

**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 2023**

**CHARITY NUMBER: 310033**

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## **Introduction**

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 was established by Royal Charter granted by Elizabeth I to John Lyon on 19 February 1572 and later incorporated by statute (referred to as the **"Corporation"**). The Corporation is a registered charity, number 310033.

The Corporation comprises of Harrow School (an independent boarding school for boys) and The John Lyon School (an independent co-educational day school) and has three wholly-owned subsidiary trading companies.

- Harrow School is an independent boarding school for boys, while The John Lyon School is a co-educational independent day school.
- Harrow International School Limited, which licenses Harrow School's brand for use by partners internationally.
- Harrow School Enterprises Limited, which makes use of the Corporation's assets when not required by its schools and sub-licences the use of the Harrow name nationally.
- Harrow Educational Investments Limited, which is used for commercial projects.

The Corporation controls the membership of The Harrow Development Trust, a separate fundraising charity (charity number 296097), raising funds for the development of facilities and bursaries at Harrow School. Appropriations from the Harrow Development Trust to Harrow School are made periodically. In accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities, the Harrow Development Trust is treated as a subsidiary charity of the Corporation and its Financial Statements are consolidated within the Corporation's Financial Statements.

The Corporation is also the trustee of John Lyon's Charity, a separate grant giving charity, benefitting children and young people who live in nine London Boroughs in North and West London. The John Lyon's Charity registered charity number is 237725.

The entities are collectively known as "John Lyon's Foundation" (named after the founder) and are governed by the members of the Corporation (referred to as the **"Foundation"**).

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

**GOVERNORS**

**Members and Officers**

The current members or trustees (referred to as Governors) of the Corporation and those who served during the year ended 31 August 2023 and up to the date of this report are:

		Nominated by:
<b>Chairman</b>		
Appointed 1 January 2023	D G P Eyton CBE MA FIOM <sup>3</sup> FIOD FRENG	
Retired 31 December 2022	J P Batting MA FFA	
<b>Chairman, The John Lyon School Board of Governors</b>		
Retired 31 August 2023	G W J Goodfellow KC MA LLM C G T Stonehill MA J M P D Stroyan Mrs M S Brounger LLB A C Goswell BSc MRICS	Lord Chief Justice
<b>Deputy Chairman and Chairman, General Purposes Committee</b>		
Retired 21 April 2023	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 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	The Royal Society
Appointed 1 September 2022	L J Halligan MPhil BSc	Masters
Appointed 26 November 2022	Dr D A Taylor MBBS BSc MD FRCP	
Appointed 26 November 2022	M C Wallace BCom	
Appointed 16 March 2024	Mrs S A Huang MA MSc PGCE	
Appointed 25 November 2023	J C Seppala BA	

**Officers**

Head Master, Harrow School	W M A Land MA FLS FSB
Bursar, Harrow School	J M Wood JP BA
Head, The John Lyon School	R K Hardy PGCE MA MEd
Chief Operating Officer, The John Lyon School	Cdr G R Mawdsley RN MA
Clerk to the Governors and General Counsel	The Hon A C Millett MA
Chief Financial and Commercial Officer, John Lyon Foundation	D H Curley MA MBA CPFA

**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

**Principal Solicitors**

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

**Principal Investment Advisers**

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

## **CONSTITUTION**

The Corporation's constitution is contained in the original Elizabethan Charter (setting out its objects) and under governing statutes made pursuant to the Public Schools Act 1868 (as amended) and subsequent statutes made with the approval of His Majesty in Council, the latest of which was with the approval of Her Majesty in Council adopted by Governors on 8 June 2016.

### **Charitable Objects**

The Charter is in Latin and a translation of the material parts of the objects are as follows:

*"Whereas our beloved subject, John Lyon, of Preston, within the Parish of Harrow-on-the-Hill ... hath purposed in his mind a certain Grammar School ... to erect, found, and for ever to establish for the perpetual education teaching and instruction of Children and Youth of the said Parish ... We therefore ... do will, grant and ordain ... that for ever hereafter there be and shall be one Grammar School in the Village of Harrow-on-the-Hill ... which shall be called the Free Grammar of John Lyon, for the bringing up, teaching and instruction of Children and Youth in Grammar, for all time hereafter coming ..."*

The recent 450th anniversary of Harrow School's foundation and the upcoming 150th anniversary (in 2027) of the opening of The John Lyon School prompted the Governors to reflect on the activities of the Corporation and to conduct a thorough review of its operations as it shapes its future.

A key outcome of that review was that the Governors identified a need to update the Corporation's historical objects using clearer and more modern form of language and restate them in the governing statutes. A public consultation was held in July 2023 and was followed in the current 2023/24 financial year with an application to the Court (approved by the Charity Commission) which was made on 9 November 2023.

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 charitable obligations committing to provide public benefit and have given due consideration to the requirements of the Charities Act 2011 (as amended) and the guidance produced by the Charity Commission.

## **GOVERNANCE AND MANAGEMENT**

### **Governance**

The statutes provide for the governance of the Corporation, as follows:

The maximum number of Governors is restricted to twenty-five, of whom up to twenty-three are elected by the members of the Corporation. This group is 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.

The Governors are the governors of Harrow School and, within defined parameters, the governance of The John Lyon School is delegated by them to a separate Board of Governors, the members of which are appointed by the Governors.

### **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 2 and 3.

## **Governance (continued)**

### **Recruitment and Training of Governors**

The Foundation Selection Committee (see below) is responsible for considering nominations for future Governors, based on guidelines, which include a list of the skills and experience that should be represented by Governors.

The Clerk is responsible for the induction of new Governors who are briefed individually. Guidance and advice on effective trusteeship and updates with information about best practice are brought to the attention of Governors by the Clerk and other Officers.

### **Governance and Delegation to Committees**

The Governors, meet as a board at least three times a year. They are ultimately responsible for the Foundation as a whole, ensuring that governance arrangements across all entities of the Foundation are appropriate and effective through the appointment of knowledgeable Governors, appropriate risk management processes and through effective delegation to committees, working groups and to those designated with responsibility for oversight or particular aspects of the business of the Foundation, as follows.

