Activities

Direct charitable expenditure represents grants made under the Scheme by the Charity. The policy of the Trustee is to restrict grants to registered or exempt charities and not to make grants to individuals.

	Total 2020/21 £'000	Grant Funded Activity £'000	Support Costs £'000	Total 2019/20 £'000	Grant Funded Activity £'000	Support Costs £'000
Arts & Science	1,710	1,579	131	1,627	1,476	151
Children & Families	942	870	72	940	853	87
Education & Learning	2,077	1,918	159	1,574	1,429	145
Capacity Building	781	721	60	704	639	65
Emotional Wellbeing	1,417	1,308	109	1,130	1,025	105
Other	-	-	-	6	5	1
Special Needs & Disability	1,086	1,003	83	821	745	76
Sport	740	683	57	496	451	45
Training	221	204	17	102	93	9
Youth Clubs and Youth Activities	1,907	1,760	147	1,466	1,330	136
Youth Issues	655	605	50	877	796	81
Bursaries	1,634	1,508	126	2,058	1,868	190
Restricted grants	61	61	-	60	60	-
	13,231	12,220	1,011	11,861	10,770	1,091

Notes to the Financial Statements continued

6. Support Costs

The breakdown of support costs is shown in the table below. The allocation to Charitable Activities is shown in Note 5 above.

	2020/21 £'000	2019/20 £'000
Audit fees		
- current year	26	27
- prior year over/(under) provision	3	(1)
Valuation fees		
- current year	56	23
- prior year (over)/under provision	3	(14)
Depreciation	70	73
Consultancy fees	17	99
Staff costs	540	485
Operating lease - Office equipment	7	9
Other support costs	289	390
	1,011	1,091
Staff Costs		
Wages and salaries	726	663
Social security costs	92	82
Pension & health care contributions	134	109
	952	854

Included in the above amount is salary costs of £412,127 (2020 = £370,097) which relates to expenditure on raising funds and are reflected within other management costs in Note 4.

The Charity contributes as a minimum 15% of pensionable salary to the Pensions Trust, a defined contribution pension scheme established for the employees of voluntary organisations. All employees are members of this scheme (The Flexible Retirement Plan) for which the Charity has no residual liability.

	2020/21	2019/20
Average number of employees during year:	12	11

Notes to the Financial Statements continued

6 Support Costs continued

In the year, the number of employees who were entitled to emoluments of more than £60,001 was as follows:

	2020/21 £'000	2019/20 £'000
£60,001 - £70,000	2	2
£70,001 - £80,000	-	-
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-

The total amount of employee benefits received in the year by key management personnel, was £430,017 (2020 = £409,964). The Charity considers its key management personnel to comprise the Chief Executive Officer, Grants Director, Finance Director and the Trustee.

7. Tangible Fixed Assets

	Leasehold Improvement £'000	Furniture & equipment £'000	Total £'000
Cost at 1 April 2020	259	101	360
Additions in the year	-	5	5
Disposal in the year	-	-	-
At 31 March 2021	259	106	365
Accumulated depreciation at 1 April 2020	208	69	277
Depreciation charge in year	51	19	70
Accumulated depreciation on disposal	-	-	-
At 31 March 2021	259	88	347
Net Book Value at 31 March 2021	-	18	18
Net book value at 31 March 2020	51	32	83

Notes to the Financial Statements continued

8. Investment Properties

	2021 £'000	2020 £'000
Reversionary estate	33,669	25,507
Residential properties	66,007	65,885
Commercial properties	129,650	119,485
Market value	229,326	210,877
Balance at beginning of year	210,877	216,762
Additions at cost	13	607
Unrealised gain/(loss) on revaluation	20,323	(1,498)
Disposals at valuation	(1,887)	(4,994)
Balance at end of year	229,326	210,877

The investment properties (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2021 by Cluttons LLP, Chartered Surveyors, in accordance with guidance set out in the Valuation and Appraisal Manual of the Royal Institution of Chartered Surveyors.

Properties forming the Charity's original endowment and properties acquired prior to 31 March 1997 were not recorded in the Balance Sheet at the date of acquisition; most of these were acquired many years ago and it is not practicable to identify and disclose the original cost, which is unlikely to be material.

