

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
REVENUES AND GOODS OF THE FREE GRAMMAR SCHOOL OF
JOHN LYON**

**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2022**

CHARITY NUMBER: 310033

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Members

Current members (referred to as Governors) of 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 established by Royal Charter of 19 February 1572 and later incorporated by statute (referred to as The Corporation), Charity Number 310033, which comprises Harrow School, The John Lyon School and its subsidiary entities, and those who served during the year ended 31 August 2022 and up to the date of this report are:

Chairman

Appointed 1 January 2023
Retired 31 December 2022

D G P Eyton CBE MA FIOM³ FIOD FRENG
J P Batting MA FFA

Nominated by:

Chairman, The John Lyon School Board of Governors

Retired 31 March 2022

G W J Goodfellow KC MA LLM
Professor P Binski MA PhD FBA
C G T Stonehill MA
Dr I Dove-Edwin BSc MDCM MRCP
J M P D Stroyan
Mrs M S Brounger LLB
A C Goswell BSc MRICS

Lord Chief Justice
Cambridge University

Retired 31 August 2022

Deputy Chairman and Chairman, General Purposes Committee

Retired 31 August 2022

The Hon A Butler KC MA
D J C Faber MA
R T G Winter CBE BA FCA
A D Hart LLB FRSA
Mrs C M Oulton MA PGCE
Professor D J Payne MChem DPhil
J P J Glover BA
J H Dunston MA ACIL FRSA
Sir J R Symonds CBE BA FCA
Mrs H R Mould MA RGN
Professor A D'Angour MA PhD ARCM
M L Mrowiec MA
C Gallagher MA MSc
Vice Admiral J P Kyd CBE BSc PGDip
N J Enright MA MBA NPQH
Dr S V Rawal PhD
L J Halligan MPhil BSc
Dr D A Taylor MBBS BSc MD FRCP
M C Wallace BCom(Hons)

The Royal Society

Oxford University
Masters

Appointed 19 March 2022
Appointed 1 September 2022
Appointed 26 November 2022
Appointed 26 November 2022

Officers

Head Master, Harrow School
Corporation Bursar
Clerk to the Governors

W M A Land MA FLS FSB
N A Shryane MBE BA MPhil
The Hon A C Millett MA

Addresses

Harrow School

5 High Street
Harrow-on-the-Hill
Middlesex HA1 3HP

The John Lyon School

Middle Road
Harrow-on-the-Hill
Middlesex HA2 0HN

Advisers

Principal Bankers

National Westminster Bank plc
Harrow Town Centre Branch
315 Station Road
Harrow
Middlesex HA1 2AD

Independent Auditors

PKF Littlejohn LLP
Statutory Auditors
15 Westferry Circus
Canary Wharf
London E14 4HD

Solicitors

Cripps LLP
2nd Floor
80 Victoria Street
London SW1E 5JL

Principal Investment Managers

Cambridge Associates Ltd
62 Buckingham Gate
London SW1E 6AJ

Cazenove Capital Management
1 London Wall Place
London EC2Y 5AU

Actuaries

XPS Pensions
11 Strand
London WC2N 5HR

Charity Number

310033

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Status and Governance of the Corporation

The Corporation is responsible for both Harrow School ("Harrow School") and The John Lyon School and was established by Royal Charter granted by Queen Elizabeth II to John Lyon on 19 February 1572 under the formal title of "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" and later incorporated by statute. The original powers of The Corporation were substantially varied by provisions of the Public Schools Act 1868 (as amended), under which The John Lyon School was established, and the various statutes made by The Corporation with the approval, when required, of Her Majesty in Council. The Corporation is a registered charity, number 310033.

Updated statutes for the Corporation were approved by Her Majesty Queen Elizabeth II in Council and adopted by the Governors on 8 June 2016. Under the terms of the new statutes, the number of Governors remains restricted to twenty-five, of whom up to twenty-three are elected by the Corporation itself. This group is still expected to include a representative from each of Oxford and Cambridge Universities and the Royal Society, who are selected by the Governors. Two other Governors are nominated respectively by the Lord Chief Justice and the Head Master and the masters of Harrow School. All Governors are elected for an initial term of five years and are eligible for re-election for a maximum of two further consecutive terms of up to five years. In exceptional circumstances a Governor can serve a further term of up to five years so long as no more than five Governors serve a fourth term at any one time.

Within defined parameters, the management and administration of The John Lyon School is delegated by The Corporation to a separate Board of Governors, the members of which are appointed by The Corporation. Harrow School is an independent boarding school for boys, while the John Lyon School is an independent day school, which became co-educational from Autumn 2021.

The Corporation controls another separately registered charity, The Harrow Development Trust (charity number 296097), which prepares Financial Statements annually to 31 August. Its objects include helping Harrow School to achieve its strategic objectives. This involves raising funds for supporting pupils at Harrow School through the provision of scholarships and bursaries and capital projects undertaken by Harrow School. Appropriations from the Trust to Harrow School are made periodically. In accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities, the Trust is treated as a subsidiary charity of The Corporation and its Financial Statements are consolidated within The Corporation's Financial Statements.

Consolidated Financial Statements

These Financial Statements of The Corporation comprise the activities of Harrow School and The John Lyon School, together with its charitable funds, its trading subsidiaries - Harrow School Enterprises Limited ("HSEL"), Harrow International Schools Limited ("HISL") and Harrow Educational Investments Limited ("HEIL") – and The Harrow Development Trust ("HDT") and The John Lyon School Development Trust ("JLSDT").

The Governors, Officers and Advisers

The names of the current Governors and those who served during the year and the Officers and Advisers to The Corporation are set out on pages 1 and 2.

Recruitment and Training of Governors

The Selection Committee is responsible for considering nominations for future Governors, based on informal guidelines, which include a list of the skills and experience that it is desirable should be represented by Governors of the Corporation and on its committees. The Committee also advises the Corporation on succession planning and other responsibilities delegated to individual Governors. The Clerk to the Governors is responsible for the induction of new Governors who are briefed individually. Guidance and

Recruitment and Training of Governors (continued)

advice on effective trusteeship and updates with information about best practice are brought to the attention of Governors by the Clerk to the Governors and The Corporation Bursar.

Organisational Management

The Governors, who are legally responsible for the overall management and control of the schools, meet as a board at least three times a year. The Corporation ensures that its governance arrangements are appropriate and effective through its appointment of knowledgeable Governors, appropriate risk management processes and through its committees.

The Corporation

The Governors have established committees that exercise pan-Corporation responsibilities including the following: the Foundation Risk Oversight Committee to ensure the identification and effective management of major, high level risks (see Management of Risks and Uncertainties below); the Selection Committee to identify and recommend new Governors; the Investments Committee to supervise and monitor the investment of financial assets; and, the Bond Committee to oversee the investment and use of the proceeds of two private placement bonds issued in 2019 and 2021.

The Chairmen of these Committees in the year were as follows:

Foundation Risk Oversight Committee	- Vice Admiral J P Kyd
Selection Committee	- Mr J P Batting
Investments Committee	- Sir J R Symonds
Bond Committee	- Mr C G T Stonehill

The Governors' Remuneration Committee considers the remuneration of the Heads of both schools, the Foundation Clerk and General Counsel, the Corporation Bursar and, in conjunction with the trustees of the HDT, the remuneration of the Chief Executive of HDT. In doing so, the Committee draws on data produced by independent and anonymous benchmarking surveys of equivalent positions in broadly comparable schools. Overall salary levels and increases for all other personnel are recommended by the Schools' Heads and approved annually by the Governors through the budgeting process, based on benchmarking surveys, market forces and assessments of the cost-of-living.

Harrow School

The following committees have been established: the Strategy Education and Risk Committee to consider important strategic, educational and risk management matters; the General Purposes Committee to consider important financial and operational matters and generally supervise the management and administration of the School's affairs; the Estates Committee to oversee the development and maintenance of the School's estate; the Compliance Committee to oversee compliance with the School's regulatory requirements, to include Health and Safety; and the Pupil Conduct and Wellbeing Committee to oversee the pastoral care and safeguarding of pupils at the School (supplementing specific oversight of safeguarding).

The Chairmen of these Committees in the year were as follows:

Strategy Education and Risk Committee	- Mr D G P Eyton
General Purposes Committee	- Mr D G P Eyton
Estates Committee	- Mr A C Goswell
Compliance Committee	- Dr I Dove-Edwin
Pupil Conduct and Wellbeing Committee	- Mr D Faber

The day to day running of the School is delegated to the Head Master and The Corporation Bursar who attend the meetings of the Governors and relevant committees.

Harrow School (continued)

The strategic development, operational performance and compliance of the international schools operating under the Harrow name and badge are monitored by the Board of HISL.

The John Lyon School

In its supervision of the School's affairs, the School's Board of Governors meets at least three times per year and is assisted in its governance of School affairs by several sub-committees that normally meet once per school term, namely the Finance and General Purposes Committee, the Estates Committee, the Education Committee, Quainton Hall Committee and the Strategy Committee. Each of these committees is chaired by a School Governor. The School's investments are monitored by the Corporation's Investments Committee. Other ad hoc committees are formed as necessary.

The Chairmen of these Committees in the year were as follows:

Finance and General Purposes Committee	- Mrs C E Southgate
Estates Committee	- Mr J H Graham
Education Committee	- Mr N I Kendrick
Quainton Hall Committee	- Mr N J D Enright
Strategy Committee	- Mr R Fox (Retired 31 August 2022)
	- Mr L J Halligan (Appointed 1 September 2022)

The day to day running of the School is delegated to the Head and the Chief Operating Officer, who attend the meetings of the Governors and relevant committees.

Charitable Funds

In addition to the original endowment of the Founder, The Corporation has been the recipient of a considerable number of charitable donations established mainly for the benefit of Harrow School and its pupils, the financial activities of which are recorded in these consolidated Financial Statements. Some of the funds are separately registered with the Charity Commission as subsidiary charities but share The Corporation's charitable number.

Note 23 to the Financial Statements sets out an analysis of the assets attributable to the various funds. Except for the investment properties, the tangible assets are held for use by Harrow School, The John Lyon School, HDT, HISL, HSEL and HEIL.

Relationships and Connected Charities

The Corporation is the Trustee of John Lyon's Charity ("the Charity") which is regarded as a connected charity. It is separately registered (No. 237725) preparing Financial Statements annually to 31 March. The objects of the Charity are to apply its income for charitable purposes to benefit the inhabitants of certain London boroughs. The Charity seeks to promote the life-chances of children and young people through education. The Financial Statements of the Charity are not consolidated in these Financial Statements.

Other related organisations of particular importance to The Corporation, whose financial results are not consolidated in these Financial Statements, are:

- The Harrow School Cricket Fund which was set up in order to help the Governors ensure high quality cricketing at Harrow School. The Fund makes periodic donations to the School. The Fund is a separately registered charity (No.1082374) preparing Financial Statements annually to 31 December.

Relationships and Connected Charities (continued)

- The Harrow International Schools are independently owned and operate under franchise agreements with HISL licensing the use of the Harrow name and badge. The international schools are expected to operate in a manner which is compatible with Harrow's ethos and essential values, extend the School's reputation abroad and to generate income primarily for bursaries and outreach in support of the School's objective to extend the benefits of its education as widely as possible.
- The Harrow Association through which Harrow School benefits greatly from its connections to, and the generosity of, a thriving network of Old Harrovians (alumni) whose close support is greatly appreciated.
- The Harrow Club, a youth club that serves the young people of Notting Dale in West London, which was founded in 1882 by a former Harrow School Head Master and is part of the Foundation's wider family, has benefitted from the active involvement of Corporation Governors, Old Harrovians and staff as trustees. Boys have also visited the Club and fundraise for the Club every year; further collaborative work is planned.

Both Schools have strong links with local charities and schools, the details of which are provided later in this report.

Management of Risks and Uncertainties

The Governors have examined the principal areas of the Schools' operations and considered the major - both strategic and operational - risks confronting the Schools and their related entities. A comprehensive review of the Corporation's risk governance and management processes was considered by the Governors during the year, resulting in a new Foundation Risk Management Policy and the establishment of an oversight committee (see above).

The Governors ensure that sufficient resources are available to ensure that the major risks considered to carry a high level of both impact and likelihood of occurrence have been mitigated to a level acceptable for the schools. The Risk Registers highlight a wide range of political, financial, health and safety, child protection, data protection, data and cyber security, reputational damage and liability risks, with the three most significant being:

- A range of politico-economic and financial risks to the schools' viability, resulting from tax threats and the impact of persistent high levels of inflation;
- Geo-political risk relating to the financial consequences of potential deterioration in Sino-British relations.
- Reputational damage from serious internal operational shortcomings or indirectly through transference from other Foundation entities;

The key controls used by both schools include:

- Monitored compliance with the Foundation Risk Management Policy;
- Detailed terms of reference for all Governors' committees and comprehensive minuting of their meetings;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structures and lines of reporting;
- Regularly reviewed written policies;
- Clear authorisation and approval levels;
- Vetting and safeguarding procedures as required by law for the protection of children; and
- Independent testing of various aspects of regulatory compliance and IT Security to supplement the comprehensive internal processes.

OBJECTS, AIMS, OBJECTIVES AND PERFORMANCE

Charitable Objects

The Corporation's objects, as set out in its Royal Charter and reaffirmed in its current statutes, are the "bringing up, teaching and instruction of children and youth in grammar", such that the pupils of Harrow School give "a very good example to all others to imitate the like hereafter, and also to the common profit of all our subjects" – that is, for the public benefit.

The John Lyon School is a day school which was established by and is maintained by the Corporation.

The Corporation has established and administers bursaries, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of these objects.

The Governors remain mindful of the Corporation's commitment to provide public benefit and have given due consideration to the requirements of the Charities Act 2011 and the guidance produced by the Charity Commission.

Mission Statements

The Corporation, together with its subsidiary companies and HDT, and John Lyon's Charity comprise the John Lyon's Foundation and share the following mission: "Improving the prospects of children and young people through educational opportunities."

In furtherance of this:

- Harrow School's statement of purpose is to:
 - prepare boys with diverse backgrounds and interests for a life of learning, leadership, service and personal fulfillment;
 - broaden access to our world class education through full fee assistance places and other bursaries on a means-tested basis;
 - as a community, commit significant resource to building long-term relationships with partner schools and organisations to provide programmes to improve the life chances of young people who face significant barriers to progress; and
 - commit to working for these purposes in the most environmentally sustainable manner.
- The John Lyon School's purpose is to "treat every pupil as an individual whilst providing both academic excellence and a broad range of opportunities outside the classroom".
- The policy of John Lyon's Charity is to apply its annual income for the benefit, and particularly the education, of children and young people in the nine London boroughs bordering the Harrow and Edgware Roads, which constitute its beneficial area. In the year to 31 March 2022 John Lyon's Charity gave grants to benefit children and young people amounting to £13.0 million.

Aims

The Corporation's aims for the public benefit are to:

- Provide an independent education of very high quality, in order to maximise each pupil's potential and lifelong interests to the benefit of the wider community.
- Develop the Corporation's facilities and educational opportunities, in order to maintain, and where possible improve, the quality of teaching and learning.
- Increase bursary funding, in order to widen access for pupils from a broad range of backgrounds and abilities.
- Provide educational resources including facilities to members of local schools and to other members of the community, consistent with the above aims, so that they too may benefit from them directly.

Primary Objectives

The Corporation's primary objectives to fulfil these aims are to:

- Focus on academic excellence while offering an exceptional range of extra-curricular opportunities.
- Raise and deploy the necessary resources and funds, including those raised by voluntary effort, to improve the schools' facilities, opportunities and bursary provision.
- Facilitate outreach partnerships and appropriate use of the schools' facilities by local schools and other community groups.

The aims and objectives are set for both Harrow School and The John Lyon School to facilitate the achievement of the Corporation's aims and objectives.

Strategies to achieve the primary objectives

In 2020 the Governors agreed four main 'Future Plans' for 2021/22 which the Corporation achieved as follows:

1. Maintaining full schools and academic excellence

Harrow School

The School was full for the academic year 2021/22.

Public examinations returned for the summer of 2022, for the first time since 2019 and the disruption caused by Covid. Centre assessment grades (CAGs) were used in summer 2020 and the teacher assessed grades (TAGs) used in summer 2021. The 2022 A-level results were the strongest ever recorded when compared to previous examined years. Bar the CAG and TAG years, the A*-A rate, and at GCSE level, the School's Grade 9 percentage and Grade 9-A* were the highest on record, surpassing the 2010's previous record year.

At A Level, the outstanding results saw Harrovians take up places at six of the world's top universities. Twenty-four boys took up places at North American universities including Princeton, Columbia, and Stanford. Nearly a third of Harrovians from the 2022 leaving cohort now attend one of the QS world top 20 universities including UCL, Imperial, and UChicago. One boy began a Degree Apprenticeship with Deloitte this autumn.

The John Lyon School

The senior school at John Lyon School was full for the academic year 2021/22, pupil numbers in the newly acquired Nursery and Prep School continued to grow. The 2022 results continued to see strong performance at (I)GCSE Level and, noting the absence of public examinations in 2020 and 2021, the grades are broadly in line with the results of 2019. Overall, the A-Level results continue to be good and the significant increase in the proportion of A* grades is pleasing.