## **The Foundation**

### **Foundation Selection Committee**

To identify and recommend new Governors and advise on succession planning, appointing to committees, working groups and designating responsibility for oversight by individual Governors, as well as approving the appointments to The John Lyon School's Board of Governors.

Chair - Mr D G P Eyton (Appointed 1 Jan 2023)  
Mr J P Batting (Retired 31 Dec 2022)

### **Foundation Risk Oversight and Opportunities Committee**

To ensure the identification and effective management of risk and consideration of opportunities across the entities within the Foundation.

Chair - Vice Admiral J P Kyd

### **Foundation Investments Committee**

To supervise and monitor the investment of financial assets.

Chair - Sir J R Symonds

### **Foundation Remuneration Committee**

To consider the remuneration of the Officers and other senior employees of the Corporation (including those Governors who are Directors of and receive remuneration from HISL) 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. Overall salary levels and increases for all other staff are approved annually by the Governors through the budgeting process, based on benchmarking surveys, market forces and assessments of the cost-of-living.

## **Governance (continued)**

### **The Corporation**

#### **Bond Issue Committee**

To oversee the investment and use of the proceeds of two private placement bonds issued in 2019 and 2021.

Chair - Mr C G T Stonehill

#### **Management of the Corporation**

The Governors have delegated the day to day management of Harrow School to the Head Master and Bursar of Harrow School. The Governors have delegated the day to day management of The John Lyon School to the Head and Chief Operating Officer of The John Lyon School. The Governors have delegated aspects of the day to day management of the Corporation to the Chief Financial and Commercial Officer and the Clerk to the Governors and General Counsel. The Governors are advised on financial management, strategy, and risk management in relation to the Corporation and its subsidiaries by the Chief Financial and Commercial Officer of the John Lyon Foundation.

### **Harrow School**

The principal Governor committees are:

#### **Strategy and Education Committee**

To consider strategic and educational matters.

Chair - The Hon A Butler (Appointed 1 Jan 2023)  
Mr D G P Eyton (To 31 Dec 2022)

#### **General Purposes Committee**

To consider important financial and operational matters and generally oversee the management and administration of the School's affairs (which receives reports regarding the oversight of compliance with the School's regulatory requirements, including Health and Safety).

Chair - The Hon A Butler (Appointed 1 Jan 2023)  
Mr D G P Eyton (To 31 Dec 2022)

#### **Estates Committee**

To oversee the development and maintenance of the School's estate.

Chair - Mr A C Goswell

#### **Compliance Committee**

To oversee all aspects of legal and regulatory compliance, including Health and safety.

Chair - Vice Admiral J P Kyd (1 Sep 2022 – 26 May 2023) after which it ceased to be a Governor chaired committee (and was convened and chaired by a senior executive responsible for operations within the School) and Vice Admiral J P Kyd became responsible for oversight.



**Governance (continued)**

**Pupils' Wellbeing and Conduct Committee**

To oversee the pastoral care and safeguarding of pupils at the School (supplementing specific oversight of safeguarding).

Chair - Mr D J C Faber

There are other committees and oversight functions, as follows:

- Bursaries Committee
- Conditions of Service (Masters) Committee
- ESG (Oversight)
- IT (Oversight)
- Matrons (Oversight)
- Health & Safety and Medical Centre (Oversight)
- Child Protection and Safeguarding (Oversight)
- Conditions of Service (Support staff) (Oversight)
- Special Educational Needs (SEND) (Oversight)
- Personal Health, social, economic education (PHSEE) (Oversight), established in 2023/24

**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 Chairs of these Committees in the year were as follows:

Finance and General Purposes Committee	- Mrs C E Southgate
Estates Committee	- Mrs K Burnaby (Appointed 1 Sep 2023)
	- Mr J H Graham (Retired 31 Aug 2023)
Education Committee	- Mr N I Kendrick
Quainton Hall Committee	- Mr N J D Enright
Strategy Committee	- Mr L J Halligan (Appointed 1 Sep 2022)

**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 21 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, 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.
- 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 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 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 has been creating positive futures for marginalised young people in West London for over 140 years. It is part of the Foundation's wider family and has benefitted from the active involvement of Corporation Governors, Old Harrovians and staff as trustees. Through general youth clubs and specialist interventions, the Harrow Club aims to empower young people to complete their education, avoid anti-social behaviour and become positive contributors to society. The Harrow Club works with up to 500 young people each week across six clubs, helping them to recognise their full potential.

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 risks and uncertainties faced by the Corporation are actively managed and regularly reviewed by management who advise the Governors.

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 an acceptable level. 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.

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;

### **Management of Risks and Uncertainties (continued)**

- 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.

The Governors are satisfied that through the risk management processes established by the Corporation, all material risks are adequately managed, monitored, mitigated and reported.

### **Public Benefit and Community Engagement**

#### **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.

#### **Mission Statement and Public Benefit**

The Corporation, together with its subsidiary companies, 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.”

The provision of public benefit is a core part of the John Lyon’s Foundation mission, and the Corporation has the following aims to support public benefit;

- Provide an independent school 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.
- Provide bursary funding, in order to widen access for pupils from a broad range of backgrounds and abilities.
- Provide educational resources and financial support including facilities to local schools, charities and to other members of the community, consistent with the above aims, so that they to may benefit from them directly.

To fulfil these aims the Corporation has the following primary objectives;

- 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.

Details set out below are examples of the public benefit activity performed during the year which support the Governors’ assessment that the Corporation has achieved its public benefit aims for the period.

There were four key areas where the Corporation met these objectives during the year:

## **1. Maintaining Full Schools and Academic Excellence**

### **Harrow School**

The School was full for the academic year 2022/23.