Disposals at valuation during the year resulted in a realised gain of £1.4 million (2019/20 – £1.5 million).

9. Investments

	2021 £'000	2020 £'000
Free (Main) Fund	146,061	117,039
Special Fund	16,056	16,353
Market value	162,117	133,392
Historical cost	156,507	105,523

Notes to the Financial Statements continued

9. Investments continued

Included in the above is sterling cash invested and cash held for investment of £6,260,221 (2019/20 = £6,252,125) in the Special Fund and £13,215,445 (2019/20 = £2,634,661) in the Free Fund. The Special Fund is defined in the Governing Documents.

	2021 £'000	2020 £'000
Balance at beginning of year	133,392	160,024
Investment purchases	132,686	31,163
Net investment realisations	(121,613)	(29,710)
Unrealised gain/(loss) on revaluation	7,075	(13,301)
Net movement in cash held for investment	10,577	(14,784)
Balance at end of year	162,117	133,392

Net investment realisations resulted in realised gains of £24.68m (2019/20 = gains of £0.73m).

At 31 March 2021 the following investments accounted for more than 5% of the overall portfolio:

	2021 £'000	2020 £'000
Children's Investment Fund USD Class	5.0	-
I Shares Physical Gold Plc	5.1	-
The NT World Equity Index Feeder	15.6	-
Ownership Capital Global Equity	7.1	-
Russell Acadian Global Managed	7.0	-
Majedie UK Focus Fund	-	5.2
Man GLG Japan Core Alpha Equity	-	-
Institutional GBP Liquidity Fund	11.8	6.6
Lansdowne Developed Markets Absolute -N-Shares	-	-
Findlay Park American Fund	-	8.5
Schroder Multi Manager International Fund	-	14.9
Schroder Global Gold	-	9.6
Unite student accommodation	-	7.4
Vanguard FTSE Developed Europe	-	5.4
Vanguard S&P 500 UCITS ETF	-	5.6
The Emerging World Fund	5.5	-
Stewart Investors Global Emerging Markets Sustainability Fund	-	5.5
Maj Invest Global Value	7.9	-

Notes to the Financial Statements continued

10. Application of the Power of Total Return

In January 2006, the Charity Commission made an order permitting the Charity to adopt total return investment powers in relation to its permanent endowment in the form of the Commission's model order. In March 2012 the Trustee resolved that, subject to the Charity Commission's approval, the Order be implemented with effect from 1 April 2012 on the basis that the amount applicable for charitable purposes of the Charity shall be determined by reference to the value of all the Charity's assets. The Charity Commission's approval was given on 12 June 2012.

The total return policy (which has been set and adopted by the Trustee in accordance with the 2006 Order) provides that the amount to be applied annually is determined by taking an average of the value of the Charity's net assets on the last four balance sheet dates. The policy allows the Trustee to expend up to 3.25% (3.5% from 31 March 2019) of that rolling average on charitable activities including support costs and the cost of generating funds and governance costs.

The calculation to determine the amount available in the years to 31 March 2020 and 2021 is:

Year ended:	Net Asset Values £'000	4 year Average £'000	Expendable percentage of average %	Expendable amount £'000
31 March 2018	364,258	354,765	3.25	11,530
31 March 2019	345,661	360,567	3.50	12,620
31 March 2020	345,398	361,163	3.50	12,641
31 March 2021	391,725	367,761	3.50	12,872

The amount available for the year ended 31 March 2021 was £12,640,687, and for year ending 31 March 2022 is £12,871,617.