2. Implementing the Corporation's Scholarships and Bursaries Policy

Harrow School

In 2021/22 143 pupils (2020/21 – 123 pupils) benefited from bursaries amounting to £3,125,000 (2020/21 - £2,792,000). Of these awards, 35 attracted remission of at least 95% and a further 78 attracted remission of between 50% and 95%. These awards, based on merit and parental need, helped the School to maintain its educational and other standards and to ensure that financial assistance was given to those who required it. In addition, scholarships worth £448,000 (2020/21 - £383,000) were awarded to 188 boys (2020/21 - 186 boys). In achieving its objective to educate a full school of some 828 boys and based on the Government's published cost per full-time secondary pupil of £6,504 for 2021/22, the School saved the State, after taking account of boys from overseas, at least £4,308,000 during the year. In providing a single sex and boarding education, the School offered something which is not generally or widely available in the maintained sector.

2. Implementing the Corporation's Scholarships and Bursaries Policy (continued)

The John Lyon School

In 2021/22 85 pupils (2020/21 – 115 pupils) benefited from bursaries and hardship awards amounting to £1,287,000 (2020/21 £1,207,000). Of these awards, 52 attracted remissions of at least 75% and a further 10 remissions of between 50% and 74%. These awards, based on merit and parental need, helped the School to maintain its educational and other standards and to ensure that financial assistance was given to those who required it. In addition, scholarships worth £177,000 (2020/21 - £172,000) were awarded to 102 pupils (2020/21 – 101). In achieving its objective by educating pupils during the year, based on the Government's published cost per full-time secondary pupil of £6,504 for 2021/22, the School saved the State at least £3,954,000 during the financial year.

3. Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit

Harrow School

Shaftesbury Enterprise (SE) encompasses all of the School's philanthropic, charitable, outreach and partnership work with a focus on improving the educational outcomes and life opportunities for young people in its neighbourhood, particularly those who face significant barriers to progress. In collaboration with its local partner schools and local authorities, Harrow School is committed to improving the educational attainment and life outcomes of vulnerable pupils, particularly those in care. Through collaborative projects run in partnership with trusted local organisations, the School remains determined to make a significant positive impact on the lives of hundreds of young people in our community.

The School's purpose and long-term strategic investment remains focussed on improving the prospects of vulnerable children and young people in the Borough of Harrow, and further afield, enabling them to fulfil their potential. SE continues to carry out that purpose through transformative interventions ranging from targeted academic support as well as through the provision of diverse co-curricular opportunities with the aim of improving educational attainment, particularly in groups that are under-represented in higher education and professional careers.

SE's vision is to enable every young person in our community, irrespective of background, to thrive and achieve their full potential, find fulfilment, and progress to successful adult lives that allow them to contribute positively to society.

SE aims to fulfil its vision through the following objectives:

Improve educational attainment through:

- Providing appropriate academic intervention at primary and secondary school level

Improve life outcomes through:

- Offering diverse co-curricular opportunities and suitable interventions to support mental and physical well being
- Supporting individuals to access universities or employment, with a focus on young people who would have limited access to such provision

Widen access for those from a broad range of abilities and backgrounds through:

- Providing bursaries, exemplary pastoral support and opportunities in a boarding environment for boys who would thrive at Harrow School making the most of the opportunities offered by the School but for whom the fees are prohibitive

3. Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit (continued)

Almost £500,000 was distributed in the last financial year to fund initiatives which have supported over 10,000 young people facing immensely challenging circumstances across Harrow and north west London through a broad range of programmes.

Every Harrovian remains actively involved in SE initiatives through annual fundraising events and the volunteering and mentoring programme to help young people in the community who face significant hardship. This past year, the Harrow community raised an impressive £216,000 predominantly to support important initiatives which assist young people to fulfil their potential. This enabled Harrow School to support 51 local charities delivering vital programmes for young people in the borough. In the past year alone, over 9,000 hours were invested by Harrow School boys and staff to support SE programmes.

A comprehensive overview of last years initiatives delivered through SE can be found in the Impact Report for 2021/22 <https://digital.harrowschool.org.uk/shaftesbury-enterprise-impact-report-2021-22/index.html>

PRIMARY SCHOOL PARTNERSHIPS

Harrovians have continued to build relationships with local primary schools through partnership work such as reading with young children, supporting them in their maths learning and providing general help with other projects and activities.

Our boys have supported maths primary partnerships and reading projects, with around 100 boys having worked with hundreds of local children. Over 1,000 hours have been dedicated to these projects between September and March of the last academic year.

Reading

Reading schemes usually involve one-to-one reading sessions or group work. Harrovians have worked with pupils who find reading challenging as well as helping the highest achievers to develop their skills. These projects took place largely at the primary schools, with some groups having the chance to visit Harrow School's Vaughan Library for workshops. Reading is known to improve critical thinking and brain development, to improve vocabulary and create more complex chains of reasoning. The chance to explore stories together and to become motivated by watching older boys reading has been very well received by the children.

Mathematics

Harrow's mathematicians have visited local primary schools to run masterclasses for some of their top mathematicians, providing the opportunity for them to be stretched on problem solving and reasoning while having support. All the children who took part in the project were working at an accelerated level.

At the end of the academic year, we invited top mathematicians from our local partner schools to attend two special, fun-filled enrichment days focused on code breaking. The day dedicated to different types of code enabled them to bring together what they had learnt in lessons at school and what they had been taught by Harrow's mathematics teachers.

Woodlands School

Woodlands Primary School in Edgware is a primary maintained school that caters for pupils aged 3 to 11 years with a range of complex and profound learning difficulties. These include severe autism, physical and mobility difficulties, and severe developmental delay. A group of ten boys from Newlands boarding house visited the school weekly during the project cycle to support learning and play activities, as well as enabling the children to access the local community.

The time spent outside the classroom, for example taking walks to the park and helping children to make use of the apparatus, has helped to improve the children's motor co-ordination. These outings are made possible by the presence of the boys as they provide the one-to-one support that is so essential.

Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit (continued)

Chemistry, Fives and Debating

Around 150 Year 6 pupils from Roxeth Primary School and Vaughan Primary School had an introduction to Chemistry, Eton Fives and Debating. This is a weekly programme that allows the pupils to develop new skills whilst practising these three disciplines. The pupils undertake secondary-school-level experimental science techniques in Harrow School's Chemistry laboratories as well as learning the basics of constructing an argument and public speaking in the debating classes. Eton Fives is a non-contact sport developing hand eye coordination and good levels of fitness.

Each school took part in all three disciplines over the course of eight weeks.

Secondary Schools and Young Adults

Harrow School hosts many conferences, talks, revision sessions and careers-focused events throughout the year for Harrovians. We make every effort to extend invitations to pupils of secondary schools and academies from the local area, with around 100 local schools receiving invitations to the majority of School events. We are pleased to report that large numbers of pupils from other schools take the opportunity to attend these events, either online or in person.

Partnership schools include the London Academy of Excellence Tottenham, Bentley Wood High School, Whitmore High School, Ruislip High School, Queensmead School, Tywford Church of England High School, William Perkin School, Harrow High School, Hatch End High School, Rooks Heath College, Fulham Boys School, Dormers Wells High School and St Dominic's Sixth Form College, as well as many others.

Harrow Rifle Corps and Harrow High School

The Harrow Rifle Corps continues to maintain its successful partnership with Harrow High School and welcomes 25 Army cadets for weekly training sessions at the School. Training is overseen by Captain Robson and Major Davies and is delivered alongside Harrow boys, Harrow teachers and staff from Harrow High School.

The cadets, a mixture of girls and boys aged between 14 and 17, take part in a full range of Combined Cadet Force (CCF) activities, which include field craft training, skill at arms instruction and shooting on the School's range, as well as adventurous training, using the full scope of the School's resources, and attendance at the week-long summer camp on the Isle of Wight. Many cadets have been involved in field days at Pirbright Ranges, during which they successfully passed their Basic Advanced Army Tests. This year, we saw one cadet advance to Cadet Sergeant and another to Cadet Corporal.

Shaftesbury High School

Shaftesbury High School is a special needs school in the London Borough of Harrow for children with learning, emotional, behavioural, autistic, communication, medical, physical, sensory and social needs. Harrovians have supported pupils who have been making use of the Harrow School sports facilities.

London Academy of Excellence Tottenham

The School continued its formal partnership with the London Academy of Excellence Tottenham. LAET is an academically selective free school for young people aged 16 to 19, which was opened as part of the White Hart Lane redevelopment in 2017. Pupils from LAET have visited Harrow and taken part in History and English lessons alongside Harrovians. Harrow continues to support LAET in English and History, with the departments linked and working together on the curriculum.

Sport and Mentoring

Harrow boys designed and ran sports projects with Shaftesbury High and a tennis programme with St Anselm's where 60 pupils attended a six week introductory tennis coaching programme. Twelve members of our Lower Sixth worked with Byron Court on a weekly mentoring programme with their Year 6 boys involving sports and a tour of Harrow.

Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit (continued)

School of Hard Knocks

School of Hard Knocks (SOHK) is a unique long-term intervention programme that uses weekly rugby coaching, classroom sessions and mentoring to improve attendance and behaviour at school with the ultimate aim of helping at-risk children avoid permanent exclusion and complete mainstream education in schools. In the fifth year of our partnership with SOHK, Harrow hosted the biggest SOHK festival yet with over 250 boys across year 9, 10 and 11 from SOHK partnership schools to play in a round robin tournament. Harrow boys in the Yearlings E, F, Junior Colts E and Colts C teams also played with members of The XV helping to run, coach and offer encouragement to all the boys. It was a tremendous success and showed how the spirit of rugby can unite boys from all different backgrounds. The day finished with a kit donation from Harrow to SOHK to help facilitate their sessions in the future. We welcomed SOHK in November 2022 for a further charity rugby festival and we continue to grow our relationship.

FirmFoundation

Harrovians continue to work with FirmFoundation, which is a charity based in Harrow that works to support the homeless. Five boys volunteered regularly at daytime drop-ins. Julian Saunders, FirmFoundation's Charity Manager, said that the Harrow boys have "been a valuable addition to the Drop-in, always helpful and respectful with our volunteers and, importantly, with our guests. They engage sensitively and are well received. I have found them to be gracious and unflappable, treating each person regardless of their situation with the same ease and respect.

FirmFoundation is grateful for the work of Shaftesbury Enterprise, the willingness of the boys and their consistent approach regardless of who is sitting in front of them. Often the people we see are at their lowest ebb, and to be involved in a conversation without judgement can be the very thing they need on that day".

Harrow also hosts an annual sleepout to raise money for FirmFoundation; this year around 25 boys raised £6,000.

We have also been able to support educational projects at our partner primary schools with funding through SE grants. In the last academic year, nearly £35,000 in grants has funded a diverse range of projects.

Music

This year, the School's Choral Fellow has visited and established choirs in each school, with a focus on introducing classical music to the children. We have worked with over 130 children, aged between 8 and 12, from six primary schools: Grange Primary School, Byron Court Primary School, St Jérôme Church of England Bilingual School, St Anselm's Catholic Primary School, Norbury School and Newton Farm Nursery, Infant and Junior School. The aim of this partnership work is to establish and further develop the musical opportunities available to children in the immediate area.

Throughout the year, the children have been learning about various genres and examples of the classical repertory, covering music composed as early as the mid-13th century, Sumer is Icumen in, one of the earliest examples of surviving notated canonic polyphony, right through to Howard Blake's famous We're Walking in the Air from the 1982 animated film The Snowman. The children also explored folksongs from the British Isles, works by 20th-century composers such as Ralph Vaughan Williams and songs from the Italian baroque tradition.

One of the highlights of the year was the community opera production of Benjamin Britten's Noye's Fludde in which children from four of the primary schools performed the roles of the animals alongside professional principal singers, boys from Harrow School and girls from Bishopshalt School. This was a fully staged production held in Speech Room alongside an orchestra of 70 instrumentalists and included the use of the organ and piano. The performances were part of the celebration of Harrow School's 450th anniversary and took place during the Community Day Event on 30 April. Preparation for this event included weekly musical rehearsals with the Music Department, a drama workshop with the Drama Department, and an animal t-shirt-making workshop with the Ryan Theatre Production Team. The two performances were very moving and memorable, and we hope to build on this process in future years.

Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit (continued)

There have been five collaborative sessions for the primary schools with boys from Harrow School this year, two of which involved Harrow boys rehearsing and performing to, and with, the children in their own schools. One session introduced the concept of ensemble playing, led by a Harrow School string quartet, as well as acquainting the children with previously unknown instruments. We also hosted a fantastic introduction to the organ in Speech Room, which was led by Director of Music, David Woodcock, and showcased many of the remarkable capabilities of the instrument. This session concluded with a short tour around parts of the School.

At the end of the Summer term, choirs from Grange Primary School and Norbury School were taken to an enrichment day, organised in partnership with the University of Cambridge to introduce them to university life and study. The Directors of Music from Robinson College, Cambridge discussed musical concepts and ideas with the children and introduced them to some of Cambridge's amazing musical opportunities. The children were given a private tour of King's College Chapel including an introduction to the organ by a current organ scholar. Following this trip, we hope to be able to provide more exposure to university as a concept to primary school children who may not have previously considered such opportunities.

In addition to these experiences, we have also helped schools by providing transport for events such as SongFest, as well as assisting with piano-tuning and repair costs at our local schools where necessary.

The initial progress and impact of this music partnership initiative has been well received by all our partner schools, and we will continue to widen access to musical opportunities for the community next year.

Drama

The Jeremy Lemmon Project was established in 2019 with proceeds from the School's gala performance of Twelfth Night at Shakespeare's Globe Theatre, to support drama training, creative collaboration and access to higher education across state secondary schools in the London Borough of Harrow. Jeremy was an inspirational teacher and director of Shakespeare at Harrow, staging a series of productions exploring shared-light playing conditions, and bringing the work to life for generations of students. 2022 saw the third iteration of the project, with students from Bentley Wood High School, Nower Hill High School and Whitmore High School joining Harrow School pupils in this year's company, working practically on Shakespeare with the mentoring of actors from the Globe. The project culminated in a sharing of speeches and scenes in the candlelit surroundings of the Sam Wanamaker Playhouse at the Globe. This year, for the first time, the culminating day of the project included a training session open to teachers of English and Drama from all secondary partner schools, on active approaches to Shakespeare in the classroom.

Lumina Tutoring Programme

Lumina Tutoring Programme was launched during the first national Coronavirus lockdown as a spontaneous and ad-hoc response to the educational challenges faced by care-experienced young people when schools closed. The programme has evolved into an efficient and effective way to meet a real need for looked-after children, a group already at significant educational disadvantage and who are also likely to have been disproportionately impacted by the pandemic in additional ways. In the past year, we were able to support 50 children looked after through the Lumina Tutoring Programme.

Lumina Tutoring provides online, subject-specific, one-to-one tutorial sessions for children and young people who are looked after (CLA), also known as children in care, and to improve educational attainment for CLA. Lumina Tutoring involves a thriving collaboration of like-minded institutions focussed on improving the educational outcomes for CLA bringing together inspirational teachers and mentors with diverse skills and backgrounds and from across the education sector, harnessing their expertise to help a group of young people facing significant disadvantages in thriving and moving on to successful careers in the future. In partnership with Virtual Schools, one-to-one online lessons, predominantly in English, Maths and Science, are being provided by teachers from partner schools on a weekly basis to support the educational progress of young people.

Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit (continued)

Encouraging local school pupils and others to access

The programme works in close partnership with Harrow, Ealing, Brent, Barnet and Sutton Virtual Schools, with the ambition of extending its reach in the months ahead.

The Lumina platform is fully funded by Harrow School and provides comprehensive administrative support for participating schools. A comprehensive safeguarding structure is in place, as is training for teachers joining the Lumina Tutoring programme.

Enrichment Club

In addition to one-to-one online tutoring support, Harrow School runs a weekly after-school enrichment programme for care-experienced young people and young carers. These sessions are held at Harrow School during term time. The first half of the enrichment session supports academic attainment, with young people participating in a carousel of activities across the School site for the remainder of the session. The broad range of activities spans everything from music recording to experimenting with pottery, honing debating skills, participating in various sports and attending dedicated career counselling sessions.

Lumina Summer School

Lumina Summer School is an intensive online Oxbridge preparation course supporting pupils who would normally not have access to such a provision at their local school. The programme consists of live webinars for students offering over 50 hours of content. The thrust of the course is for students hoping to apply to Oxford and Cambridge, with a broad range of subject-specific taster sessions complemented by seminars on writing a personal statement and an opportunity to practise their interview technique with professionals from their chosen fields.

All partner Secondary Schools (close to 100 schools) are invited to attend the full programme of lectures and events. In addition, all departments offer mock interviews for Oxbridge applications (in total over 50).

All webinars are also offered to our Virtual School partners (working with children looked after, some but not all of whom may hold Oxbridge ambitions). This past year, 275 students registered to attend, a course record. The course was augmented with an online mock interview evening for students.