Over 40% of grades achieved at GCSE were at grade 9 level, with over 70% of grades at either grade 8 or grade 9. Excluding the pandemic years, the 9-A\* percentage is the highest on record, and the 9-A rate is the highest since 2013.

At A Level, almost a third of boys achieved A\*s, where excluding the pandemic years the percentage of A\*-A and A\*-B is the highest since 2013. Two boys achieved five or more A\* grades, and eleven boys gained four or more A\*s. The School's value-added outcomes at A Level were the strongest in the last decade.

The number of Harrovians achieving a place at a Russell Group University is at its highest since 2017. One boy gained a place at ETH Zurich, which is ranked ninth globally. Out of the fifteen boys offered Oxbridge places, twelve boys accepted and three boys opted for Ivy League Schools instead. Thirty boys in total gained places at US Universities, with a record fifteen Harrovians taking up places at six of the eight Ivy League Schools.

### **The John Lyon School**

The senior school at The John Lyon School was full for the academic year 2022/23, and pupil numbers in the Nursery and Prep School continued to grow. The 2023 results continued to see strong performance at 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 2022/23 133 pupils (2021/22 – 143 pupils) benefited from bursaries amounting to £3,824,000, (2021/22 - £3,125,000). Of these awards, 35 attracted remission of at least 95% and a further 61 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 £453,000 (2021/22 - £448,000) were awarded to 190 boys (2021/22 - 188 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 pupil of £7,009 for 2022/23, the School saved the State, after taking account of boys from overseas, at least £4,658,000 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.

### **The John Lyon School**

In 2022/23 85 pupils (2021/22 – 85 pupils) benefited from bursaries amounting to £1,300,000 (2021/22 - £1,287,000). Of these awards, 51 attracted remissions of at least 75% and a further 8 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 £187,000 (2021/22 - £177,000) were awarded to 136 pupils (2021/22 – 102). In achieving its objective by educating pupils during the year, based on the Government's published cost per full-time pupil of £7,009 for 2022/23, the School saved the State at least £5,803,000 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 and further afield.

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 young people 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.

Harrow School and SE aim to fulfil this vision through the following objectives:

#### **Improve educational attainment** through:

- Providing appropriate academic intervention at primary and secondary school level.
- Offering diverse co-curricular opportunities and suitable interventions to support mental and physical well being.

#### **Improve life outcomes** through:

- 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.

Almost £500,000 was distributed in 2022/23 to fund initiatives which have supported over 10,000 young people facing immensely challenging circumstances 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 levels of hardship. This past year, the Harrow community raised funds to support over 50 local charities to deliver vital programmes to support young people in the borough experiencing challenging times. In the past year alone, over 9,000 hours were invested by Harrow School boys and staff to support SE programmes.

Around 200 Harrovians volunteer for projects in the local community, ranging from supporting primary and secondary school children with their learning, to working on specific enrichment projects with groups facing significant barriers to progress. Harrovians volunteer more than 15,000 hours of their time over the academic year to act as co-ordinators, coaches, mentors, and contributors to the projects.

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

A comprehensive overview of initiatives delivered through SE in the Borough of Harrow can be found in the Impact Report for 2022/23 which is available at [Shaftesbury Enterprises Activities](#).

#### **School Partnerships**

##### **Grange Primary School**

Ten boys from Druries boarding house visited Grange Primary School weekly to mentor some of their top mathematicians. Every mentor was partnered with a student, and during each session they would tackle challenging questions and puzzles, while also revising old material and teaching them new material.

Boys in Moretons boarding house also welcomed students from Grange Primary School for an engaging one-to-one reading programme in the Vaughan Library. Thirteen boys from the Lower Sixth, Fifth Form and Remove volunteered, and they each partnered with the same primary school student for the duration of the project. This meant that boys put in a sustained effort to improve a particular student's reading over the 12 sessions.

Feedback from Grange Farm pupils showed that the children made significant progress during their participation in the projects and their attainment levels improved significantly.

##### **St Anselm's Primary School**

Boys from Elmfield boarding house supported the children at St Anselm's Primary School with reading. The children steadily became more confident, and it was heartening to see the children show increasing enthusiasm for reading to Harrovians each week.

##### **Vaughan Primary School**

As part of SE, a group of 25 boys from Newlands visited Vaughan Primary School, where they helped the pupils from Year 1 to Year 4 with phonics and reading.

##### **Byron Court Primary School**

Boys from Rendalls boarding house worked with the children from Byron Court Primary School, supporting literacy and numeracy sessions for Years 5 and 6.

##### **Newton Farm Primary School**

At Newton Farm, the Harrovians acted as teachers' aides, helping in whatever capacity was needed, with a particular focus on reading. They worked with pupils in the Reception year and helped the children learn to break down words into individual sounds and then blend them into full phrases.

##### **Weldon Park**

West Acre boarding house boys volunteered at Weldon Park, where boys read to primary-school children every week and occasionally helped them with their multiplication tables. This project enabled Harrovians to play a part in filling some gaps in knowledge and helping the children meet their attainment targets.

##### **Shaftesbury High School**

Each week, students from Shaftesbury High School visited boys in The Head Master's boarding house at Harrow to participate in indoor sports activities. Activities included five-a-side football, basketball and dodgeball. Working with children who have learning difficulties challenged Harrovians to take the initiative and to be good listeners and communicators.

##### **Hillview Nursery**

The Hillview Nursery project brought together teachers and students from various disciplines to support the youngest members of our community. Located in South Harrow, Hillview Nursery is the only maintained nursery in the borough. The school is a special haven where young children can explore and develop independently within an enabling environment. For the duration of the year's SE programme, the children were taught eco-friendliness by Harrow School's Sustainability Committee and responded brilliantly to the interactive lessons. To align with the ethos of environmentalism, they constructed plant beds in the nursery

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

garden using reclaimed wood, repurposing residual material to allow the children to grow their own produce.

#### **Woodlands School**

As volunteers at Woodlands School, Harrovians engaged in various ways with students with a range of disabilities. Activities included physical therapy as well as mental stimulation, largely through art and music.