In the current year, the amount available and applied in accordance with the policy was enhanced by the addition of fund made available to response to the Covid-19 funding crisis and was;

	2020/21 £'000	2019/20 £'000
Expendable amount	12,641	12,620
Additional expendable amount	151	-
	12,792	12,620
Transferred to Unrestricted Fund	(12,792)	(12,179)
Reinvested	-	441

Notes to the Financial Statements continued

10. Application of the Power of Total Return continued

Movements in the Total Return Fund in the Year and Application of Total Return from the Endowment Fund

	2020/21 £'000	2019/20 £'000
Opening value of endowment fund at 1 April	345,016	364,661
Less: Opening value of the fund at 31 March 1997	(63,797)	(63,797)
Opening value of Total Return Funds	281,219	300,864
Add:		
Investment return – income	8,662	9,272
Investment return – realised/unrealised gains	53,471	(12,604)
	343,352	297,532
Less:		
Raising funds	(2,633)	(4,134)
Unapplied total return before transfers carried forward	340,719	293,398
Return applied during the year	(12,792)	(12,179)
Unapplied total return as at 31 March	327,927	281,219
Add: value of the fund at 31 March 1997	63,797	63,797
	391,724	345,016

11. Debtors

	2021 £'000	2020 £'000
Amounts due from tenants and managing agents	990	1,412
Other debtors and prepayments	80	15
Due within one year	1,070	1,427
Due within more than one year	-	66
	1,070	1,493

Notes to the Financial Statements continued

12. Creditors

Creditor amounts falling due within one year	2021 £'000	2020 £'000
Grants payable	4,012	1,561
Other creditors and accruals	728	575
	4,740	2,136
Creditor amounts falling due within more than one year	2020 £'000	2019 £'000
Grants payable after more than one year	290	550
	290	550

13. Operating Lease Commitments

As at 31 March 2021 the total minimum payments to which The Charity is committed under non-cancellable operating leases for property and office equipment are:

	2021 £'000	2020 £'000
Due within one year	128	172
Due within two and not later than five years	9	136
	137	308

On termination of the lease for the Charity's office property there is likely to be a claim for dilapidations and reinstatement, which it is not expected to exceed £60,000.

Notes to the Financial Statements continued

14. Funds

a. Endowment Fund

The capital assets of the Charity are those derived from the Founder's original gift of land in 1578 and 1581 and represent permanent endowment, subject to the application of the Total Return policy.

b. Unrestricted Fund

The Unrestricted Fund represents income available for distribution in accordance with the Scheme referred to in the Report of the Trustee.

c. Restricted Fund

The restricted Fund represents a grant received from The City Bridge Trust to co-fund the salary and running costs of Young People's Foundations in each of the boroughs of Brent, Harrow and Barnet, Camden, Westminster and Hammersmith and Fulham in the year and the requisite payment of said grant.

2020/21	Balance brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	Balance carried forward £'000
Endowment	345,016	8,662	(2,633)	(12,792)	53,471	391,724
Unrestricted	378	-	(13,170)	12,792	-	-
Restricted	4	58	(61)	-	-	1
	345,398	8,720	(15,864)	-	53,471	391,725

2019/20	Balance brought forward £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	Balance carried forward £'000
Endowment	364,661	9,272	(4,134)	(12,179)	(12,604)	345,016
Unrestricted	-	-	(11,801)	12,179	-	378
Restricted	-	64	(60)	-	-	4
	364,661	9,336	(15,995)	-	(12,604)	345,398

Notes to the Financial Statements continued

15. Transactions with the Trustee and Connected Persons

The Charity made grants in the year to both Harrow School of £465,774 (£491,460 in 2019/20) and The John Lyon School of £525,902 (£744,379 in 2019/20) for the benefit of children resident in the Beneficial Area. Grants for bursaries enable children to attend those schools, who would not be able to do so without that financial support. These grants are aimed at providing wider access to education at the schools and are consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper disclosure of such interests. Four grants totalling £253,800 (2019/20 – Three grants totalling £238,900) were made to charities where one or more such persons are charity trustees. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation

The Clerk to the Corporation is a partner in the firm of Cripps Pemberton Greenish LLP which act as Solicitors to the Charity.

Legal fees of £108,334 (£89,753 in 2019/20) were paid by the Charity to Cripps Pemberton Greenish LLP for work undertaken in connection with the management of the Charity's estates, which are included in the property expenses detailed in Note 4, and for work undertaken in the sale and purchase of property on the Charity's estates, which are included in expenses charged to capital.