Community Benefits

Almost all of the School's performing arts events are open to the public, including a weekly lunchtime concert series in St Mary's Church.

The School also offers public membership to four sports clubs:

- Harrow School Sports Club offers access to the School's swimming pool, fitness suite and sports hall;
- Harrow School Golf Club offers access to the School's nine-hole golf course;
- Harrow Lawn Tennis Club offers access to the School's all-weather tennis courts; and
- Harrow School Angling Club offers access to the School's fishing lake.

Harrow School also makes its facilities available to the local community throughout the school holidays through the Young Harrow Foundation to ensure that children and young people who would otherwise not have access to holiday programmes have an enriching experience.

The John Lyon School

John Lyon School channels its outreach and community work through Blackwell Enterprise. The Blackwell Enterprise ethos is to use the many benefits of the School, including its pupils, staff, facilities and resources to establish beneficial links with the community, both on a local level and within the wider world. Following

3. Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit (continued)

two years of restrictions on some of the activities and partnerships due to Covid-19 it was good to be able to reconnect with existing partnerships and to develop new connections.

Partnerships

Dr White was able to conduct his role as co-ordinator for the London Academy of Excellence Tottenham (LAET) in person, assisting with teaching Economics to students, supporting one of the LAET Economics teachers with CPD. Assistance was given to one pupil in her application to Cambridge, resulting in an offer to read Geography. LAET students in Geography and Economics visited John Lyon for a day, working with John Lyon students and relevant Heads of Department.

The annual University Fair was run in February 2022, with representatives from several Russell Group universities. Staff and pupils from local partnership schools were able to attend to benefit from the advice on offer.

Sharing of School facilities

The MUGA at Sudbury Fields is used by the Harrow Hockey Club, Middlesex Hockey and The Hockey Lab. The playing fields and pavilions at Sudbury Fields are used by the Old Lyonians, the OL's Football club, St George's School, Harrow Borough Cricket, Middlesex Cricket Club, and the Bowmen of Harrow.

The swimming pool at the Senior School was used by three local primary schools during the year and the pool at the Prep School was used by five community groups during the year.

The Prep School is also used by the local Scout group, a karate school and a weekend maths school. The football pitches and the MUGA at Sudbury Fields, and the Lyon building playground were used by charities working with the Harrow Food and Activity programme during the summer holidays.

Community Service

Sixth form pupils are encouraged to volunteer on Friday afternoons. After two years of being unable to provide in-person community service it was pleasing to see that 76% of pupils volunteered during the year. Pupils participated in:

- Running workshops at John Lyon for Roxeth pupils in Art, Maths and Science.
- Running Sports coaching sessions at Sudbury Fields for pupils from Horsenden Primary School.
- Volunteering at Roxeth Primary School, Norbury Primary School and Horsenden Primary School each week, running Classics sessions, Debating Clubs, Drama activities, mentoring and 'catch up' coaching to pupils.
- Working with the Woodlands Forest School to develop their facilities.
- Working with My Yard – a food sharing and community support group.
- Volunteering at the Eden Academy (formerly the Sunshine School) to support children with sight and hearing impairments.
- Working with the young children at Hillview Nursery School using play activities to develop the children's skills.
- Working with Harrow Young Carers to develop the facilities at Pinner View.
- A new placement has been developed at the Harrow and Wealdstone Youth Centre where our students mentor their clients.
- Volunteering at the Harrow Multiple Sclerosis Therapy Centre.
- Volunteering at work placements such as; Care Homes, a Gurdwara and Charity Shops.

Charity work

John Lyon School continues to support local and national charities through a variety of fundraising activities. During the year close to £13,000 was raised, of which £6,000 was given to the Young Harrow Foundation. The School also supported the Harrow Food Bank through on-going donations of items, with a specific campaign close to Christmas 2021 which generated a significant donation.

3. Encouraging local school pupils and others to access the Corporation's resources and engaging in other activity for the public benefit (continued)

Harrow Development Trust

In 2021/22 the Trustees of HDT continued to support a charitable fund for the purpose of providing relief to people and countries affected by the Tsunami disaster in Asia in 2004 in total, £694,000 has been appropriated for Tsunami relief since then.

4. Progressing the Corporation's development plans

Harrow School

The construction of the new Science Centre is well underway and is expected to be completed in 2023. It will provide 16 state-of-the-art Biology and Chemistry laboratories and a 178-seat lecture theatre equipped with the latest audio-visual technology. Sustainability has been key to the project which includes a number of renewable energy sources together with a sustainable-energy centre supplying efficient utilities to other parts of the School.

The construction of the Science Centre has provided an ideal opportunity for pupils to visit the site, experience this real-life Science, Technology, Engineering or Maths (STEM) challenge and benefit from structural engineers explaining the technical challenges of building on the side of a hill, and the sustainability measures which are key to the project's success.

The extension and refurbishment of the Shepherd Churchill Dining Hall commenced in October 2021 and will be completed in 2024. This project will remodel and extend the existing 1970's dining hall to provide improved dining and catering spaces, rationalising the internal layout and enhancing the building's setting within its landscape.

This is a challenging project, not least because the Catering Department are having to provide 3,000 meals per day during term time, whilst construction work continues all around them.

Planning permission has also been obtained for a further transformative construction project, the new Sports Centre. Sport has been at the heart of Harrow life for over two centuries. The School has drawn up plans for a substantial new centre able to meet the needs of a growing 21st century sports programme. Construction of the new building, which is planned to commence in 2025/26, will provide exceptional training facilities and be widely available for use by our partner schools and the local community.

The John Lyon School

At the Prep School works continued with enhancing the facilities:

- An additional pre-prep classroom was created to facilitate increased pupil numbers.
- Installation of LED lighting throughout the School, improving the study environment for the pupils as well as reducing energy consumption.
- Refurbishing the library, complete with a story tree and french doors which open out onto the play ground, making a much more appealing room for the pupils.

At the Senior School the focus was on two classroom projects:

- A new DT laboratory was created to facilitate the teaching of DT at GCSE level from September 2022.
- The Art room was refurbished, creating a space which can be used more flexibly with enhanced storage facilities.

The appeal hearing for the planning permission for the replacement of the Oldfield classroom block took place on 6th December 2022.

FINANCIAL REVIEW AND PERFORMANCE

Overall Financial Performance

Total income for the Corporation for the year was £74,159,000 (2020/21 - £67,897,000). Unlike the previous two years, Covid-19 did not cause either Harrow School or The John Lyon School to close during term time, resulting in both schools receiving a full year's fee income. However, the global pandemic continued to impact trading activity negatively in the subsidiary companies.

Total expenditure increased to £69,062,000 (2020/21 - £60,267,000). The pandemic has increased expenditure on welfare measures, and together with the economic consequences of the conflict in Ukraine, it has also contributed to double digit increases in inflation. Fixed priced contracts on fuel and power have sheltered the Corporation from dramatic cost increases in the short to medium term, however the Schools have suffered directly from soaring food and materials prices, and indirectly through higher transportation costs.

The net result of HISL increased by £916,000 to £4,732,000, while HSEL recorded a small loss of £42,000 (2020/21 – loss £375,000) although trading activity improved significantly over the course of the year.

The appropriations from HDT for the benefit of the Corporation were £7,000,000 (2020/21 £9,295,000). As a result of the above, net income before transfers and gains/losses for the year was £5,097,000 (2020/21 - £7,630,000).

Net assets on the Balance Sheet decreased by £2,663,000 (2020/21 – increased by £18,552,000) to £188,984,000. The downturn in global stock markets meant that unrealised losses on investment assets were £11,254,000 as at 31 August 2022, compared with unrealised gains of £8,288,000 at the previous year end. The downturn had a positive impact for valuing the defined benefit pension scheme liability. Due largely to the increase in discount rates, the liability reduced by £4,481,000 to £4,336,000 at the year end.

The Corporation is able to fulfil its primary objectives in part due to the significant financial contributions made by HDT and HISL. A detailed analysis of the financial performance of group entities is set out at note 6 i.

Harrow School

Overall, the School's financial performance was satisfactory. After depreciation and some non-recurring costs, but excluding awards, there was an operating deficit of £2,914,000 (2020/21 – deficit of £3,236,000). Cash generated before awards was £2,064,000 (2020/21 £790,000).

The School is full, and demand for places remains high. Expenditure is continuously monitored and controlled, however the impact of inflation has significantly increased the cost base of the School and fees have had to rise substantially to cover some of this increase.

The School continues to invest in its estate with over £100,000,000 budgeted for development of three major projects. The construction of the new Science Centre, as well as the refurbishment and extension of the Shepherd Churchill Dining Hall should be completed by Autumn 2024, before work starts on a new Sports Centre.

Long term debt in the form of two bonds totalling £90,000,000 is in place. The bonds are repayable from 2059 and are to help facilitate timely construction of the developments, providing bridge-finance where necessary. The School's policy remains that all major capital expenditure projects should be funded from donations via HDT.

The John Lyon School

The School's financial performance was satisfactory. The operating surplus after depreciation amounted to £534,000. The School benefitted from healthy pupil numbers for the year, with a total of 816 pupils.

Investment Powers, Policy and Performance

The Investment Committee supervises and monitors the investment of financial assets, and the Bond Committee oversees the investment and use of the proceeds of two private placement bonds issued in 2019 and 2021.

The Corporation seeks to produce the best financial return within an acceptable level of risk. The investment objective for its funds under management is to generate a total return (after expenses) of inflation (CPI) plus 4% per annum over the long term for the financial investment portfolios. This is assumed to be broadly equivalent to Harrow School fee inflation plus 1% per annum (after expenses).

The Corporation invests for capital growth in the long term. The long-term is defined as a minimum of 10 years. It is recognised that the return objective may be difficult to achieve in every period but should be attainable over a 10-year or greater time period.

The Corporation has a total return policy in place for most of its awards funds which allows the Corporation to draw up to 3.75% of a three year rolling average of the fund value annually.

The Corporation's two largest funds are managed by Cambridge Associates Limited, while the smaller funds are invested in the Cazenove Charity Multi Asset and Structural Growth funds.

In line with stock markets across the world, the funds suffered this year due to the impact of inflation, rising interest rates, and an energy crisis made worse by Russia's war in Ukraine. Overall, the funds fell by just over 1.7% in the year.

The Corporation's Treasury deposits, together with 75% of the proceeds from the bonds, are held in short-term, investment-grade, corporate bond portfolios managed by EFG Private Bank Limited to realise greater returns and reduce credit risk. The portfolio generated a yield of approximately 1.4% per annum net of costs.

RESERVES POLICY

Corporation Reserves Policy

As the Corporation is responsible for Harrow School and The John Lyon School, its reserves are held for the benefits of both schools.

The Corporation maintains reserves to ensure that it holds sufficient funds to meet its short-term financial obligations, while making appropriate provision for the essential long-term investment in the refurbishment and continued upgrading of the Corporation's estate.

The Corporation's consolidated reserves totalled £188,984,000 (2020/21 - £191,647,000) at the year end, and comprised the following:

RESERVES (continued)

	2021/22	2020/21
	£	£
* Unrestricted funds	138,585,000	127,292,000
Restricted funds	7,221,000	20,974,000
Endowment funds	43,178,000	43,381,000
Total Reserves	188,984,000	191,647,000
*Unrestricted funds		
Of which tangible fixed assets are:	125,360,000	111,403,000

The unrestricted funds, net of designated funds and a £4,456,000 (2020/21 - £8,942,000) pension liability are primarily deployed in tangible fixed assets which are used for direct charitable activities. In line with many similar charities, and due to continuing and substantial investment in tangible fixed assets, the Corporation has negative free reserves as defined by the Charity Commission.

The Corporation has ambitious estate development plans and has secured £90,000,000 of long-term funding by way of private placement bond issues which ensures that its short-term financial obligations can be met and that the key strategic elements of the principal estates projects can be delivered. The Governors believe that the present levels of reserves are sufficient to meet The Corporation's essential obligations. Nevertheless, the Governors are focused on increasing the level of unrestricted reserves from the operating surpluses of subsidiary companies and fund raising, while in the medium term, benefitting from the returns from invested funds. Increasing the unrestricted reserves will greatly assist the Corporation in fulfilling its Primary Objectives, including further growing the number of pupils who will benefit from bursaries.

The Corporation keeps its reserves policy and level of reserves under regular review, as do the Boards of the individual schools and subsidiary companies who maintain supplementary reserves policies reflecting their individual circumstances and strategic plans, intended to assist in meeting their long-term objectives.

Harrow School Reserves

The Governors' policy relating to Reserves is:

- a. over the longer term to generate significantly enhanced funding for awards and partnerships and by 2026 to have greatly increased the number and real value of bursaries so that at least 30% of pupils would have an average value of award equivalent to 50% of the fees, with the intended funding sources including:
 - i. income from the International Schools;
 - ii. funds raised by HDT through its development campaign for permanent or expendable endowment; and when possible and appropriate.
 - iii. 10% of the School's annual cash surplus (excluding net income from the International schools) and 15% of HDT net annual unrestricted income.
- b. once the funding for scholarships, bursaries and partnerships has been sufficiently enhanced, to then build up the designated funds to the equivalent of a year's school fees;

RESERVES (continued)

- c. thereafter to establish an adequate margin of working capital equivalent to average expenditure for a financial quarter and, until that has been achieved, to permit the maintenance of an overdraft facility in order to provide adequate working capital;
- d. except in special circumstances, to authorise major capital projects only if funding is mainly met through donations, legacies or other appeal income.

The John Lyon School Reserves

At the year end, interest-bearing indebtedness in the unrestricted fund to part finance new facilities stood at £7,029,000 (2020/21 - £7,357,000), of which £2,029,000 was external debt. The longer term policy is to create reserves out of annual operating surpluses once all interest-bearing debt has been repaid while, in the meantime, recognising the need for:

- continuing routine capital expenditure to equip the school with the up-to-date facilities needed to maintain the very high standard of educational services;
- further capital expenditure to upgrade facilities; and
- larger funds to provide for future scholarships and bursaries, generated inter alia by making an annual transfer from net incoming resources of the unrestricted fund when circumstances permit.

Subsidiary Reserves

The policy for the reserves relating to the active subsidiaries is to utilise all income generated for the benefit of Harrow School and The John Lyon School, whilst retaining sufficient reserves to fund working capital requirements.

FUNDRAISING ACTIVITIES

Section 162a of the Charities Act 2011 requires charities to make a statement regarding fundraising activities. Although we do not undertake fundraising from the general public, the legislation defines fundraising as “soliciting or otherwise procuring money or other property for charitable purposes”.

In relation to the above, it is confirmed that all solicitations are managed internally, without involvement of commercial participators or professional fund-raisers, or third parties. The day to day management of all income generation is delegated to the key management personnel, who are accountable to the Trustees.

No complaints have been received in relation to solicitations. Our terms of employment require staff to behave reasonably at all times; all major fundraising activities are approved at a senior level before they are undertaken and are conducted under procedures and protocols formulated and agreed by the Trustees. We therefore do not consider it necessary to design additional procedures to monitor such activities.

FUTURE PLANS

In pursuit of The Corporation’s longer term strategic educational and financial objectives, the main plans for 2022/23 include:

- maintaining full schools and continuing to pursue academic excellence;
- continuing implementation of the Corporation’s Scholarships and Bursaries Policies, thereby widening access;
- continuing to encourage partnerships with, and access for local schools’ pupils and others enabling them to use the Corporation’s resources, both facilities and academic assistance; and
- progressing both schools’ development plans; at John Lyon School this will include the continuing move through the school of co-education (now 2 of 7 year groups) and cementing the all-through school approach from the Nursery at Quanton Hall Prep through to A-levels in Year 13.

Charities Act 2011 and Public Benefit

Under Section 17(5) of the Charities Act 2011, the Governors must have regard to any Charity Commission guidance when exercising any powers or duties to which such guidance is relevant. They are aware of the three relevant Charity Commission guidance notes “Charities and Public Benefit”, “The Advancement of Education for the Public Benefit” (as amended in December 2011) and “Public Benefit and Fee-Charging” and are aware of the withdrawal of the original edition of the latter pending an expected reissue. The Governors acknowledge the statutory requirement to report on The Corporation’s public benefit and they confirm that they have had regard to Charity Commission guidance on public benefit where relevant to matters to which the guidance relates.

Disclosure of Information to the Auditors

The Governors who held office at the date of approval of this Report confirm that, so far as they are individually aware, there is no relevant audit information of which The Corporation’s auditors are unaware; and each Governor has taken all the steps they might reasonably have taken as a Governor to make themselves aware of any relevant audit information and to establish that The Corporation’s auditors are aware of that information.

Auditors

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

The purpose of this statement is to distinguish the responsibilities of the Governors as a body for the Financial Statements from the responsibilities of the auditors as stated in their report.

The Charities Act 2011 requires the Governors to prepare Financial Statements for each financial year which give a true and fair view of The Corporation's financial activities during the year and of its financial position at the end of the year.

In preparing the Financial Statements the Governors follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities' SORP, Accounting and Reporting by Charities;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to assume that The Corporation will be able to continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain The Corporation's transactions, disclose with reasonable accuracy at any time the financial position of The Corporation and enable them to ensure that the financial statements comply with applicable financial regulations and charity law. They are also responsible for safeguarding The Corporation's assets, and hence for taking reasonable steps for the prevention and detection of error, fraud and other irregularities.