### **SUPPORT WITH SUBJECTS AND SPORTS**

#### **School of Hard Knocks rugby programme**

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 sixth year of our partnership with SOHK, Harrow hosted the largest SOHK festival yet with over 16 teams and 200 boys across Years 9, 10 and 11 from SOHK partnership schools. Three Harrow teams also took part with members of The XV refereeing as well as helping to run, coach and offer encouragement to all the boys.

#### **Judo**

This year saw the launch of SE Judo, an initiative aiming to give local primary school pupils the opportunity to try the martial art. Each week a different group of Year 5 pupils from Norbury School came to the Hill and received an introduction to the sport. The pupils left with a basic understanding of the sport and some of its key principles.

#### **Eton Fives**

Year 6 children from Vaughan and Roxeth Primary School came to Harrow School once a week to learn and enjoy the game of Eton fives. A group of ten Harrow boys devoted their time teaching the children about the sport.

#### **Debating**

'Knowing what to say is sense, when to say it is intelligence, how to say it is wisdom, why and how to say it is enlightenment'. Local school children joined with Harrovians to enhance their thinking, speaking and debating skills.

With these sessions, all came to understand with greater clarity that speaking ability, reasoning and debating are skills used every day, in a group or even alone.

#### **Chemistry**

The SE chemistry initiative saw Harrovians honing their communication and educational skills by inspiring young minds through fun, practical chemistry experiments. This proved to be an enriching experience for the young students and Harrovians alike.

The chemistry programme received high praise from the participating students. They found it to be "gratifying, interesting, enjoyable, fun, rewarding, engaging, insightful and inspiring".

#### **Simon Singh masterclasses**

Professor Rama was asked how old he was. He replied, "If you divide my age by 2, 3, 4 or 6, there is always 1 left over, but if you divide it by 7, there is no remainder." How old is Professor Rama? With this question, Siew-Chiang Lim, Head of Maths at Harrow, kickstarted the newly established Online Problem Solving programme. This SE initiative is spearheaded by Mr Lim in collaboration with Dr Simon Singh (the renowned author) and Dr Junaid Mubeen (Countdown champion) from Parallel Circles.

In the programme, 52 Year 7 and 8 tutees from across the country joined a group of 16 Lower Sixth mathematicians to explore mathematical puzzles. The topics in each session ranged from number theory to geometry to coin puzzles. This allowed a better appreciation of the beauty and ingenuity of maths, which is often drowned out by the repetitive number-crunching of classroom exercises.

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

#### **Shaftesbury Enterprise art project**

This was a successful partnership programme between Harrow School and Grange Primary School. It was run by the Harrow School Art teachers, with Harrow boys playing a role in helping and providing opportunities for younger children to explore their artistic ideas and skills. The project aimed to establish and develop creative opportunities for children in the local area and promote greater engagement with the arts.

Throughout the year, children from Grange Primary School worked with Harrow boys to create a range of artwork. Through this series of activities and assignments, children were able to express their creativity and develop their artistic skills.

### **COMMUNITY SUPPORT**

#### **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. It brings 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.

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.

#### **London's Community Kitchen**

Boys in the Lower Sixth were able to volunteer at London's Community Kitchen (LCK). Each week, three teams visited the LCK to assist in whatever capacity was needed to support LCK in their mission to serve the community, in particular to provide free food for vulnerable communities in London.

LCK's principal ethos is 'zero waste and zero hunger'. The LCK system creates a sustainable model that reduces the amount of food that would otherwise go to waste and serves it to over 10,000 Londoners who are battling with food insecurity. The mission that drives LCK is its belief that free or affordable food should be available to vulnerable communities across the world.

Three teams of Harrovians each volunteered at the centre. The volunteers helped make food bags to be distributed as a part of the LCK's Help Harrow programme. This programme delivers groceries to schools, care homes and other people in need. Along with the bags are pamphlets with recipes for different dishes that can be made from the ingredients. Help Harrow serves to create a borough-wide, co-ordinated approach to help residents who are unable to access support, advice or food supplies.

Boys were also responsible for restocking the fresh and ambient produce for the food bags. The supplies for these bags come from many different sources, including HelloFresh bags. At the centre, boys separated the



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

contents of the donated bags into different tubs. The produce and ingredients are then used to make up the food bags that are distributed as a part of the Help Harrow and supply the LCK Free Surplus Food Market.

LCK acts as a sustainable model that supports people, as well as the environment. It was incredibly fulfilling for the Harrovians to be able to make meaningful, positive change.

#### **FirmFoundation**

Boys from The Park boarding house volunteered at FirmFoundation, a shelter that aims to provide food, hygiene facilities and social care for the homeless in Harrow. Two sets of boys travelled down to the shelter on Mondays and Fridays for their scheduled appointments between 2pm and 3pm. The boys could either help in the kitchen with preparing food or, on the other side of the counter, with serving it. By the end of the programme, many boys were staying for as long as they could before their afternoon lessons, and they found the experience as enjoyable as it was rewarding.

#### **Food Insecurity**

The School launched a joint response to the increasing need to support local families on whom increases in living costs and food insecurity are having a significant impact. Together with Young Harrow Foundation, Help Harrow, Harrow Council and DVS Foundation, Harrow School donated £30,000 towards a much-needed package of support over the winter period.

A fund of £45,000 was set up by the partnership to help families identified by schools in the borough as particularly struggling. The fund was distributed in the form of vouchers worth £250 for up to three families per school. The vouchers were redeemed in many supermarkets and essential retailers and were designed to ease the cost of living.

In addition, SE launched a pilot programme with four local schools, Norbury Primary School, Roxeth Primary School, Grange Primary School and Harrow High School, each of which was provided with seed funding of £5,000 to set up an emergency fund to mitigate the impact of the increases in living costs on the most vulnerable families in their school community.