	2020/21 £'000	2019/20 £'000
Fees charged to Endowment Fund in respect of investment property transactions	36	141

Angus Goswell is a member of the Corporation and a partner in the firm Knight Frank LLP, the Charity's property managing agents, (from 1 September 2018). Remuneration for Knight Frank's services, based on a detailed contract of engagement, paid by the Charity are:

	2020/21 £'000	2019/20 £'000
Management fees and insurance commissions	386	373
Valuation and lease audit fees	3	23
Capital transaction fees	82	42
	471	438

Notes to the Financial Statements continued

15. Transactions with the Trustee and Connected Persons continued

The Charity Management Board reviews the terms of engagement of the Charity's professional advisers annually.

No individual member of the Corporation received any expenses or other remuneration from the Charity.

16. Ultimate Controlling Party

The ultimate controlling party is the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon, as Trustee (registered charity No. 310033).

17. Future Commitments

Grant commitments

The Charity has committed to multi-year grants including bursary support totalling £15.5 million up to 2026/27, payment of which is in each case contingent on the stipulated conditions being met, following a review of progress by the Grants Committee, and formal authorisation by the Trustee.

Capital Commitments

There were no capital commitments as at 31 March 2021 (2020 - £0)

18. Contingent Liabilities

The Charity is involved in a number of legal actions which are related to property assets. The costs related to these actions cannot be reasonably quantified and the outcome uncertain and therefore no provision has been made in these financial statements.

Notes to the Financial Statements continued

19. Post balance sheet event

As at 31 March 2021 the Charity had fully impaired its investment in an unlisted property company, in addition to associated and linked debtor balances. After the year end the company's directors marketed the land asset held by the company and a sale was completed on 21 June 2021, realising a sum against the previously impaired balances. The amount to be recovered, previously written down through unrestricted funds, totals £3.57M including legal and professional costs incurred in prior years.

20. Analysis of Net Assets Between Funds

2020/21	Total 2020/21 £'000	Restricted Fund £'000	Unrestricted Fund £'000	Endowment Fund £'000
Fixed assets	391,461	-	18	391,443
Debtors due in more than one year	-	-	-	-
Other assets/liabilities	264	1	(18)	281
	391,725	1	-	391,724

2019/20	Total 2019/20 £'000	Restricted Fund £'000	Unrestricted Fund £'000	Endowment Fund £'000
Fixed assets	344,352	-	-	344,352
Debtors due in more than one year	66	-	-	66
Other assets/liabilities	980	4	378	598
	345,398	4	378	345,016

Notes to the Financial Statements continued

21. Reconciliation of Net Incoming Resources before Grants to Net Cash Inflow from Operating Activities

	2020/21 £'000	2019/20 £'000
Total income	8,720	9,336
Total expenditure before grants	(3,644)	(5,225)
Net incoming resources before grants	5,076	4,111
Grants from annual income	(12,159)	(10,710)
Grants from restricted income	(61)	(60)
Net outgoing resources after grants	(7,144)	(6,659)
Depreciation charge for the year	70	73
Decrease in debtors	423	1,255
Increase/(decrease) in creditors	2,343	(15,055)
Income from listed investments and deposit interest	(1,501)	(1,908)
Net Cash outflow from Operating Activities	(5,809)	(22,294)

Notes to the Financial Statements continued

22. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

	2020/21 £'000	2019/20 £'000
Capital Expenditure and Financial Investment Activities		
Net proceeds from property transactions	3,312	5,883
Expenses charged to Endowment Fund	(56)	(27)
Sale of investments	146,305	30,436
Purchase of investments (note 9)	(132,686)	(31,163)
Purchase of plant and equipment (note 7)	(5)	(20)
Sale of plant and equipment (note 7)	-	-
Decrease/(increase) in cash held for investment (note 9)	(10,577)	14,784
Net Cash inflow from Capital Expenditure and Financial Investment Activities	6,293	19,893
Net Proceeds from Property Transactions		
Freehold/lease premium proceeds	3,325	6,490
Purchase of properties (note 8)	(13)	(607)
	3,312	5,883
Returns on Investment and Servicing of Finance		
Income from listed and unlisted investments	1,500	1,589
Deposit and other interest	1	319
	1,501	1,908



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