Approved by the Board of Governors and signed on its behalf by:

D G P Eyton

Chairman of the Governors

18 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE KEEPERS AND GOVERNORS OF THE POSSESSIONS REVENUES AND GOODS OF THE FREE GRAMMAR SCHOOL OF JOHN LYON

Opinion

We have audited the financial statements of The Corporation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Corporation Balance Sheets, the Consolidated 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 group's and of the parent charity's affairs as at 31 August 2022 and of the group's 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 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 group and parent 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 Governors' 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 Corporation'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 Governors 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 Governors, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the Report of the Governors. 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.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE KEEPERS AND GOVERNORS OF THE POSSESSIONS REVENUES AND GOODS OF THE FREE GRAMMAR SCHOOL OF JOHN LYON

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 Governors; or
- sufficient accounting records have not been kept; or
- the parent charity 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 Governors

As explained more fully in the Governor's responsibilities statement, the Governors 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 Governors are responsible for assessing the Corporation'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 Governors either intend to liquidate the Corporation 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 151 of the Charities Act 2011 and report in accordance with the Act and the 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 group and parent charity and the sector in which they operate 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 group and parent charitable company in this regard to be those arising from the Companies Act 2006, Charities Act 2011, Financial Reporting Standard 102, the Charities SORP 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 group and parent 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 a potential for management bias in the judgements in:
 - the recoverability of debtor balances. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE KEEPERS AND GOVERNORS OF THE POSSESSIONS REVENUES AND GOODS OF THE FREE GRAMMAR SCHOOL OF JOHN LYON

- the depreciation rate applied to tangible fixed assets, which we addressed through considering the useful economic life applied for the types of asset held, and re-performing the calculation to ensure it had been performed accurately in line with the stated policy.
- the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness, and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- the assumptions within the defined benefit pension scheme liability. We addressed this through review of the actuary report prepared by management's expert, testing the reasonableness of inputs to their calculation, and challenging assumptions applied in the valuation.
- relation to the classification of income as unrestricted or restricted. We addressed this through substantive sample testing, including review of source documentation to determine whether the income has been classified correctly under the Charities SORP.

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 parent charity's Governors, 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 parent charity's Governors 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.

PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 5 April 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.

THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
REVENUES AND GOODS OF THE FREE GRAMMAR
SCHOOL OF JOHN LYON

CONSOLIDATED STATEMENT OF
FINANCIAL ACTIVITIES
Year ended 31 August 2022

	Notes	Income Funds Unrestricted Funds	Restricted Funds	Capital Funds Expendable Endowment	Permanent Endowment	2021/22 Total	2020/21 Total
		£'000	£'000	£'000	£'000	£'000	£'000
Income and endowments from:							
Charitable activities							
School fees receivable	1	49,977	-	-	-	49,977	44,644
Ancillary trading income	2i	3,285	-	-	-	3,285	2,546
Charitable grants received	2ii	-	992	-	-	992	983
Voluntary sources							
Other charitable income	2iii	6,704	1,589	807	-	9,100	10,101
Tsunami income		-	16	-	-	16	48
Non ancillary trading income							
Other incoming resources	2iv 3	8,265 30	- 90	- -	- -	8,265 120	6,213 1,010
Investments							
Investment income	4	2,304	100	-	-	2,404	2,352
Total Income		70,565	2,787	807	-	74,159	67,897
Expenditure on:							
Raising funds							
Fundraising costs		1,086	284	-	-	1,370	1,113
Non ancillary trading expenses	2iv	3,400	-	-	-	3,400	2,574
Finance costs	8	3,549	-	-	-	3,549	1,646
Investment management costs		623	1	4	59	687	403
		8,658	285	4	59	9,006	5,736
Charitable activities							
Teaching costs		24,321	-	-	-	24,321	22,405
Welfare costs		7,164	-	-	-	7,164	6,298
Premises costs		14,636	-	-	-	14,636	13,445
Support costs		6,946	-	-	-	6,946	6,217
Grants, awards and prizes	6iii	-	4,336	-	-	4,336	4,043
Other charitable projects		-	13	-	-	13	60
Ancillary trading expenses	2i	2,640	-	-	-	2,640	2,063
		55,707	4,349	-	-	60,056	54,531
Total Expenditure		64,365	4,634	4	59	69,062	60,267
Net Income/(Expenditure) before Transfers and Investment Gains/(Losses)							
		6,200	(1,847)	803	(59)	5,097	7,630
Transfers between funds	9	12,496	(11,897)	(104)	(495)	-	-
Gains on investment properties	12	97	-	24	195	316	-
Gains/(Losses) on investment assets	13	(11,794)	(9)	(23)	(544)	(12,370)	9,941
Net Income/(Expenditure)		6,999	(13,753)	700	(903)	(6,957)	17,571
Actuarial gain on defined-benefit pension scheme	22(c)	4,294	-	-	-	4,294	981
Net Movement in Funds		11,293	(13,753)	700	(903)	(2,663)	18,552
Balances at beginning of year		127,292	20,974	6,679	36,702	191,647	173,095
Balances at end of year		138,585	7,221	7,379	35,799	188,984	191,647

The Corporation has no gains or losses that are not shown above and all activities are continuing.

The accounting policies and notes on pages 29 to 72 form part of these Financial Statements.

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
REVENUES AND GOODS OF THE FREE GRAMMAR
SCHOOL OF JOHN LYON**

**BALANCE SHEETS
At 31 August 2022**

	Notes	Consolidated		Corporation	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed Assets					
Tangible fixed assets	10	129,089	115,305	129,087	115,301
Intangible assets	11	97	107	97	107
Investment properties	12	2,048	1,732	2,048	1,732
Investments	13	174,234	175,397	173,382	174,395
		<hr/>	<hr/>	<hr/>	<hr/>
		305,468	292,541	304,614	291,535
Current asset investments		34	34	34	34
Stocks	14	400	307	278	195
Debtors	15	6,607	5,873	6,501	5,860
Cash at bank and in hand	16	4,319	14,814	4,023	14,658
		<hr/>	<hr/>	<hr/>	<hr/>
		11,360	21,028	10,836	20,747
Creditors: amounts falling due within one year	17	(26,305)	(14,342)	(25,385)	(13,060)
		<hr/>	<hr/>	<hr/>	<hr/>
Net Current (Liabilities)/Assets		(14,945)	6,686	(14,549)	7,687
		<hr/>	<hr/>	<hr/>	<hr/>
Total Assets less Current (Liabilities)/Assets		290,523	299,227	290,065	299,222
Creditors: amounts falling due after more than one year	18	(97,083)	(98,638)	(97,083)	(98,653)
		<hr/>	<hr/>	<hr/>	<hr/>
Net Assets before Pension		193,440	200,589	192,982	200,569
Pension Scheme Liabilities	22	(4,456)	(8,942)	(4,456)	(8,942)
		<hr/>	<hr/>	<hr/>	<hr/>
Net Assets including Pension Scheme Liabilities		188,984	191,647	188,526	191,627
		<hr/>	<hr/>	<hr/>	<hr/>
Represented by:					
Capital funds					
Permanent Endowment		35,799	36,702	35,799	36,702
Expendable Endowment		7,379	6,679	7,379	6,679
		<hr/>	<hr/>	<hr/>	<hr/>
		43,178	43,381	43,178	43,381
Income Funds					
Restricted		7,221	20,974	6,707	20,360
Unrestricted		138,585	127,292	138,641	127,886
		<hr/>	<hr/>	<hr/>	<hr/>
Total Funds	23	188,984	191,647	188,526	191,627
		<hr/>	<hr/>	<hr/>	<hr/>

Approved by the Governors and signed on their behalf by

D G P Eyton

)

) Governors 18 March 2023

)

R T G Winter

The accounting policies and notes on pages 29 to 72 form part of these Financial Statements.

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
REVENUES AND GOODS OF THE FREE GRAMMAR
SCHOOL OF JOHN LYON**

**CONSOLIDATED CASH
FLOW STATEMENT
Year ended 31 August 2022**

		2021/22	2020/21
	Note	£'000	£'000
Net Cash Inflow from Operating Activities	24	12,759	16,102
Cash flows from Investing Activities			
Payments to acquire tangible fixed assets		(19,639)	(17,198)
Payment to acquire intangible asset		-	(117)
Sale proceeds of tangible fixed assets		8	5
Payments to acquire investments		(63,125)	(74,199)
Sale proceeds of investments		30,847	46,370
Decrease/(Increase) in cash held in investments		21,071	(19,619)
Listed investment income		267	323
Interest received		2,137	2,029
Interest paid		(3,549)	(1,646)
Net Cash (Outflow) from Investing Activities		(31,983)	(64,052)
Cash flow from Financing Activities			
Bond Proceeds Received		-	49,874
Loan Repayment		(777)	(328)
Finance Lease Repayment		6	(9)
Net Cash (Outflow)/Inflow from Financing Activities		(771)	49,537
(Decrease)/Increase in cash in the year	25	(19,995)	1,587
Made up as follows:			
(Increase)/Decrease in bank overdraft – unrestricted funds		(9,500)	4,002
(Decrease) in other cash balances		(10,415)	(2,387)
Increase/(decrease) in unrestricted fund and other cash		(19,915)	1,615
(Decrease)/Increase in advanced fees cash balance		(80)	(28)
	25	(19,995)	1,587
Reconciliation of Net Cash Flow to Movement in Net Funds			
(Decrease)/Increase in cash in the year		(19,995)	1,587
Cash inflow resulting from decrease in net debt and lease financing		771	(49,537)
Other non-cash movement		10	-
Change in funds resulting from cash flows and Movement in net funds in the year		(19,214)	(47,950)
Net funds at 1 September 2021		(77,251)	(29,301)
Net Funds at 31 August 2022	26	(96,465)	(77,251)

The accounting policies and notes on pages 29 to 72 form part of these Financial Statements.

a) Basis of preparation and consolidation

These Financial Statements represent the activities of The John Lyon School and Harrow School, together with its charitable funds (Corporation), consolidated with its trading subsidiaries - Harrow School Enterprises Limited ("HSEL"), Harrow International Schools Limited ("HISL") Harrow Educational Investments Limited ("HEIL") The Harrow Development Trust ("HDT") and The John Lyon School Development Trust ("JLSDT").

They are prepared in accordance with The Charities (Financial Statements and Reports) Regulations 2008, the Statement of Recommended Practice on Accounting and Reporting by Charities – the Charities' SORP (FRS 102) - and in accordance with applicable United Kingdom Financial Reporting and Accounting Standards. The Financial Statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The Corporation constitutes a public benefit entity as defined by FRS 102.

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 Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1st 6 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has been withdrawn.

b) Preparation of Financial Statements on a going concern basis

Having reviewed the funding facilities available to The Corporation together with the expected ongoing demand for places and The Corporation's future projected cash flows, the Governors have a reasonable expectation that The Corporation has adequate resources to continue its activities for at least 12 months from the date of approval of the Financial Statements and continue to adopt the going concern basis.

c) Statement of Financial Activities (SOFA)

The columns on the SOFA comprise the following:

Unrestricted Funds

Harrow School	- fees running costs, other income and direct charitable trading income and expenditure, and advanced fees.
The John Lyon School	- fees running costs, other income and The John Lyon School scholarship funds. Incorporating Quainton Hall.
HSEL	- subsidiary company trading income and expenditure.
HISL	- subsidiary company trading income and expenditure.
HDT	- fundraising income less related costs.

Designated Funds	- unrestricted funds set aside by the Governors for future use (including awards and capital projects).
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Restricted Funds	- income derived from restricted and endowed assets and donations made for restricted purposes (including capital projects, scholarships and related expenditure).
-------------------------	--

Expendable Endowment Funds	- The J G Apcar Trust, the Bessborough Memorial Trust, the Harrow School Awards Fund and part of the Harrow Challenge Fund.
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c) Statement of Financial Activities (SOFA) continued

**Permanent
Endowment Funds**

- Harrow Awards Fund and L C Wilson Scholarship Fund.
- The Butler Memorial Trust.
- School and Lyon Foundation, the Philathletic Trust, the Shepherd Churchill Bequest and part of the Harrow Challenge Fund.

The Harrow Challenge Fund comprises gifts and donations which are generally regarded as expendable endowment unless the donor specifically determines otherwise.

d) Income

All incoming resources are included in the SOFA when The Corporation is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Fees receivable, royalties, charges for services and use of premises are accounted for in the period in which the service is provided. Income and expenditure resulting from ancillary School activities not covered by fees, where the School acts as principal through bearing the risks, is recognised when the cost is incurred or the trip takes place.

Income from grants and donations is recognised on receipt, unless there are conditions attached to the donation that require a level of performance before entitlement can be obtained. In this case income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of The Corporation and it is probable that they will be fulfilled. The related Gift Aid on donations is accounted for when the related donation is received.

Legacy income is recognised when probate has been granted, there are sufficient assets in the estate to pay the legacy and that any conditions attached to the legacy are either in control of the charity or have already been met.

Donated assets are shown as a donation at market value upon receipt.

Income for the general purposes of The Corporation is credited to unrestricted funds. From time to time the Governors designate unrestricted funds for specific purposes. Donations and legacies subject to specific wishes of the donors are credited to relevant restricted funds or to endowed funds, if the amount is required to be held as permanent or expendable capital.

Gifts of funds for the purpose of providing for specific fixed assets are accounted for as restricted funds until expended. When expended, amounts equivalent to the relevant capital expenditure are transferred from the restricted funds to the unrestricted funds.

Investment income is earned through holding assets for investment purposes such as shares. It includes dividends, recognised when received and interest recognised on a receivable basis. Income from corporate bonds is accrued at the coupon rate.

e) Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is allocated to expense headings either on a direct cost basis or apportioned on appropriate bases. The cost of charitable activities includes all expenditure directly relating to the objects of The Corporation.

Support costs comprise administrative salaries and pension costs, office expenses, legal and professional fees and equipment rentals.

f) Investments

Investments are shown at their market values at the year end. Realised and unrealised gains and losses on the sale or revaluation of investments are accounted for in the appropriate fund in the SOFA.

g) Goodwill

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the group's interest in the identifiable assets acquired.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the SOFA. No reversals of impairment are recognised.

h) Tangible Fixed Assets

Expenditure on land and buildings which, in the opinion of the Governors, has not enhanced their long-term value is charged to the SOFA. Expenditure on improvements and development to land and buildings which, in the opinion of the Governors, has enhanced their long-term value is capitalised. Expenditure on plant, equipment (including IT equipment) and furniture which is in excess of £5,000 per item, or group of items, is capitalised.

In respect of certain land and buildings occupied or used by the schools and other artefacts owned by the schools, some of which were acquired many years ago, the original cost is not readily ascertainable. In the opinion of the Governors, the cost of obtaining a reasonable estimate of original cost or current value to the schools would outweigh significantly the benefit to be derived from doing so. Accordingly, such assets are not included on the balance sheet. In addition, prior to 1997, where funds were donated for fixed assets, the amounts of the donations were offset against the cost of the relevant fixed assets. The original cost of these assets and the amounts of the donations are not readily ascertainable and the amounts shown on the balance sheet are stated on a net basis.

i) Investment Properties

Certain properties, not used for direct charitable purposes of the School, are held as investment properties for the purpose of producing income for The Corporation. The investment properties are reviewed for impairment annually with a full revaluation every five years on the basis of market value as defined in the Appraisal and Valuation Standards as issued by the Royal Institute of Chartered Surveyors. The last valuation was undertaken as at 31 August 2022. Valuation gains and losses are shown on the SOFA. No depreciation is charged on Investment Properties.

j) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and investment properties, at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Freehold Buildings	-	50 to 60 years
Minor capital projects	-	15 to 20 years
Astroturf sports pitches	-	10 to 40 years
Plant, equipment and furniture	-	4 to 20 years
IT equipment	-	4 years
Freehold land is stated at cost.		

Depreciation on buildings under construction commences when the asset is available for use.

k) Stock

Stocks are valued at the lower of cost and net realisable value.

l) Finance Leases

Equipment and motor vehicles, which are the subject of finance leases, are classified within the Financial Statements as tangible assets with equivalent liabilities at what would otherwise have been the cost of outright purchase. These assets are depreciated over their expected useful lives, which generally correspond to the primary rental period. The interest element of lease payments is charged to the SOFA.

m) Operating Leases

Rentals paid and payable under operating leases are charged to the SOFA.

n) Termination Benefits

Redundancy and termination costs are recognised when there is a legal or constructive obligation which can be measured reliably, and it is probable that a payment will be made.

o) Pensions and Post Retirement Benefit Schemes

Defined contribution scheme

The pension cost charged to the SOFA represents the contributions payable by The Corporation under the rules of the Harrow Corporation Pension Scheme.

Defined benefit schemes

The Corporation contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary and advised to the Governors. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme, which are attributable to the School. In accordance with FRS 102, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

The Corporation also runs a defined benefit pension scheme for non-teaching staff that has been closed to new entrants and to further accruals. The funds of the Scheme are administered by a separate Board of Trustees and are separate from The Corporation. An independent actuary completes a valuation every three years and based on the actuary's recommendations annual contributions are paid to the Scheme so as to secure the benefits set out in the rules.