#### **Music Partnerships**

The Summer term saw the conclusion of our second year of music partnership work with local primary schools. Our music teachers worked with over 130 children between the ages of 7 and 11 in four primary schools: St Jérôme Church of England Bilingual School, St Anselm's Catholic Primary School, Norbury School and Newton Farm Junior School. The continuing aim of the initiative is to provide open-access high-level choral sessions with primary school children and, through them, open-up musical and non-musical opportunities.

In the Winter term, the SE choirs from Newton Farm and Norbury School put on their own St Mary's Lunchtime Concert in which they sang repertoire from the Anglican choral and English folk traditions, including music by George Frideric Handel and contemporary composer Will Todd. A week later, the choirs of St Anselm's and St Jérôme's sang with the Harrow School Chapel Choir for the first Town Carols concert since 2019. St Anselm's and St Jérôme's also sang two pieces on their own: former Harrow School Director of Music Sir Percy Buck's Christmas Dawn and Charles Wood's Mater Ora Filium. It was wonderful to welcome parents and members of the local community to both these events, sharing our joint commitment and enjoyment at the culmination of youthful exuberance and artistic skill through song.

In a significant collaboration with boys from Harrow School, the choir from St Anselm's joined us in Harrow School Chapel for a full sung Catholic Latin Mass in which they performed music by William Byrd. 2023 marked the 400th anniversary of William Byrd's death and so it was fitting that we introduced so much of his repertoire to these children. It was also an extremely rare and wonderful sight to see so many primary school children singing challenging Renaissance polyphony with so much enthusiasm and commitment.

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

**Harrow College**

Since September 2022, ESOL (supporting English for speakers of other languages) students on the Young Foundation courses at Harrow College have benefited from weekly sports sessions at Harrow School. These sessions, delivered by a professional coach, used Harrow's outdoor, and sometimes indoor sports facilities. In total 212 students have benefited from the sessions since September 2022.

Access to the coached sport sessions at Harrow School enabled ESOL students to develop their language skills and their cultural understanding and awareness of their new life in the UK while learning about sports. The sessions also played a key role in promoting the mental wellbeing of ESOL students.

**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.

**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. 2023 saw the fourth iteration of the project, with students from local secondary schools 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.

**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.

**The John Lyon School**

The John Lyon School channels its outreach and community work through Blackwell Enterprise. The Blackwell Enterprise ethos is to use the resources 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.

**PARTNERSHIPS**

**Lumina Tutoring Programme**

Staff at John Lyon are encouraged to partake in the Lumina Tutoring Programme, aimed at assisting looked after children with their studies. This has proved to be rewarding to both the children and the staff giving their time.

**Gladstone Park Primary School**

The School continued with its scientific workshop partnership with Gladstone Park Primary School. Pupils from Gladstone Park Primary School attended a series of workshops at John Lyon. John Lyon also offered the full range of sciences (Biology, Physics and Chemistry) to small groups of year 5 and 6 pupils.

**University Fair**

The annual University Fair was run in February 2023, with representatives from several Russell Group

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

universities. Staff and pupils from eight local partnership schools were able to attend to benefit from the advice on offer.

#### **CCF**

The successful CCF partnership with Pinner High School continued with 30 pupils from Pinner High School joining the CCF at John Lyon each week.

#### **Sharing of School facilities**

The multi use games areas (MUGA) at Sudbury Fields is used by the Harrow Hockey Club.

The playing fields and pavilions at Sudbury Fields are used by the Old Lyonians Football Club, St George's School, Harrow Borough Cricket, Brondesbury 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.

During the year the Prep School was used by Crazy Camps to offer a holiday camp for local children aged between 4 to 12 during school holidays and half term breaks.

For the second year running the Alridha Foundation used the Senior School facilities for 10 days in August, free of charge. The Alridha Foundation provided academic as well as sports, art and health and well-being sessions for children aged between 9 to 19.

#### **Community Service**

Sixth form pupils are encouraged to volunteer on Friday afternoons. Pupils participated in:

- Running workshops at John Lyon for Roxeth pupils in Art, Drama, Maths and Science.
- Running Sports coaching sessions in Horsenden Primary School.
- Volunteering at Roxeth Primary School, Norbury Primary School, St Anselm's Primary School, Welldon Park, Wealdrise Primary School and Horsenden Primary School each week, running classics sessions, debating clubs, drama activities, mentoring and 'catch up' coaching to pupils
- Volunteering at the Josh Hanson Trust, working to fight knife crime with young people.
- 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.
- Volunteering at the Harrow and Wealdstone Youth Centre where our students mentor their clients.
- Volunteering at the Harrow Multiple Sclerosis Therapy Centre.
- Volunteering at London Community Kitchen, preparing and handing out food parcels at the food bank.
- Volunteering at Harrow Law Centre, shadowing their work.
- Volunteering at work placements including, Care Homes, a Gurdwara and Charity Shops.

The John Lyon School continues to support local and national charities through a variety of fundraising activities. During the year close to £12,000 was raised, of which £4,000 was given to the St Luke's Hospice. The School carried out two food bank collections, for Hill View Children's Centre in South Harrow, and hosted two very successful Community Film Nights. These gave local families an evening of entertainment, in a warm setting with refreshments.

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

#### **The Harrow Development Trust**

In 2022/23 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 new Science Centre is nearing completion and will bring benefits for all. 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 is progressing. This project will remodel and extend the existing 1970s dining hall to provide improved dining and catering spaces, rationalising the internal layout and enhancing the building's setting within its landscape.

#### **The John Lyon School**

At the Prep School works continued with enhancing the facilities, including:

- An additional reception classroom was created to facilitate increased pupil numbers, along with an additional toilet for the reception year, and widening the staircase in the Early Years and Foundation Stage (EYFS) building – now renamed as Quainton's Little Lyons.
- An office and classroom have been merged to provide a larger and much-improved teaching space.
- The Halliday Hall has been entirely refurbished with new (acoustic) flooring, new ceiling, new lighting and a redecoration throughout.
- The next stage of refurbishing the library has been undertaken, preparing for the redevelopment of the old boys' changing rooms into an additional library/breakout space aimed at the older age group.
- A wide range of redecoration, both internal and external, to improve the look of the buildings.

Following the announcement of the rejection of the School's planning appeal to construct a new Oldfield classroom block, at the Senior School the focus was on:

- A complete renovation of the old Oldfield teaching block, including redecoration, new flooring and ICT facilities in each classroom.
- A redecoration of the 'M Corridor' – a key part of the School tour route for prospective families.
- The addition of a variety of outdoor sports facilities and seating areas for pupils to use.

#### **Conclusion**

With these four areas of activity, the Governors assess that the Corporation has acted in accordance with the Charity Commission's guidance on public benefit.

## **FINANCIAL REVIEW AND PERFORMANCE**

### **Overall Financial Performance**

The Corporation's net movement in funds for the year was an increase of £7,337,000 (2021/22 – decrease of £2,663,000). Net income before transfers and investment gains / losses was £8,051,000 (2021/22 - £5,097,000). The improved net income result reflects the additional income generated by the subsidiary entities.

Total income for The Corporation for the year was £84,011,000 (2021/22 - £74,159,000). Total expenditure increased to £75,960,000 (2021/22 - £69,062,000).

HISL's surplus increased by £533,000 to £5,265,000 (2021/22 - £4,732,000). HSEL generated a profit of £480,000 (2021/22 – loss £42,000).

The appropriations from HDT for the benefit of the Corporation were £8,609,000 (2021/22 - £7,000,000).

Net assets on the Balance Sheet increased by £7,337,000 (2021/22 – decreased by £2,663,000) to £196,321,000. There were fixed asset additions of £30,025,000 which were largely funded out of unrestricted fixed asset investments and appropriations from HDT.

The Corporation increased cash by £2,101,000 (2021/22 – decreased by £19,995,000). Net debt at the year-end was £94,740,000 (2021/22 - £96,465,000) which is largely long-term debt in the form of two bonds totalling £90,000,000, repayable from 2059.

A detailed analysis of the financial performance of group entities is set out at note 5 i.

### **Harrow School**

The School is full, and demand for places remains high. After depreciation and some non-recurring costs, but excluding awards, there was an operating deficit of £2,374,000 (2021/22 – deficit of £2,914,000). Cash generated before awards was £2,537,000 (2021/22 - £2,064,000).

### **The John Lyon School**

The John Lyon's School's income, including the receipt of bursary funding from HISL, increased by £1,212,000 from £15,517,000 in 2021/22 to £16,729,000, a reflection of the rise in pupil numbers for the year to 838 pupils from 816 in 2021/22. The operating surplus before depreciation and disposal of assets was £2,045,000 (2021/22- £1,772,000), while the operating surplus after depreciation and disposal of assets of £433,000 (2021/22 - £534,000) was impacted by the write off of £588,000 of costs from the failed attempt to gain planning permission to build a new classroom block.

### **Investment Powers, Policy and Performance**

The Foundation Investments Committee supervises and monitors the investment of financial assets, and the Bond Issue 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 an investment 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.

### **Overall Financial Performance (continued)**

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 is advised by Cambridge Associates Limited on how its two largest funds are invested, while the smaller funds are invested in the Cazenove Charity Multi Asset and Structural Growth funds. Overall, the funds returned approximately 3.9% over 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 benefit of the 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 £196,321,000 (2021/22 - £188,984,000) at the year end, and comprised the following:

	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
* Unrestricted funds	149,811,000	138,585,000
Restricted funds	4,101,000	7,221,000
Endowment funds	42,409,000	43,178,000
<b>Total Reserves</b>	<b>£196,321,000</b>	<b>188,984,000</b>
*Unrestricted funds		
Of which tangible fixed assets are:	149,573,000	125,360,000

The unrestricted funds, net of designated funds and a £5,119,000 (2021/22 - £4,456,000) 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 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 assist the Corporation in fulfilling its primary objectives.

The Corporation keeps its reserves policy and level of reserves under regular review.

## **GOING CONCERN**

The Governors have reviewed the reserves position carefully together with the financial forecasts and operating cashflows of the various entities. The Governors believe the Corporation's financial reserves are sufficient to ensure that the Corporation will continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of the financial statements.

## **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 2023/24 include:

### **Harrow School**

Embedding 'Strategy 2030' which has three key strands

- Unparalleled holistic education
- Ensuring boys are 'ready for life'
- Community and partnerships

### **The John Lyon School**

- Continuing the successful move through the senior school of co-education (now 3 of 7 year groups)
- Consolidating the all-through school approach from the Nursery through to A-levels in Year 13

### **Subsidiary Companies**

- The Directors of HISL will continue to work closely with partners to develop the international schools and will carefully consider further global opportunities to grow the Harrow School brand.
- HSEL is planning to operate another full Summer School in 2023/24 and the Directors will continue to identify additional income streams to support growth.

## **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

16 March 2024



# **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 2023 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 2023 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](http://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: 29 April 2024