The defined benefit pension scheme current service costs are charged to the SOFA within staff costs. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet. The net interest on the asset or liability, measured using the discount rate, is credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses.

p) Taxation

As a registered charity The Corporation is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included with the cost of those items to which it relates.

The Corporation's subsidiary trading companies, HSEL and HISL, are liable for overseas taxation and for Corporation Tax on taxable profits not paid to The Corporation as a Qualifying Donation under Gift Aid.

q) Financial Instruments

The Corporation only has financial assets and liabilities of a kind that qualify as basic financial instruments. They are initially recognised at transaction value and subsequently measured at their settlement value, as follows:

Cash	-	Cash held
Debtors	-	Settlement amount after any discounts
Creditors	-	Settlement amount after any trade discounts
Loans and loan notes	-	Amortised cost

1. School Fees Receivable

	Harrow School £'000	The John Lyon School £'000	2021/22 Total £'000	2020/21 £'000
Gross fees excluding bursaries	36,418	14,928	51,346	45,812
Fee remissions and awards unrestricted funds (note 6 iii)	(357)	(1,012)	(1,369)	(1,168)
	<u>36,061</u>	<u>13,916</u>	<u>49,977</u>	<u>44,644</u>

2. Fundraising and Trading Activities

i. Ancillary Trading Income

	2021/22 £'000	2020/21 £'000
Registration fees and non-refundable fee deposits	339	334
Advanced Fees income/(expenditure) (see note 5)	-	4
Other income	306	145
Boys' charges and school trips	2,640	2,063
	<u>3,285</u>	<u>2,546</u>

Ancillary Trading Expenses

The Corporation		
Boys charges and school trips	2,640	2,063
	<u>2,640</u>	<u>2,063</u>

2. Fundraising and Trading Activities

ii. Charitable Grants Received

	2021/22 £'000	2020/21 £'000
Grants Received from John Lyon's Charity		
Harrow School	438	442
The John Lyon School	554	541
	<u>992</u>	<u>983</u>

2. Fundraising and Trading Activities (continued)

iii. Voluntary Income Received

Fundraising proceeds represent funds received mainly through HDT for scholarships and bursaries and to assist in the funding of capital expenditure at Harrow School.

HDT incoming resources for the year amounted to £8,876,000 (2020/21 - £10,117,000), which included Tsunami income of £16,000 (2020/21 - £48,000); outgoing resources totalled £8,323,000 (2020/21 - £10,338,000). Funds carried forward at the financial year end were £477,000 (2020/21 - £690,000).

Fundraising proceeds in the SOFA comprise

	2021/22 £'000	2020/21 £'000
HDT	8,876	10,069
The John Lyon School	224	32
	<hr/>	<hr/>
	9,100	10,101
	<hr/>	<hr/>

iv. Non Ancillary Trading Activities

	2021/22 £'000	2020/21 £'000
Non Ancillary Trading Income		
The Corporation rental income	228	238
HSEL (less intra group sales of £53,000 (2020/21 - £41,000))	1,849	834
HISL	6,188	5,141
	<hr/>	<hr/>
	8,265	6,213
	<hr/>	<hr/>

Non Ancillary Trading Expenses

HSEL		
Cost of sales	1,843	1,162
Administration expenses	101	88
HISL		
Administration expenses	652	640
Overseas taxation	804	684
	<hr/>	<hr/>
	3,400	2,574
	<hr/>	<hr/>

2. Fundraising and Trading Activities (continued)

iv. Non Ancillary Trading Activities (continued)

The summarised trading results of The Corporation's two subsidiaries, HSEL and HISL, are set out on the following pages.

HSEL

The principal activity of this Company is non-charitable trading for The Corporation. The Company pays all of its post-tax income to The Corporation as a Qualifying Donation under Gift Aid arrangements. Its trading results, extracted from its audited Financial Statements, which are included in the Unrestricted Funds column in the SOFA, were:

	2021/22 £'000	2020/21 £'000
Turnover	1,902	875
Cost of sales	(1,843)	(1,162)
	<hr/>	<hr/>
Gross profit/ (loss)	59	(287)
Administration expenses	(101)	(88)
	<hr/>	<hr/>
Operating loss	(42)	(375)
Qualifying Donation to the Corporation	-	-
	<hr/>	<hr/>
Loss for the Financial year	(42)	(375)
	<hr/>	<hr/>

Amounts not reflected in trading income and trading expenses are included within the relevant unrestricted categories in the SOFA.

The net liabilities of the Company at the year end were £748,000 (2021 – net liabilities £706,000).

2. Fundraising and Trading Activities (continued)

iii. Non Ancillary Trading Activities (continued)

HISL

The principal activity of the Company is to enter into licensing or other arrangements with those operating or managing overseas international schools bearing the Harrow name, to monitor their compliance with such agreements, and to receive royalties and fees arising from them. The Company pays all of its post-tax income to The Corporation as a Qualifying Donation under Gift Aid arrangements. Its trading results, extracted from its audited Financial Statements, which are included in the Unrestricted Funds column in the SOFA, were:

	2021/22 £'000	2020/21 £'000
Turnover	6,188	5,141
Administration expenses	(652)	(640)
Overseas taxation	(804)	(684)
	—	—
Profit before taxation	4,732	3,817
Qualifying Donation to the Corporation	(4,732)	(3,817)
	—	—
Profit for the Financial year	-	-
	=====	=====

Amounts not reflected in trading income and trading expenses are included within the relevant unrestricted categories in the SOFA.

The net assets of the Company at the year ends were £1,000.

3. Other Incoming Resources	2021/22 £'000	2020/21 £'000
(Loss)/Profit on sale of fixed assets	(302)	11
Other income	332	172
Subscription income	90	88
Coronavirus Job Retention Scheme Income	-	739
	—	—
	120	1,010
	=====	=====

	2021/22 £'000	2020/21 £'000
4. Investment Income		
Income from restricted funds		
Investment income - Scholarships and Bursaries	100	108
	<hr/>	<hr/>
	100	108
	<hr/>	<hr/>
Income from unrestricted funds		
Interest receivable	2,137	2,029
Investment income - Scholarships and Bursaries	167	215
	<hr/>	<hr/>
	2,304	2,244
	<hr/>	<hr/>
Total investment income receivable	2,404	2,352
	<hr/>	<hr/>

5. Advanced Fees Account – Harrow School

The Scheme was suspended for new deposits since April 2015 in view of very low or negative gilt yields and has made its final repayments in 2021/22.

	2021/22 £'000	2020/21 £'000
Investment income	-	4
Interest received	1	-
	<hr/>	<hr/>
	1	4
Interest charge and sundry expenses	(1)	-
	<hr/>	<hr/>
Advanced fees income (see note 2i)	-	4
Unrealised loss on advanced fees investments	-	(4)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
REVENUES AND GOODS OF THE FREE GRAMMAR
SCHOOL OF JOHN LYON**

**NOTES TO THE FINANCIAL
STATEMENTS
Year ended 31 August 2022**

6 i. Group Analysis for the year ending 31 August 2022

	Harrow School £'000	The John Lyon School £'000	HSEL £'000	HISL £'000	HDT £'000	JLSDT £'000	2021/22 Total £'000
Income							
School fees receivable	36,061	13,916	-	-	-	-	49,977
Ancillary Trading	2,689	596	-	-	-	-	3,285
Other Charitable	438	554	-	-	-	-	992
Voluntary	92	224	-	-	8,784	-	9,100
Tsunami	-	-	-	-	16	-	16
Non Ancillary Trading	139	36	1,902	6,188	-	-	8,265
Other	312	(193)	-	-	-	1	120
Investments	2,404	-	-	-	-	-	2,404
Total Income	42,135	15,133	1,902	6,188	8,800	1	74,159
Expenditure							
Fundraising	-	69	-	-	1,301	-	1,370
Non Ancillary Trading	-	-	1,944	1,456	-	-	3,400
Finance	3,148	401	-	-	-	-	3,549
Investment management	683	3	-	-	1	-	687
Teaching	16,293	8,028	-	-	-	-	24,321
Welfare	6,393	771	-	-	-	-	7,164
Premises	11,940	2,696	-	-	-	-	14,636
Support	4,956	1,990	-	-	-	-	6,946
Grants awards and prizes	3,732	604	-	-	-	-	4,336
Other Charitable Projects	-	-	-	-	13	-	13
Ancillary trading	2,221	419	-	-	-	-	2,640
Total Expenditure	49,366	14,981	1,944	1,456	1,315	-	69,062
Net Income	(7,231)	152	(42)	4,732	7,485	1	5,097
Transfers, investment gains and losses							
Transfers between entities	11,350	382	-	(4,732)	(7,000)	-	-
Gain on investment properties	316	-	-	-	-	-	316
(Loss)/Gain on investment assets	(12,334)	(27)	-	-	(9)	-	(12,370)
Actuarial gain on defined benefit pension	4,294	-	-	-	-	-	4,294
Total	3,626	355	-	(4,732)	(7,009)	-	(7,760)
Balance at beginning of the year	175,005	16,623	(706)	1	690	34	191,647
Balance at 31 August 2022	171,400	17,130	(748)	1	1,166	35	188,984

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
REVENUES AND GOODS OF THE FREE GRAMMAR
SCHOOL OF JOHN LYON**

**NOTES TO THE FINANCIAL
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Year ended 31 August 2022**

6 i. Group Analysis for the year ended 31 August 2021

	Harrow School £'000	The John Lyon School £'000	HSEL £'000	HISL £'000	HDT £'000	JLSDT £'000	2020/21 Total £'000
Income							
School fees receivable	32,066	12,578	-	-	-	-	44,644
Ancillary Trading	2,148	398	-	-	-	-	2,546
Other Charitable	442	541	-	-	-	-	983
Voluntary	-	-	-	-	10,117	32	10,149
Non Ancillary Trading	118	79	875	5,141	-	-	6,213
Other	819	191	-	-	-	-	1,010
Investments	2,352	-	-	-	-	-	2,352
Total Income	37,945	13,787	875	5,141	10,117	32	67,897
Expenditure							
Fundraising	-	80	-	-	1,033	-	1,113
Non Ancillary Trading	-	-	1,250	1,324	-	-	2,574
Finance	1,386	260	-	-	-	-	1,646
Investment management	401	2	-	-	-	-	403
Teaching	15,571	6,834	-	-	-	-	22,405
Welfare	5,690	608	-	-	-	-	6,298
Premises	10,897	2,548	-	-	-	-	13,445
Support	4,101	2,113	-	-	-	3	6,217
Grants awards and prizes	3,372	671	-	-	-	-	4,043
Other Charitable projects	-	-	-	-	60	-	60
Ancillary trading	1,743	320	-	-	-	-	2,063
Total Expenditure	43,161	13,436	1,250	1,324	1,093	3	60,267
Net Income	(5,216)	351	(375)	3,817	9,024	29	7,630
Transfers, investment gains and losses							
Transfers between entities	12,804	708	-	(3,817)	(9,295)	(400)	-
Gain on investment properties	-	-	-	-	-	-	-
Loss on investment assets	9,275	508	-	-	158	-	9,941
Actuarial loss on defined benefit pension	981	-	-	-	-	-	981
Total	23,060	1,216	-	(3,817)	(9,137)	(400)	10,922
Balance at beginning of the year	157,161	15,056	(331)	1	803	405	173,095
Balance at 31 August 2021	175,005	16,623	(706)	1	690	34	191,647

**NOTES TO THE FINANCIAL
STATEMENTS**
Year ended 31 August 2022

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**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
REVENUES AND GOODS OF THE FREE GRAMMAR
SCHOOL OF JOHN LYON**

**NOTES TO THE FINANCIAL
STATEMENTS
Year ended 31 August 2022**

6 iii. Analysis of Grants, Awards and Prizes

	Harrow School £'000	The John Lyon School £'000	2021/22 Total £'000	2020/21 Total £'000
Awards from unrestricted funds (see note 1):				
Scholarships	-	177	177	172
Means-tested bursaries	-	726	726	537
Other awards	357	109	466	459
	<u>357</u>	<u>1,012</u>	<u>1,369</u>	<u>1,168</u>
Awards from restricted funds:				
Scholarships	448	-	448	383
Means-tested bursaries	3,125	561	3,686	3,462
Prizes and other awards	159	43	202	198
	<u>3,732</u>	<u>604</u>	<u>4,336</u>	<u>4,043</u>
Total grants, awards and prizes	<u>4,089</u>	<u>1,616</u>	<u>5,705</u>	<u>5,211</u>

7. Employees and Key Management

	Harrow School £'000	The John Lyon School £'000	HSEL £'000	HISL £'000	HDT £'000	2021/22 Total £'000
Wages and salaries	20,329	7,257	1,109	361	730	29,786
Social security costs	2,106	758	87	43	73	3,067
Teachers' Pension Scheme	2,048	953	-	-	16	3,017
Support Staff Pension Scheme	20	-	-	-	-	20
Harrow Corporation Pension Scheme	683	86	67	8	18	862
Death in service benefit	54	12	3	3	-	72
Unfunded pension costs	10	-	-	-	-	10
Transfer to Capital projects	(736)	-	-	-	-	(736)
	<u>24,514</u>	<u>9,066</u>	<u>1,266</u>	<u>415</u>	<u>837</u>	<u>36,098</u>

	Harrow School £'000	The John Lyon School £'000	HSEL £'000	HISL £'000	HDT £'000	2020/21 Total £'000
Wages and salaries	19,237	6,654	732	195	732	27,550
Social security costs	1,963	666	71	21	73	2,794
Teachers' Pension Scheme	2,046	859	-	-	14	2,919
Support Staff Pension Scheme	10	36	-	-	-	46
Harrow Corporation Pension Scheme	683	97	68	-	19	867
Death in service benefit	68	8	2	-	-	78
Unfunded pension costs	10	-	-	-	-	10
Transfer to Capital projects	(479)	-	-	-	-	(479)
	<u>23,538</u>	<u>8,320</u>	<u>873</u>	<u>216</u>	<u>838</u>	<u>33,785</u>

7. Employees and Key Management (continued)

Average number of Employees during the Year	2021/22	2020/21
The Schools:		
Teaching	204	200
Teaching support	79	79
Estates	109	106
Domestic	116	113
Bursary and other administration	71	67
HSEL	22	18
HDT	9	7
HISL	5	2
	<hr/>	<hr/>
	615	592
	<hr/>	<hr/>

The number of employees across the Group whose emoluments (gross pay plus benefits in kind), excluding employer's pension contributions, exceeded £60,000 was:

	2021/22	2020/21
£ 60,001 - £ 70,000	36	37
£ 70,001 - £ 80,000	25	16
£ 80,001 - £ 90,000	21	19
£ 90,001 - £100,000	10	15
£100,001 - £110,000	5	6
£110,001 - £120,000	4	3
£120,001 - £130,000	3	2
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£210,001 - £220,000	-	1
£220,001 - £230,000	1	2
£240,001 - £250,000	2	-
£290,001 - £300,000	1	-
£310,001 - £320,000	-	1
	<hr/>	<hr/>

Pension contributions to defined contribution schemes of £169,000 (2020/21 - £136,000) were made for 23 (2020/21 - 19) higher paid employees during the year. Contributions were made to defined benefit pension schemes for 86 (2020/21 - 84) higher paid employees during the year.

Total employee benefits payable (gross pay plus benefits in kind plus employer pension and national insurance contributions) to key management personnel were £3,302,000 (2020/21 - £3,268,000).

The redundancy and termination payments, net of recoveries from insurance, totalled £21,000 (2020/21 - £67,000), of which £Nil (2020/21 - £Nil) is included in creditors at the balance sheet date.

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
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**NOTES TO THE FINANCIAL
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Year ended 31 August 2022**

8. Total Resources Expended

	2021/22 £'000	2020/21 £'000
This is stated after charging/(crediting):		
Auditors' remuneration		
For the audit of the Corporation	52	50
For the audit of other group entities	32	30
For tax compliance	14	12
For other services	10	25
For the audit of the defined benefit pension scheme	10	9
Depreciation (see note 10)	5,545	4,809
Amortisation (see note 11)	10	10
Operating lease rentals	132	132
Change in pension scheme liabilities excluding actuarial (loss)/gain (see note 22 (i) c))	(192)	(202)
	<hr/>	<hr/>
Interest and finance costs payable:		
Overdrafts and bank loans repayable within 5 years not by instalments	285	135
Finance leases	1	1
	<hr/>	<hr/>
	286	136
Bond interest payable	2,956	1,320
Other interest payable	157	34
	<hr/>	<hr/>
Total interest payable	3,399	1,490
Bank charges	12	9
Pension commitments – net finance costs (see note 22 (i) c))	138	147
	<hr/>	<hr/>
Total finance costs	3,549	1,646
	<hr/>	<hr/>

9. Transfers between Funds

	Unrestricted £'000	Restricted £'000	Expendable Endowment £'000	Permanent Endowment £'000
i.	(382)	382	-	-
ii.	(726)	1,316	-	(590)
iii.	13,599	(13,599)	-	-
iv.	(80)	-	-	80
v.	85	4	(104)	15
	<hr/>	<hr/>	<hr/>	<hr/>
	12,496	(11,897)	(104)	(495)
	<hr/>	<hr/>	<hr/>	<hr/>

- i. Transfer of 1% of gross fee income in Harrow School from unrestricted to restricted income by Governors' resolution for scholarships and bursaries.