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 2023**

	Notes	Income Funds Unrestricted Funds	Restricted Funds	Capital Funds Expendable Endowment	Permanent Endowment	2022/23 Total	2021/22 Total
Income and endowments from:		£'000	£'000	£'000	£'000	£'000	£'000
<b>Charitable activities</b>							
School fees receivable	1	53,509	-	-	-	53,509	49,977
Ancillary trading income	2i	5,587	-	-	-	5,587	3,285
Charitable grants received	2ii	660	965	-	-	1,625	992
Voluntary sources							
Other charitable income	2iii	8,337	1,502	179	-	10,018	9,100
Tsunami income		-	-	-	-	-	16
Non ancillary trading income	2iv	10,284	-	-	-	10,284	8,265
Other incoming resources	3	(353)	88	-	-	(265)	120
Investments							
Investment income	4	3,094	159	-	-	3,253	2,404
<b>Total Income</b>		<b>81,118</b>	<b>2,714</b>	<b>179</b>	<b>-</b>	<b>84,011</b>	<b>74,159</b>
<b>Expenditure on:</b>							
<b>Raising funds</b>							
Fundraising costs		1,435	109	-	-	1,544	1,370
Non ancillary trading expenses	2iv	4,318	-	-	-	4,318	3,400
Finance costs	7	3,285	-	-	-	3,285	3,549
Investment management costs		436	1	4	52	493	687
		9,474	110	4	52	9,640	9,006
<b>Charitable activities</b>							
Teaching costs		26,462	-	-	-	26,462	24,321
Welfare costs		7,929	-	-	-	7,929	7,164
Premises costs		15,335	-	-	-	15,335	14,636
Support costs		6,535	18	-	-	6,553	6,946
Grants, awards and prizes	5iii	-	5,199	-	-	5,199	4,336
Other charitable projects		-	3	-	-	3	13
Ancillary trading expenses	2i	4,839	-	-	-	4,839	2,640
		61,100	5,220	-	-	66,320	60,056
<b>Total Expenditure</b>		<b>70,574</b>	<b>5,330</b>	<b>4</b>	<b>52</b>	<b>75,960</b>	<b>69,062</b>
<b>Net Income/(Expenditure) before Transfers and Investment Gains/(Losses)</b>		<b>10,544</b>	<b>(2,616)</b>	<b>175</b>	<b>(52)</b>	<b>8,051</b>	<b>5,097</b>
Transfers between funds	8	1,042	(487)	(105)	(450)	-	-
Gains on investment properties	11	-	-	-	-	-	316
Gains/(Losses) on investment assets	12	462	(17)	(118)	(219)	108	(12,370)
<b>Net Income/(Expenditure)</b>		<b>12,048</b>	<b>(3,120)</b>	<b>(48)</b>	<b>(721)</b>	<b>8,159</b>	<b>(6,957)</b>
Actuarial (loss)/gain on defined- benefit pension scheme	20(c)	(822)	-	-	-	(822)	4,294
<b>Net Movement in Funds</b>		<b>11,226</b>	<b>(3,120)</b>	<b>(48)</b>	<b>(721)</b>	<b>7,337</b>	<b>(2,663)</b>
Balances at beginning of year		138,585	7,221	7,379	35,799	188,984	191,647
<b>Balances at end of year</b>		<b>149,811</b>	<b>4,101</b>	<b>7,331</b>	<b>35,078</b>	<b>196,321</b>	<b>188,984</b>

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

The accounting policies and notes on pages 31 to 70 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 2023**

	Notes	Consolidated		Corporation	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
<b>Fixed Assets</b>					
Tangible fixed assets	9	153,233	129,089	153,233	129,087
Intangible assets	10	84	97	84	97
Investment properties	11	1,588	2,048	1,588	2,048
Investments	12	157,699	174,234	157,004	173,382
		<hr/>	<hr/>	<hr/>	<hr/>
		312,604	305,468	311,909	304,614
Current asset investments		34	34	34	34
Stocks	13	314	400	217	278
Debtors	14	6,973	6,607	6,348	6,501
Cash at bank and in hand	15	6,356	4,319	5,822	4,023
		<hr/>	<hr/>	<hr/>	<hr/>
		13,677	11,360	12,421	10,836
Creditors: amounts falling due within one year	16	(26,633)	(26,305)	(25,470)	(25,385)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Current (Liabilities)</b>		(12,956)	(14,945)	(13,049)	(14,549)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Assets less Current (Liabilities)</b>		299,648	290,523	298,860	290,065
Creditors: amounts falling due after more than one year	17	(98,208)	(97,083)	(98,208)	(97,083)
		<hr/>	<hr/>	<hr/>	<hr/>
Net Assets before Pension		201,440	193,440	200,652	192,982
Pension Scheme Liabilities	20	(5,119)	(4,456)	(5,121)	(4,456)
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Assets including Pension Scheme Liabilities</b>		<b>196,321</b>	<b>188,984</b>	<b>195,531</b>	<b>188,526</b>
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Represented by:</b>					
<b>Capital funds</b>					
Permanent Endowment		35,078	35,799	35,078	35,799
Expendable Endowment		7,331	7,379	7,331	7,379
		<hr/>	<hr/>	<hr/>	<hr/>
		42,409	43,178	42,409	43,178
<b>Income Funds</b>					
Restricted		4,101	7,221	3,649	6,707
Unrestricted		149,811	138,585	149,473	138,641
		<hr/>	<hr/>	<hr/>	<hr/>
<b>Total Funds</b>	21	<b>196,321</b>	<b>188,984</b>	<b>195,531</b>	<b>188,526</b>
		<hr/>	<hr/>	<hr/>	<hr/>

Approved by the Governors and signed on their behalf by

**D G P Eyton**

)

) Governors 16 March 2024

)

**R T G Winter**

The accounting policies and notes on pages 31 to 70 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 2023**

		<b>2022/23</b>	<b>2021/22</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Net Cash Inflow from Operating Activities</b>	(i)	14,245	12,759
<b>Cash flows from Investing Activities</b>			
Payments to acquire tangible fixed assets		(30,025)	(19,639)
Sale proceeds of tangible fixed assets		590	8
Payments to acquire investments		(16,744)	(63,125)
Sale proceeds of investments		36,386	30,847
(Decrease)/Increase in cash held in investments		(2,996)	21,071
Listed investment income		453	267
Interest received		3,094	2,137
Interest paid		(3,289)	(3,549)
<b>Net Cash (Outflow) from Investing Activities</b>		(12,531)	(31,983)
<b>Cash flow from Financing Activities</b>			
Loans Received		1,500	-
Loan Repayment		(1,107)	(777)
Finance Lease Repayment		(6)	6
<b>Net Cash Inflow/(Outflow) from Financing Activities</b>		387	(771)
<b>Increase/(Decrease) in cash in the year</b>		2,101	(19,995)
<b>Made up as follows:</b>			
Decrease/(Increase) in bank overdraft – unrestricted funds		64	(9,500)
Increase/(Decrease) in other cash balances		2,037	(10,415)
Increase/(Decrease) in unrestricted fund and other cash		2,101	(19,915)
(Decrease)/Increase in advanced fees cash balance		-	(80)
	(iii)	2,101	(19,995)
<b>Reconciliation of Net Cash Flow to Movement in Net Funds</b>			
Increase/(Decrease) in cash in the year		2,101	(19,995)
Cash inflow resulting from decrease in net debt and lease financing		(387)	771
Other non-cash movement		11	10
Change in funds resulting from cash flows and Movement in net funds in the year		1,725	(19,214)
Net funds at 1 September 2022		(96,465)	(77,251)
Net Funds at 31 August 2023	(iii)	(94,740)	(96,465)