An additional transfer may arise where the aggregate of the 1% annual transfer, the net unrestricted income from endowed and designated funds and the income generated through donations and the Harrow International Schools' transfer is insufficient to meet the expenditure committed to bursaries and scholarships.

- ii. Income transferred to Restricted Funds under the Total Return policy (see note 13 iii).
- iii. Donations received to fund capital projects transferred from Restricted to Unrestricted Funds.
- iv. Transfer to compensate the Permanent Endowment for School use of residential property.
- v. Other transfers relate to income from Harrow Challenge and Harrow Awards Funds.

10. Tangible Fixed Assets

Cost	Consolidated			Corporation		
	Freehold land and buildings £'000	Plant, equipment and furniture £'000	Total £'000	Freehold land and buildings £'000	Plant, equipment and furniture £'000	Total £'000
At 1 September 2021	149,042	20,516	169,558	148,919	20,313	169,232
Additions	16,782	2,857	19,639	16,782	2,857	19,639
Disposals	(310)	(1,529)	(1,839)	(310)	(1,529)	(1,839)
	_____	_____	_____	_____	_____	_____
At 31 August 2022	165,514	21,844	187,358	165,391	21,641	187,032
	_____	_____	_____	_____	_____	_____
Depreciation						
At 1 September 2021	40,820	13,433	54,253	40,689	13,242	53,931
Charge for the year	3,898	1,647	5,545	3,898	1,645	5,543
Released on disposals	-	(1,529)	(1,529)	-	(1,529)	(1,529)
	_____	_____	_____	_____	_____	_____
At 31 August 2022	44,718	13,551	58,269	44,587	13,358	57,945
	_____	_____	_____	_____	_____	_____
Net Book Value						
At 31 August 2022	120,796	8,293	129,089	120,804	8,283	129,087
	=====	=====	=====	=====	=====	=====
At 31 August 2021	108,222	7,083	115,305	108,230	7,071	115,301
	=====	=====	=====	=====	=====	=====

All tangible fixed assets represented above are held for use by The Corporation, HSEL or HDT.

- i. Freehold land and buildings include £23,177,000 (2020/21 - £18,184,000) for buildings under construction.
- ii. Residential properties included above at a net book value of £2,310,000 (2020/21 - £2,391,000) are charged as contingent assets in a Security Agreement with the Pension Protection Fund for the Harrow School Support Staff Pension Scheme.

Post year end four additional residential properties with a combined net book value of £20,000 were added to the above security agreement.

11. Intangible Assets

Goodwill

- Consolidated and Corporation

	2022 £'000	2021 £'000
Cost		
At 1 September 2021	117	-
Addition	-	117
	<hr/>	<hr/>
At 31 August 2022	117	117
	<hr/>	<hr/>
Amortisation		
At 1 September 2021	10	-
Charge for the Year	10	10
	<hr/>	<hr/>
At 31 August 2022	20	10
	<hr/>	<hr/>
Net Book Value		
At 31 August 2022	97	107
	<hr/>	<hr/>
At 31 August 2021	107	-
	<hr/>	<hr/>

The goodwill relates to the Corporation's purchase of the assets and trade of Quinton Hall School from Wallsingham College (Affiliated Schools) Limited on 6 November 2020. The goodwill is being amortised over ten years.

The Corporation acquired the assets of Quinton Hall School for £3,650,000 of which £1,350,000 has been deferred to be paid over 5 years with the first payment on 6 November 2021.

The purchase price included £3,340,000 for the land and buildings, £193,000 for fixtures and fittings, and £117,000 for goodwill. The goodwill related to growth expectations, cost synergies and expected future profitability.

12. Investment Properties **2021/22**
- Consolidated and Corporation **£'000**

Balance at beginning of year	1,732
Unrealised gain arising from revaluation	316

Balance at end of year	2,048
------------------------	-------

	At beginning of year £'000	Movement £'000	At end of year £'000
Attributed to:			
Unrestricted	879	97	976
Endowed - Expendable endowment	53	24	77
- Permanent endowment	800	195	995
	1,732	316	2,048

The investment properties are fully revalued every five years on the basis of market value as defined in the Appraisal and Valuation Standards as issued by the Royal Institute of Chartered Surveyors. The last full revaluation was undertaken at 31 August 2022 by Stimpsons Chartered Surveyors.

2020/21
£'000

Balance at beginning of year	2,107
Transfer to fixed assets	(375)

Balance at end of year	1,732
------------------------	-------

	At beginning of year £'000	Movement £'000	At end of year £'000
Attributed to:			
Unrestricted	879	-	879
Endowed - Expendable endowment	428	(375)	53
- Permanent endowment	800	-	800
	2,107	(375)	1,732

13. Fixed Asset Investments

Consolidated	Expendable Permanent				Total £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Endowed Funds £'000	
Listed					
Opening market value excluding cash	111,746	1,005	5,556	30,982	149,289
Additions	61,034	190	720	1,181	63,125
Disposal proceeds	(28,818)	(142)	(107)	(1,780)	(30,847)
Realised gains/(losses)	(1,146)	-	(1)	31	(1,116)
Unrealised gains/(losses)	(10,648)	(9)	(22)	(575)	(11,254)
Market value at end of year	132,168	1,044	6,146	29,839	169,197
Cash at stockbrokers at beginning of year	24,980	(3)	102	829	25,908
Movement in year	(20,971)	-	(102)	2	(21,071)
Cash at stockbrokers at end of year	4,009	(3)	-	831	4,837
Unlisted	200	-	-	-	200
At end of year	136,377	1,041	6,146	30,670	174,234
At beginning of year	136,926	1,002	5,658	31,811	175,397

Corporation	Expendable Permanent				Total £'000
	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Endowed Funds £'000	
Listed					
Opening market value excluding cash	111,746	-	5,556	30,982	148,284
Additions	61,034	190	720	1,181	63,125
Disposal proceeds	(28,818)	-	(107)	(1,780)	(30,705)
Realised gains/(losses)	(1,146)	2	(1)	31	(1,114)
Unrealised gains/(losses)	(10,648)	-	(22)	(575)	(11,254)
Market value at end of year	132,168	192	6,146	29,839	168,345
Cash at stockbrokers at beginning of year	24,980	-	102	829	25,911
Movement in year	(20,971)	(3)	(102)	2	(21,074)
Cash at stockbrokers at end of year	4,009	(3)	-	831	4,837
Unlisted	200	-	-	-	200
At end of year	136,377	189	6,146	30,670	173,382
At beginning of year	136,926	-	5,658	31,811	174,395

13. Fixed Asset Investments (continued)

i. Investment Portfolios

At 31 August 2022, Unrestricted Fund investments comprise those of The Advanced Fee Fund, The John Lyon School Scholarship, Corporation Bond and the Harrow School Designated Funds. Their cost was £142,763,000 (2020/21 - £130,966,000).

At 31 August 2022, Restricted Fund investments consisted of investments on the UK Stock Exchange with a cost of £1,072,000 (2020/21 - £964,000).

At 31 August 2022, Expendable Endowed Funds investments comprised of part of the Harrow Awards Fund, the J G Apcar Trust and part of the Harrow Challenge Fund. The cost of those investments was £5,527,000 (2020/21 - £4,758,000).

At 31 August 2022, the cost of investments, all of which are listed on the UK and other recognised Stock Exchanges, in the Permanent Endowment Funds were as follows:

	2021/22 £'000	2020/21 £'000
School and Lyon Foundation	2,278	2,048
Shepherd Churchill Bequest	4,641	4,607
Scholarship Funds comprising L C Wilson and Harrow Awards Fund	14,754	14,876
Harrow Challenge Fund	3,909	3,785
Foundation Awards	2,298	2,269
Butler Memorial Trust	-	1
	<hr/>	<hr/>
	27,880	27,586
	<hr/>	<hr/>

ii. Significant Holdings

At 31 August 2022 the following investments were considered material in the context of the investment portfolios:

	Consolidated %	Corporation %
Cazenove Charity Multi Asset Fund	15.9	16.3
Vanguard Total World Stock ETF USD	13.9	13.9
Cash	3.7	3.7
	<hr/>	<hr/>

iii. 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. The Governors resolved to implement the Order in a limited form with effect from 1 April 2006. Under the policy adopted by the Governors, up to 4% of the value of the fund at the previous balance sheet date may be withdrawn in the following financial year.

13. Fixed Asset Investments (continued)

iii. Application of the Power of Total Return (continued)

With effect from 1 September 2014 the Governors elected to amend the policy and apply the order to the full value of the Harrow Awards Fund and the L C Wilson Bequest, having previously limited the order to 20% of the value at 1 April 2006 as referred to above. The amended policy also reduced the amount available to be applied in the following financial year to 3.75 % of the average of the total fund value on a rolling three year basis.

With effect from 1 September 2017 the Governors elected to apply the total return policy to distributions from the Foundation Awards Fund.

Movements in the Total Return Funds in the period:

	Harrow Awards Funds £'000	L C Wilson Bequest £'000	Foundation Awards Fund £'000	Total £'000
Opening valuation at 1 September 2021	13,941	2,594	2,825	19,360
Changes in year				
Investment return – income	100	-	-	100
Investment Management Charge	(13)	(2)	(2)	(17)
Investment return				
– realised/unrealised gains and (losses)	(438)	(94)	(23)	(555)
Cash withdrawn	(498)	(92)	(85)	(675)
	<hr/>	<hr/>	<hr/>	<hr/>
Net return for the year	(849)	(188)	(110)	(1,147)
	<hr/>	<hr/>	<hr/>	<hr/>
New Funds Received	14	73	2	89
	<hr/>	<hr/>	<hr/>	<hr/>
Closing Valuation at 31 August 2022	13,106	2,479	2,717	18,302
	<hr/>	<hr/>	<hr/>	<hr/>

Statement of Unapplied Total Return

Opening valuation at 1 September 2021	6,231	1,215	475	7,921
Net return for the year	(849)	(188)	(110)	(1,147)
	<hr/>	<hr/>	<hr/>	<hr/>
Unapplied total return as at 31 August 2022	5,382	1,027	365	6,774
	<hr/>	<hr/>	<hr/>	<hr/>

	Harrow Awards Fund £'000	L C Wilson Bequest £'000	Foundation Awards Fund £'000	Total £'000
Amount available for distribution				
Investment valuation at 31 August 2020	12,613	2,326	2,504	17,443
Investment valuation at 31 August 2021	13,941	2,594	2,825	19,360
Investment valuation at 31 August 2022	13,106	2,479	2,717	18,302
	<hr/>	<hr/>	<hr/>	<hr/>
Three year average	13,220	2,466	2,682	18,368
	<hr/>	<hr/>	<hr/>	<hr/>
Amount available for distribution – year ending 31 August 2023	496	92	101	689
	<hr/>	<hr/>	<hr/>	<hr/>

13. Fixed Asset Investments (continued)

iv. Expendable Endowed Funds

With effect from 1 September 2017 the Governors elected to apply the total return policy to distributions from the Harrow Challenge Expendable Awards Fund.

Amount available for distribution

	Harrow Challenge Expendable Endowed Fund £'000
Investment valuation at 31 August 2020	2,599
Investment valuation at 31 August 2021	3,002
Investment valuation at 31 August 2022	2,771
	<hr/>
Three year average	2,791
	<hr/>
Amount available for distribution - year ending 31 August 2023	105
	<hr/> <hr/>

v. Designated Funds

The Governors have also elected to apply the total return policy, as set out in note 13iii, to the Harrow School Designated Awards fund.

Amount available for distribution

	Harrow School Designated Awards Fund £'000
Investment valuation at 31 August 2020	19,236
Investment valuation at 31 August 2021	22,482
Investment valuation at 31 August 2022	23,035
	<hr/>
Three year average	21,584
	<hr/>
Amount available for distribution - year ending 31 August 2023	809
	<hr/> <hr/>

vi. Overall Portfolio Structure

At 31 August 2022 the structure of the total portfolio was as follows:

	Consolidated %	Corporation %
Gilts/UK Fixed interest	50.8	51.2
Global Funds	24.3	24.4
Charity multi asset funds	16.3	15.9
Cash	3.7	3.7
UK Equities	2.6	2.5
Hedge Funds	2.3	2.3
	<hr/>	<hr/>
Total	100.0	100.0
	<hr/> <hr/>	<hr/> <hr/>

13. Fixed Asset Investments (continued)

vii. HSEL

The Corporation owns 100% of the issued ordinary share capital of HSEL, a company registered in England. The shares in the Company are included in unrestricted funds in the Financial Statements at a cost of £2.

viii. HISL

The Corporation owns 100% of the issued ordinary share capital of HISL, a company registered in England. The shares in HISL are included in unrestricted funds in the Financial Statements at a cost of £1.

ix. HEIL

The Corporation owns 100% of the issued ordinary share capital of HEIL, a company registered in England. The shares in HEIL are included in unrestricted funds in the Financial Statements at a cost of £1. The Company was incorporated on 2 July 2021 and has been dormant since that date.

14. Stocks

	Consolidated		Corporation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Works Department	78	63	78	63
Other stocks	322	244	200	132
	<hr/>	<hr/>	<hr/>	<hr/>
	400	307	278	195
	<hr/>	<hr/>	<hr/>	<hr/>

15. Debtors

	Consolidated		Corporation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Fees, recharges and extras	691	465	691	465
Amounts owed by HSEL	-	-	862	854
Amounts owed by HISL	-	-	2,225	1,742
Amounts owed by HDT	-	-	104	49
Income tax recoverable	134	43	134	43
Accrued interest on corporate bonds	1,208	954	1,208	954
Other debtors and prepayments	4,574	4,411	1,277	1,753
	<hr/>	<hr/>	<hr/>	<hr/>
	6,607	5,873	6,501	5,860
	<hr/>	<hr/>	<hr/>	<hr/>

A deed of mortgage was created on 4 December 1999 by HSEL securing all monies due or to become due from the Company to the Corporation.

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
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16. Cash at Bank and in Hand

	Consolidated		Corporation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Unrestricted	4,282	14,697	3,986	14,541
Restricted	37	37	37	37
	<hr/>	<hr/>	<hr/>	<hr/>
	4,319	14,734	4,023	14,578
Harrow School Advanced Fees	-	80	-	80
	<hr/>	<hr/>	<hr/>	<hr/>
	4,319	14,814	4,023	14,658
	<hr/>	<hr/>	<hr/>	<hr/>

These balances, apart from those noted below, are held at National Westminster Bank plc.

17. Creditors: amounts falling due within one year

	Consolidated		Corporation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank overdrafts	9,500	-	9,500	-
Fees received in advance	5,543	5,263	5,543	5,263
Advanced Fees Scheme (see note 19)	-	72	-	72
Other taxes and social security	870	622	870	622
Amounts due to suppliers	2,198	2,689	2,034	2,526
Accruals	2,921	1,065	2,921	583
Other creditors	2,301	2,538	1,545	1,809
Development loans (see below)	331	328	331	328
Entry deposits	902	738	902	738
Part fee deposits	1,138	670	1,138	670
Retention	324	86	324	86
Finance Leases	7	1	7	1
Amounts owed to HDT	-	-	-	92
Deferred consideration	270	270	270	270
	<hr/>	<hr/>	<hr/>	<hr/>
	26,305	14,342	25,385	13,060
	<hr/>	<hr/>	<hr/>	<hr/>

The bank overdraft is a short-term Lombard facility with EFG International. It is secured on the corporate bond investments held with EFG International.

18. Creditors: amounts falling due after more than one year

	Consolidated		Corporation	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bond	89,715	89,709	89,715	89,709
Entry deposits	4,080	4,644	4,080	4,644
Part fee deposits	665	606	665	621
Development loans (see below)	1,698	2,028	1,698	2,028
Amounts owed to HDT	-	-	115	571
Other loans	115	571	-	-
Deferred consideration	810	1,080	810	1,080
	<hr/>	<hr/>	<hr/>	<hr/>
	97,083	98,638	97,083	98,653
	<hr/>	<hr/>	<hr/>	<hr/>

Bond

The Corporation entered into a 40 year bond issue for £40 million with The Prudential Insurance Company of America that closed and funded on 11th February 2019, due for repayment on 11th August 2059. Interest at 3.3% per annum is computed on the basis of a 30/360-day year and payable semi-annually on 11th February and 11th August. The costs of issuing the bond are amortised over its remaining period and deducted from the principal sum raised.

A further 40 year bond issued for £50 million was entered into with The Prudential Insurance Company of America, Prudential Legacy Insurance Company of New Jersey, and Prudential Annuities Life Assurance Corporation. This bond issue closed and was funded on 18 June 2021 and is due for repayment on 20 June 2061. Interest at 2.7% per annum is computed on the basis of a 30/360-day year and payable semi-annually on 18th December and 18th June. The costs of issuing the bond are amortised over its remaining period and deducted from the principal sum raised.

Development Loans

On 1 August 2008 The Corporation entered into a 20 year unsecured term loan of £4.7m with Santander UK plc to finance redevelopment at The John Lyon School. Under the terms of this loan there were no capital repayments during the first three years. On 1 August 2008, £3.5m of the loan was drawn down and the applicable interest rate for this element fixed at 5.8% for the loan period, payable quarterly.

On 29 July 2011, the remaining £1.2m of the loan was drawn down. The applicable interest rate for this element was fixed at 4.37% for the loan period.

On 27 September 2011, The Corporation entered into a 17 year unsecured term loan of £0.8m with National Westminster Bank plc. Payments of capital and interest commenced on 30 April 2012 and interest was fixed at 4.95% for the loan period.

	2022 £'000	2021 £'000
Amounts repayable within one year	331	328
Amounts repayable between two and five years	1,341	1,340
Amounts repayable after 5 years	357	688
	<hr/>	<hr/>
	2,029	2,356
	<hr/>	<hr/>

Other Loans

The loans granted to HDT are unsecured, interest free and repayable as follows:

	2022 £'000	2021 £'000
Amounts repayable within one year	-	-
Amounts repayable between two and five years	115	571
Amounts repayable after 5 years	-	-
	<hr/>	<hr/>
	115	571
	<hr/>	<hr/>

19. Advanced Fees Scheme

Parents may enter into a contract to pay up to the equivalent of five years' fees in advance. The money may be returned subject to specific conditions. The scheme has been suspended for new deposits.

	2022 £'000	2021 £'000
Within one year (see note 17)	-	72
	<hr/>	<hr/>
	-	72
	<hr/>	<hr/>

The balance represents the liability under the contracts. The movements during the year were:

	2022 £'000	2021 £'000
Balance at beginning of year	72	170
Income generated by contracts	1	4
	<hr/>	<hr/>
	73	174
	<hr/>	<hr/>
Amounts utilised:		
In payment of fees	(73)	(102)
Capital repayments	-	-
	<hr/>	<hr/>
	(73)	(102)
	<hr/>	<hr/>
Balance at end of year	-	72
	<hr/>	<hr/>

20. Operating Lease Commitments
- Consolidated and Corporation

As at 31 August 2022, the minimum total lease payments to which The Corporation is committed under non-cancellable operating leases (plant and equipment) are:

	2022 £'000	2021 £'000
Expiring within one year	94	119
Expiring within two to five years	56	151
Expiring more than five years	-	-
	<hr/>	<hr/>
	150	270
	<hr/>	<hr/>

21. Capital Commitments
- Consolidated and Corporation

At 31 August 2022 capital works contracted for amounted to £36,516,000 (2020/21 - £5,246,000). In addition, approximately £10,287,000 (2020/21 - £57,678,000) was authorised but not contracted.

	2022 £'000	2021 £'000
Commitments within one year	31,594	4,239
Commitments over one year	4,922	1,007
	<hr/>	<hr/>
	36,516	5,246
	<hr/>	<hr/>

22. Pension Scheme Liabilities
- Consolidated and Corporation

Pension scheme liabilities are summarised as follows:

	2022	2021
	£'000	£'000
Non-teaching staff defined benefit scheme	4,336	8,817
Other benefit arrangements	120	125
	<hr/>	<hr/>
Total pension liability	4,456	8,942
	<hr/>	<hr/>
Total decrease in liability (see 22(i) c)	(4,486)	(1,183)
	<hr/>	<hr/>

(i) Non-teaching staff - defined benefit scheme

A scheme for eligible non-teaching staff, who are all employed by The Corporation but work on the activities of either Harrow School, The John Lyon School, HSEL, HDT or the Harrow Association, provides benefits based on final pensionable pay. Salary and related costs, including pension costs, are allocated to the relevant schools or entities. The assets of the Scheme are held separately from those of each entity, being invested with an insurance company (AXA Sun Life) and Cazenove Capital Management Limited. Contributions to the Scheme are charged to the SOFA of the School, the Trust and the Association, and the Profit and Loss account of HSEL so as to spread the cost of pensions over employees' working lives. The Scheme was closed to new entrants on 13 June 2003 and closed to future accrual on 30 April 2017.

Actuarial valuations are carried out triennially for funding purposes, using the attained age method, the most recently available being dated 31 August 2021. The main assumptions were a discount rate before and after retirement set by reference to the RiskFirst Gilt curve, RPI inflation set by reference to the RiskFirst RPI Gilt inflation curve, CPI inflation of RPI minus 0.8% and pension increase assumptions for revalued deferred pensions before retirement of CPI limited to 5% and pension increases in payment of 3% for pre- and post-88 GMP, 5% for pre-2001 and index-linked increase with RPI limited to 5% for post-2001. The demographic assumptions used the AC00 table for pre-retirement and 104% and 95% of the SP2A tables for males and females for post-retirement.

The actuarial valuation of the Scheme as at 31 August 2021 revealed that the statutory funding objective was not met i.e. there were insufficient assets to cover the Scheme's technical provisions and there was a funding shortfall of £7,773,000. The Trustees have resolved to return the funding level to 100% by 2038. As a consequence, the Governors committed to extend the current annual deficit recovery programme agreed in the 2018 valuation by five years to 30 September 2038, with payments rising by 3% per annum from 2021/22 until September 2038.

The scheme contributions paid for the year were £382,000 (2020/21 - £371,000). The expected scheme contributions for the year ending 31 August 2023 are estimated at £394,000.

Financial Reporting Standard (FRS) 102 – Retirement Benefits

An annual actuarial valuation is carried out for the purpose of compliance with FRS 102 and was updated to 31 August 2022 by an independent qualified actuary. As required by FRS 102, the defined benefit liabilities have been measured using the attained age method. The assets and liabilities include the value of pensions in payment, the majority of which are secured with insured annuities.

**22. Pension Scheme Liabilities (continued)
- Consolidated and Corporation**

(i) Non-teaching staff - defined benefit scheme (continued)

The amounts recognised in the balance sheet are as follows:

	2022 £'000	2021 £'000
Present value of obligations	(20,413)	(31,093)
Fair value of plan assets	16,077	22,276
	<hr/>	<hr/>
Scheme deficit	(4,336)	(8,817)
	<hr/>	<hr/>
a) Changes in the present value of the scheme obligations:		
Opening defined benefit obligation	31,093	30,938
Past Service cost	-	-
Interest cost	492	457
Employee contributions	-	-
Actuarial (gain)loss/ (excluding assets)	(10,521)	602
Benefits paid	(651)	(904)
	<hr/>	<hr/>
Defined benefit obligations at the end of the year	20,413	31,093
	<hr/>	<hr/>
b) Changes in the fair value of the scheme assets are as follows:		
Opening fair value of scheme assets	22,276	20,954
Interest income on scheme assets	354	310
Return on assets excluding interest income	(6,227)	1,582
Employer contributions	382	371
Employee contributions	-	-
Benefits paid	(661)	(894)
Scheme administration cost	(47)	(47)
	<hr/>	<hr/>
Fair value of scheme assets at the end of the year	16,077	22,276
	<hr/>	<hr/>
c) The amounts included in the Statement of Financial Activities are as follows:		
Interest income on scheme assets	(354)	(310)
Interest on pension liabilities	492	457
	<hr/>	<hr/>
Net finance cost (see note 8)	138	147
Current service cost	47	47
Past service costs	-	-
Contributions paid	(382)	(371)
	<hr/>	<hr/>
FRS 102 credit before actuarial gains/losses	(197)	(177)
(Decrease)/increase in other benefit arrangements	5	(25)
	<hr/>	<hr/>
Total debit/(credit) to SOFA (see note 8)	(192)	(202)
FRS 102 Actuarial (gains)	(4,294)	(981)
	<hr/>	<hr/>
Decrease in liability	(4,486)	(1,183)
	<hr/>	<hr/>

22. Pension Scheme Liabilities (continued)
- Consolidated and Corporation

(i) Non-teaching staff - defined benefit scheme (continued)

d) The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2022 %	2021 %
Fixed interest and liability driven investment	28	19
Cash and other	5	14
Equities and properties	28	27
Insured annuities	10	13
Diversified grants and funds	29	27
	<hr/>	<hr/>

The overall expected rate of return on the scheme assets is determined by reference to yields available on government bonds, corporate bonds, bank base rates and incorporating appropriate risk margins where appropriate.

	2022 £'000	2021 £'000
Actual return on the scheme assets in the year	(5,304)	1,845
	<hr/>	<hr/>

e) Principal assumptions at the balance sheet date (expressed as weighted averages):

	2022 %	2021 %
Inflation assumption (RPI)	3.4	3.2
Inflation assumption (CPI)	2.8	2.6
Discount rate	4.3	1.6
Rate of increase in salaries	4.4	4.2
Future LPI pension increases	3.4	3.2
Assumed life expectations on retirement at age 65:		
Retiring today – males	21.3	21.6
Retiring today – females	23.9	24.1
Retiring in 20 years – males	22.9	22.9
Retiring in 20 years – females	25.4	25.3

f) The amounts for the current and previous periods are as follows:

	2022 £'000	2021 £'000	2020 £'000	2019 £'000	2018 £'000
Present value of obligations	(20,413)	(31,093)	(30,938)	(31,418)	(27,589)
Fair value of plan assets	16,077	22,276	20,954	21,459	21,322
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Scheme deficit	(4,336)	(8,817)	(9,984)	(9,959)	(6,267)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Experience adjustment on scheme assets	6,227	(1,582)	687	25	982
Percentage of scheme assets	-38.7%	7.1%	3.3%	0.1%	4.6%
Experience adjustment on scheme liabilities	(10,521)	602	(506)	3,362	(1,159)
Percentage of scheme liabilities	51.5%	1.9%	1.6%	10.7%	4.2%
Cumulative scheme actuarial losses	(4,752)	(9,046)	(10,026)	(9,845)	(6,468)

**22. Pension Scheme Liabilities (continued)
- Consolidated and Corporation**

(ii) Other benefit arrangements

Harrow School has other benefit arrangements comprising:

- unfunded provision of benefits to masters and other staff who retired prior to 1982;
- unfunded provision of benefits to masters in the period between their retirement at 62 and the point at which they become entitled to a State Pension. This element of the unfunded arrangement is closed to new entrants.

The value of the unfunded liability arising from these arrangements at 31 August 2022 was updated by an independent qualified actuary on an FRS102 basis. The movements on the provision required to meet the future liabilities arising under the arrangements are as follows:

	2022 £'000	2021 £'000
Provision at beginning of year	125	141
Decrease in provision	(5)	(16)
	<hr/>	<hr/>
Provision at end of year	120	125
	<hr/>	<hr/>
After more than one year	120	125
	<hr/>	<hr/>

(iii) Teachers' Pension Arrangements

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £3,020,000 (2020/21 - £2,919,000) and at the year-end £240,000 (2021 - £220,000) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

22. Pension Scheme Liabilities

(iii) Teachers' Pension Arrangements (continued)

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

(iv) Other defined contribution schemes

A defined contribution scheme now known as the Harrow Corporation Pension Scheme for eligible employees. The amount recognised in the SOFA for the year was £866,000 (2020/21 - £728,000). The expected Scheme contributions for the year ending 31 August 2022 are estimated at £896,000.

23. Allocation of Consolidated Net Assets for the year ended 31 August 2022

The net assets at 31 August 2022 are held for the various funds as follows:

Capital Funds	Tangible fixed assets £'000	Investment properties £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Permanent Endowment						
General						
School and Lyon Foundation incl the Philathletic Trust*	3,501	10	2,517	331	-	6,359
Harrow School Endowment Fund	-	985	-	-	-	985
Shepherd Churchill Bequest*	-	-	5,309	(16)	-	5,293
Butler Memorial Trust	23	-	77	277	-	377
Awards						
Harrow Awards Fund*	-	-	13,106	36	-	13,142
L C Wilson Bequest	-	-	2,479	-	-	2,479
Foundation Awards	-	-	2,717	-	-	2,717
Harrow Challenge	-	-	4,465	(18)	-	4,447
	3,524	995	30,670	610	-	35,799
Expendable Endowment						
J G Apcar Trust*	302	77	-	24	-	403
Harrow Challenge	-	-	2,770	23	-	2,793
Harrow Awards	-	-	3,376	807	-	4,183
	302	77	6,146	854	-	7,379
Total Capital Funds	3,826	1,072	36,816	1,464	-	43,178
Income Funds						
Restricted						
Harrow	-	-	-	5,549	-	5,549
JLS	-	-	192	232	-	424
Subsidiaries	-	-	849	514	(115)	1,248
	-	-	1,041	6,295	(115)	7,221
Unrestricted						
Designated						
Harrow Awards	-	-	23,035	(3,642)	-	19,393
JLS	-	-	3,728	466	-	4,194
Masterplan	-	-	-	(1,443)	-	(1,443)
Awards	-	-	-	(182)	-	(182)
Other	-	-	-	(116)	-	(116)
Bond	-	-	80,333	-	(89,715)	(9,382)
General						
Harrow	104,252	976	29,281	(16,943)	(3,711)	113,855
JLS	21,106	-	-	(562)	(7,998)	12,546
Subsidiaries	2	-	-	(282)	-	(280)
	125,360	976	136,377	(22,704)	(101,424)	138,585
Total Income Funds	125,360	976	137,418	(16,409)	(101,539)	145,806
TOTAL FUNDS	129,186	2,048	174,234	(14,945)	(101,539)	188,984

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS
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23. Allocation of Consolidated Net Assets for the year ended 31 August 2022

The movement in reserves for the various funds for the year ended 31 August 2022 are as follows:

Capital Funds	Balance Brought Forward £'000	Income £'000	Expenditure £'000	Gains and Losses £'000	Transfers £'000	Balance Carried Forward £'000
Permanent Endowment						
General						
School and Lyon Foundation incl the Philathletic Trust*	6,300	-	(2)	(19)	80	6,359
Harrow School Endowment Fund	790	-	-	195	-	985
Shepherd Churchill Bequest*	5,340	-	(4)	(43)	-	5,293
Butler Memorial Trust	359	-	-	18	-	377
Awards						
Harrow Awards Fund*	14,009	-	(45)	(424)	(398)	13,142
L C Wilson Bequest	2,594	-	(2)	(21)	(92)	2,479
Foundation Awards	2,825	-	(2)	(21)	(85)	2,717
Harrow Challenge	4,485	-	(4)	(34)	-	4,447
	<u>36,702</u>	<u>-</u>	<u>(59)</u>	<u>(349)</u>	<u>(495)</u>	<u>35,799</u>
Expendable Endowment						
Harrow Challenge	2,922	-	(2)	(23)	(104)	2,793
J P Apcar Trust	380	-	-	23	-	403
Other	3,377	807	(2)	1	-	4,183
	<u>6,679</u>	<u>807</u>	<u>(4)</u>	<u>1</u>	<u>(104)</u>	<u>7,379</u>
Total Capital Funds	43,381	807	(63)	(348)	(599)	43,178
Income Funds						
Restricted						
Harrow	19,716	1,769	(3,962)	(77)	(11,897)	5,549
JLS	213	866	(658)	3	-	424
Subsidiaries	1,045	152	(14)	65	-	1,248
	<u>20,974</u>	<u>2,787</u>	<u>(4,634)</u>	<u>(9)</u>	<u>(11,897)</u>	<u>7,221</u>
Unrestricted						
Designated						
Harrow Awards	23,376	2,921	(54)	(6,850)	-	19,393
JLS	4,129	-	(3)	68	-	4,194
Masterplan	1,343	140	(13,318)	10,392	-	(1,443)
Awards	182	-	-	362	(726)	(182)
Other	105	11	(1)	(231)	-	(116)
Bond	(12,959)	-	(2,680)	6,257	-	(9,382)
General						
Harrow	99,474	35,643	(29,385)	(5,099)	13,222	113,855
JLS	12,313	14,960	(14,211)	(516)	-	12,546
Subsidiaries	(671)	16,890	(4,713)	(11,786)	-	(280)
	<u>127,292</u>	<u>70,565</u>	<u>(64,365)</u>	<u>(7,403)</u>	<u>12,496</u>	<u>138,585</u>
Total Income Funds	148,266	73,352	(68,999)	(7,412)	599	145,806
TOTAL FUNDS	191,647	74,159	(69,062)	(7,760)	-	188,984

23. Allocation of Consolidated Net Assets (continued)

*The Shepherd Churchill Bequest, the Butler Memorial Trust, the J G Apcar Trust, the Harrow Awards Fund and the Philathletic Trust are separate and legally distinct charities subject to a Uniting Direction issued by the Charities Commission under s96 (5) of the Charities Act 1993, dated 25 August 2004.

Assets forming the Philathletic Trust comprise land known as the Cricket Ground, the Bessborough Ground and part of Churchfields, combined with property from the Bessborough Memorial Trust. The original value of the bequest is not known and no current value is placed upon it. Assets of the Trust also included investments which were consolidated with the School & Lyon Foundation many years ago. It is not possible to identify the investments within that fund that form part of the Philathletic Trust.

Assets of the Butler Memorial Trust include the football fields following the amalgamation of the original Football Fields Trust and the Reverend Henry Montagu Butler DD Memorial Football Fields Trust under a 1988 Scheme. The original value of the land bequests is not known and no current value is placed upon the land. Income from investments that can still be identified as belonging to the Trust is deployed wholly in the maintenance of sports facilities in line with the original intention of the benefactors.

The transactions for the year to 31 August 2022 of the other charities referred to, included in the SOFA and Balance Sheet, are as follows:

	Shepherd Churchill Bequest	Harrow Awards Fund	Butler Memorial Trust	J G Apcar Trust
	£'000	£'000	£'000	£'000
Investments				
Additions	-	1,020	-	-
Disposals	(3)	(1,592)	-	-
Investment income	-	-	-	-
Realised gain	-	35	-	-
Unrealised (loss)/gains	(43)	(459)	18	24
Net movement in cash held for investment	(1)	162	-	-
Investment properties				
Rental income	-	-	-	(1)

In addition to the above Uniting Direction, the assets of the Harrow Land Trust comprise land currently occupied by the Farm and the Golf Course, the original value of which is not known and no current value is placed upon it.

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23. Allocation of Consolidated Net Assets for the year ended 31 August 2021

The net assets at 31 August 2021 were held for the various funds as follows:

Capital Funds	Tangible fixed assets £'000	Investment properties £'000	Investments £'000	Net current assets/ (liabilities) £'000	Long term liabilities £'000	Total £'000
Permanent Endowment						
General						
School and Lyon Foundation including the Philathletic Trust*	3,581	10	2,378	331	-	6,300
Harrow School Endowment Fund	-	790	-	-	-	790
Shepherd Churchill Bequest*	-	-	5,355	(15)	-	5,340
Butler Memorial Trust	24	-	60	275	-	359
Awards						
Harrow Awards Fund*	-	-	13,940	69	-	14,009
L C Wilson Bequest	-	-	2,684	(90)	-	2,594
Foundation Awards	-	-	2,891	(66)	-	2,825
Harrow Challenge	-	-	4,503	(18)	-	4,485
	3,605	800	31,811	486	-	36,702
Expendable Endowment						
J G Apcar Trust*	404	53	-	(77)	-	380
Harrow Challenge	-	-	3,001	(79)	-	2,922
Harrow Awards	-	-	2,657	720	-	3,377
	404	53	5,658	564	-	6,679
Total Capital Funds	4,009	853	37,469	1,050	-	43,381
Income Funds						
Restricted						
Harrow	-	-	-	19,716	-	19,716
JLS	-	-	-	213	-	213
Subsidiaries	-	-	1,002	614	(571)	1,045
	-	-	1,002	20,543	(571)	20,974
Unrestricted						
Designated						
Harrow	-	-	22,483	893	-	23,376
JLS	-	-	3,760	369	-	4,129
Masterplan	-	-	-	1,343	-	1,343
Awards	-	-	-	182	-	182
Other	-	-	-	105	-	105
Bond	-	-	76,750	-	(89,709)	(12,959)
General						
Harrow	89,954	879	33,933	(16,491)	(8,801)	99,474
JLS	21,449	-	-	(637)	(8,499)	12,313
Subsidiaries	-	-	-	(671)	-	(671)
	111,403	879	136,926	(14,907)	(107,009)	127,292
Total Income Funds	111,403	879	137,928	5,636	(107,580)	148,266
TOTAL FUNDS	115,412	1,732	175,397	6,686	(107,580)	191,647

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23. Allocation of Consolidated Net Asset for the year ended 31 August 2021

The movement in reserves for the various funds for the year ended 31 August 2021 are as follows:

Capital Funds	Balance Brought Forward	Income	Expenditure	Gains and Losses	Transfers	Balance Carried Forward
	£'000	£'000	£'000	£'000	£'000	£'000
Permanent Endowment						
General						
School and Lyon Foundation incl the Philathletic Trust*	5,935	-	(18)	303	80	6,300
Harrow School Endowment Fund	790	-	-	-	-	790
Shepherd Churchill Bequest*	4,621	-	-	719	-	5,340
Butler Memorial Trust	360	-	-	(1)	-	359
Awards						
Harrow Awards Funds	12,687	-	-	1,701	(379)	14,009
L C Wilson Bequest	2,326	-	-	358	(90)	2,594
Foundation Awards	2,505	-	-	387	(67)	2,825
Harrow Challenge	3,897	-	-	588	-	4,485
	<u>33,121</u>	<u>-</u>	<u>(18)</u>	<u>4,055</u>	<u>(456)</u>	<u>36,702</u>
Expendable Endowment						
Butler Memorial Trust	-	-	-	-	-	-
Harrow Challenge	2,621	-	-	401	(100)	2,922
J P Apcar Trust	381	16	-	(17)	-	380
Other	2,381	705	(2)	218	75	3,377
	<u>5,383</u>	<u>721</u>	<u>(2)</u>	<u>602</u>	<u>(25)</u>	<u>6,679</u>
Total Capital Funds	38,504	721	(20)	4,657	(481)	43,381
Income Funds						
Restricted						
Harrow	25,319	3,069	(3,490)	531	(5,713)	19,716
JLS	175	655	(625)	8	-	213
Subsidiaries	903	765	(242)	(381)	-	1,045
	<u>26,397</u>	<u>4,489</u>	<u>(4,357)</u>	<u>158</u>	<u>(5,713)</u>	<u>20,974</u>
Unrestricted						
Designated						
Harrow Awards	20,008	4,757	(9,059)	7,670	-	23,376
JLS	3,255	406	(132)	600	-	4,129
Masterplan	1,143	200	-	-	-	1,343
Awards	182	-	-	601	(601)	182
Other	93	75	(6)	(57)	-	105
Bond	790	-	(1,320)	(12,429)	-	(12,959)
General						
Harrow	70,873	30,917	(19,581)	10,470	6,795	99,474
JLS	11,626	13,467	(12,680)	(100)	-	12,313
Subsidiaries	224	12,865	(13,112)	(648)	-	(671)
	<u>108,194</u>	<u>62,687</u>	<u>(55,890)</u>	<u>6,107</u>	<u>6,194</u>	<u>127,292</u>
Total Income Funds	134,591	67,176	(60,247)	6,265	481	148,266
TOTAL FUNDS	173,095	67,897	(60,267)	10,922	-	191,647

23. Allocation of Consolidated Net Assets (continued)

The transactions for the year to 31 August 2021 of the other charities referred to, included in the SOFA and Balance Sheet, are as follows:

	Shepherd Churchill Bequest	Harrow Awards Fund	Butler Memorial Trust	J G Apcar Trust
	£'000	£'000	£'000	£'000
Investments				
Additions	290	15,230	-	-
Disposals	(89)	(15,328)	-	-
Investment income	-	-	(1)	-
Realised losses	(417)	520	-	-
Unrealised gains	723	199	7	-
Net movement in cash held for investment	(204)	(292)	-	-
Investment properties				
Rental income	-	-	-	(16)

24. Net Cash Inflow from Operating Activities

	2021/22 £'000	2020/21 £'000
Net incoming resources	(6,957)	17,571
Depreciation	5,545	4,809
Amortisation of goodwill	10	10
Decrease/(increase) in stocks	(93)	3
Increase in debtors	(734)	(710)
Increase/(decrease) in creditors	1,552	4,814
Increase in entry and part-fee deposits	127	449
Decrease/(Increase) in liability for unfunded pensions	-	-
FRS 102 credit before actuarial gains/losses	5	(25)
Decrease in provision for other pension benefit arrangements	(197)	(177)
Interest paid	3,549	1,646
Interest received	(2,137)	(2,029)
Investment income	(267)	(323)
Gain on investment properties	(316)	-
Gain on revaluation of investment assets	12,370	(9,941)
Loss on disposal of fixed assets	302	5
	12,759	16,102

25. Changes in Cash and Cash Equivalents

Analysis of balances	2021/22 £'000	2020/21 £'000	Change in year £'000
Bank overdraft (see note 17)	(9,500)	-	(9,500)
Other cash balances (see note 16)	4,319	14,734	(10,415)
	<hr/>	<hr/>	<hr/>
The Corporation's operations	(5,181)	14,734	(19,915)
Harrow School Advanced Fees cash balance (see note 16)	-	80	(80)
	<hr/>	<hr/>	<hr/>
	(5,181)	14,814	(19,995)
	<hr/>	<hr/>	<hr/>

26. Analysis of Net Funds

Year ended 31 August 2022	As at beginning of year £'000	Cash Flow £'000	Other Non-cash changes £'000	As at end of year £'000
Net cash balances	14,814	(19,995)	-	(5,181)
Other loans	(2,355)	793	-	(1,562)
Finance leases	(1)	(6)	-	(7)
Bond	(89,709)	(6)	-	(89,715)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(77,251)	(19,214)	-	(96,465)
	<hr/>	<hr/>	<hr/>	<hr/>

Year ended 31 August 2021	As at beginning of year £'000	Cash Flow £'000	Other Non-cash changes £'000	As at end of year £'000
Net cash balances	13,227	1,587	-	14,814
Other loans	(2,683)	328	-	(2,355)
Finance leases	(10)	9	-	(1)
Bond	(39,835)	(49,874)	-	(89,709)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	(29,301)	(47,950)	-	(77,251)
	<hr/>	<hr/>	<hr/>	<hr/>

27. Indemnity insurance

Professional Indemnity and Governors' Liability insurance is purchased by the Schools. The insurance is in respect of claims arising from any negligent act, error or omission committed in good faith and covers Proprietors, Principals, Trustees, Governors and Corporation staff.

The cost of the insurance amounted to £9,000 (2020/21 - £9,000).

28. Related party transactions

- i. The Clerk to the Governors was a partner in the firm of Cripps until February 2022 when he became an employee of The Corporation. Cripps acts as solicitors to the Corporation. Under the terms of a contract for services, the firm provides administrative support to the Governors. Payment for these services in the year amounted to £43,000 (2020/21 - £137,000). In addition, legal fees paid by The Corporation to Cripps in the year amounted to £480,000 (2020/21 - £1,019,000) inclusive of VAT and disbursements.
- ii. John Lyon's Charity made grants for bursaries in the year at Harrow School of £438,000 (2020/21 - £442,000) and at The John Lyon School of £554,000, (2020/21 - £541,000) to enable individuals resident in the beneficial area of John Lyon's Charity to attend the 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. Grants have also been made by John Lyon's Charity to other independent schools in the beneficial area for bursary support. The Corporation is the trustee of John Lyon's Charity.
- iii. One Governor, J P Batting, is a partner in XPS Pensions. Under the terms of a contract for services, the firm provides a triennial valuation for the non-teaching staff pension scheme and advice on the pension scheme liabilities arising from this and other benefit arrangements. Payment to XPS Pensions in the year amounted to £264,000 (2020/21 - £138,000).
- iv. One Governor, A D Hart, is a Director of London Bridge Capital Partners LLP, which was paid £Nil (2020/21 - £20,000) during the financial year in respect of his work as a director of HISL. Two Governors were employed during the year by HISL as directors.
- v. Apart from the arrangements noted above, neither the Governors nor the Board of Governors nor persons connected with them received any remuneration or other benefits from the schools or any connected organisation. Travel expenses of £2,000 (2020/21 - £Nil) were paid to five (2020/21 - None) Governors during the year.
- vi. One Governor, J P Batting, is a Director of Intellego Education Limited (IEL), as is the son of another Governor, G W J Goodfellow. The Corporation made an investment of £200,000 in IEL in 2021. IEL seeks to help schools maximise their potential by delivering education outcomes. The Corporation will work closely with the company to advance best practice and operational efficiency in schools.

28. Related party transactions (continued)

Transactions with subsidiaries during the year, together with the outstanding balances at the year end are detailed below. The transactions include payments for the provision of staff and administrative services.

Related party transactions for the year ended 31 August 2022

	Income from related party £'000	Expenditure to related party £'000	Balance due to related party £'000	Balance due from related party £'000
HSEL	316	(338)	-	862
HISL	4,732	(55)	-	2,225
HDT	7,126	(89)	-	104

Related party transactions for the year ended 31 August 2021

	Income from related party £'000	Expenditure to related party £'000	Balance due to related party £'000	Balance due from related party £'000
HSEL	229	(225)	-	854
HISL	3,817	(122)	-	1,742
HDT	9,294	(813)	92	49

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29. Statement of Financial Activities for the year ended 31 August 2021

	Notes	Income Funds Unrestricted Funds £'000	Restricted Funds £'000	Capital Funds Expendable Endowment £'000	Permanent Endowment £'000	Total £'000
Income and endowments from:						
Charitable activities						
School fees receivable	1	44,644	-	-	-	44,644
Ancillary trading income	2i	2,546	-	-	-	2,546
Voluntary income		-	983	-	-	983
Voluntary sources						
Other charitable income	2ii	6,118	3,262	721	-	10,101
Tsunami income		-	48	-	-	48
Other trading activities						
Non ancillary trading income	2iii	6,213	-	-	-	6,213
Other incoming resources	3	922	88	-	-	1,010
Investments						
Investment income	4	2,244	108	-	-	2,352
Total		62,687	4,489	721	-	67,897
Expenditure on:						
Raising funds						
Fundraising costs		859	254	-	-	1,113
Non ancillary trading expenses	2iv	2,574	-	-	-	2,574
Finance costs	8	1,646	-	-	-	1,646
Investment management costs		383	-	2	18	403
		5,462	254	2	18	5,736
Charitable activities						
Teaching costs		22,405	-	-	-	22,405
Welfare costs		6,298	-	-	-	6,298
Premises costs		13,445	-	-	-	13,445
Support costs		6,217	-	-	-	6,217
Grants, awards and prizes	6iii	-	4,043	-	-	4,043
Other charitable projects		-	60	-	-	60
Ancillary trading expenses	2iii	2,063	-	-	-	2,063
		50,248	4,103	-	-	54,531
Total Expenditure	6-8	55,890	4,357	2	18	60,267
Net Income/(Expenditure) before Transfers and Investment Gains/(Losses)						
		6,797	132	719	(18)	7,630
Transfers between funds	9	6,194	(5,713)	(25)	(456)	-
Gains on investment properties	12	-	-	-	-	-
(Losses)/gains on investment assets	13	5,126	158	602	4,055	9,941
Net Income/(Expenditure)		18,117	(5,423)	1,296	3,581	17,571
Actuarial (loss)/gain on defined-benefit pension scheme	22	981	-	-	-	981
Net Movement in Funds		19,098	(5,423)	1,296	3,581	18,552
Balances at beginning of year		108,194	26,397	5,383	33,121	173,095
Balances at end of year		127,292	20,974	6,679	36,702	191,647

Statement of Financial Activities for the year ended 31 August 2022

	Income Funds Unrestricted Funds £'000	Restricted Funds £'000	Capital Funds Expendable Endowment £'000	Permanent Endowment £'000	Total 2021/22 £'000	Total 2020/21 £'000
Income and endowments from:						
Charitable activities						
School fees receivable	36,061	-	-	-	36,061	32,065
Ancillary trading income	2,689	-	-	-	2,689	2,148
Voluntary Income	5,055	1,230	807	-	7,092	9,202
Voluntary sources						
Other charitable income	-	438	-	-	438	442
Other trading activities						
Non ancillary trading income	192	-	-	-	192	159
Other incoming resources	313	-	-	-	313	788
Investments						
Investment income	2,304	100	-	-	2,404	2,352
Total	46,614	1,768	807	-	49,189	47,156
Expenditure on:						
Raising funds						
Fundraising costs	-	-	-	-	-	-
Non ancillary trading expenses	-	-	-	-	-	-
Finance costs	3,148	-	-	-	3,148	1,487
Investment management costs	626	-	4	54	684	402
	3,774	-	4	54	3,832	1,889
Charitable activities						
Teaching costs	16,293	-	-	-	16,293	15,611
Welfare costs	6,393	-	-	-	6,393	5,690
Premises costs	11,939	-	-	-	11,939	10,898
Support costs	4,956	-	-	-	4,956	4,102
Grants, awards and prizes	-	3,732	-	-	3,732	3,372
Ancillary trading expenses	2,222	-	-	-	2,222	1,744
	41,803	3,732	-	-	45,535	41,417
Total Expenditure	45,577	3,732	4	54	49,367	43,306
Net Income/(Expenditure) before Transfers and Investment Gains/(Losses)	1,037	(1,964)	803	(54)	(178)	3,850
Transfers between funds	16,483	(11,544)	(102)	(489)	4,348	3,509
Gains on investment properties	97	-	24	195	316	-
(Losses)/gains on investment assets	(11,769)	-	(23)	(544)	(12,336)	9,275
Net Income/(Expenditure)	5,848	(13,508)	702	(892)	(7,850)	16,634
Actuarial (loss)/gain on defined-benefit pension scheme	4,274	-	-	-	4,274	981
Net Movement in Funds	10,122	(13,508)	702	(892)	(3,576)	17,615
Balances at beginning of year	112,653	18,910	6,679	36,693	174,935	157,320
Balances at end of year	122,775	5,402	7,381	35,801	171,359	174,395