The accounting policies and notes on pages 31 to 70 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 2023**

<b>(i) Net Cash Inflow from Operating Activities</b>	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
Net incoming resources	8,159	(6,957)
Depreciation	5,744	5,545
Amortisation of goodwill	11	10
Decrease/(increase) in stocks	86	(93)
Increase in debtors	(363)	(734)
Increase/(decrease) in creditors	274	1,552
Increase in entry and part-fee deposits	856	127
Decrease/(Increase) in liability for unfunded pensions	5	-
FRS 102 credit before actuarial gains/losses	663	5
Decrease in provision for other pension benefit arrangements	(827)	(197)
Interest paid	3,289	3,549
Interest received	(3,094)	(2,137)
Investment income	(453)	(267)
Gain on investment properties	-	(316)
Gain on revaluation of investment assets	(112)	12,370
Loss on disposal of fixed assets	7	302
	<hr/>	<hr/>
	14,245	12,759
	<hr/>	<hr/>

**(ii) Changes in Cash and Cash Equivalents**

<b>Analysis of balances</b>	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>	<b>Change in year £'000</b>
Bank overdraft (see note 16)	(9,436)	(9,500)	64
Other cash balances (see note 15)	6,356	4,319	2,037
	<hr/>	<hr/>	<hr/>
The Corporation's operations	(3,080)	(5,181)	2,101
Other Loans	(1,537)	(1,562)	25
Advanced Fees Cash balance (see note 16)	(400)	-	(400)
Finance Leases	(1)	(7)	6
	<hr/>	<hr/>	<hr/>
	(5,018)	(6,750)	1,732
	<hr/>	<hr/>	<hr/>

**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 2023**

**(iii) Analysis of Net Funds**

<b>Year ended 31 August 2023</b>	<b>As at beginning of year £'000</b>	<b>Cash Flow £'000</b>	<b>Other Non-cash changes £'000</b>	<b>As at end of year £'000</b>
Net cash balances	(5,181)	2,101	-	(3,080)
Other loans	(1,562)	25	-	(1,537)
Finance leases	(7)	6	-	(1)
Advanced Fees	-	(400)	-	(400)
Bond	(89,715)	(7)	-	(89,722)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	(96,465)	1,725	-	(94,740)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

<b>Year ended 31 August 2022</b>	<b>As at beginning of year £'000</b>	<b>Cash Flow £'000</b>	<b>Other Non-cash changes £'000</b>	<b>As at end of year £'000</b>
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)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	(77,251)	(19,214)	-	(96,465)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



**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 16 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 SOFA comprise the following:

**Unrestricted Funds**

Harrow School	- Fees, running costs, other income and direct charitable trading income and expenditure.
The John Lyon School	- Fees, running costs, other income and The John Lyon School scholarship funds.
HSEL	- Subsidiary company trading income and expenditure.
HISL	- Subsidiary company trading income and expenditure.
HDT	- Fundraising income less related costs.
JLSDT	- Fundraising income less related costs.

**Designated Funds** - Unrestricted funds set aside by the Governors for future use (including awards and capital projects).

**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.

**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) Intangible Assets**

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 net 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 includes the original cost and associated costs directly attributable to bringing the asset to its working condition for its intended use (including materials and direct labour costs). 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**

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	2022/23 Total £'000	2021/22 Total £'000
Gross fees excluding bursaries	38,754	16,180	54,934	51,346
Fee remissions and awards unrestricted funds (note 5 iii)	(266)	(1,159)	(1,425)	(1,369)
	<u>38,488</u>	<u>15,021</u>	<u>53,509</u>	<u>49,977</u>

2. Fundraising and Trading Activities

i. Ancillary Trading Income

	2022/23 £'000	2021/22 £'000
Registration fees and non-refundable fee deposits	380	339
Advanced Fees income/(expenditure)	1	-
Other income	367	306
Boys' charges and school trips	4,839	2,640
	<u>5,587</u>	<u>3,285</u>

Ancillary Trading Expenses

The Corporation		
Boys charges and school trips	4,839	2,640
	<u>4,839</u>	<u>2,640</u>

ii. Charitable Grants Received

	2022/23 £'000	2021/22 £'000
Grants Received from John Lyon's Charity		
Harrow School	1,091	438
The John Lyon School	534	554
	<u>1,625</u>	<u>992</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 £9,914,000 (2021/22 - £8,876,000), which included Tsunami income of £Nil (2021/22 - £16,000); outgoing resources totalled £10,027,000 (2021/22 - £8,323,000). Net (outgoing)/incoming resources for the year were (£113,000) (2021/22 - £477,000).

Fundraising proceeds in the SOFA comprise

	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
HDT	9,914	8,876
The John Lyon School	104	224
	<hr/>	<hr/>
	10,018	9,100
	<hr/>	<hr/>

**iv. Non Ancillary Trading Activities**

	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
<b>Non Ancillary Trading Income</b>		
Rental income to the Corporation	277	228
HSEL (less intra group sales of £56,000 (2021/22 - £53,000))	3,028	1,849
HISL	6,979	6,188
	<hr/>	<hr/>
	10,284	8,265
	<hr/>	<hr/>

**Non Ancillary Trading Expenses**

HSEL		
Cost of sales	2,502	1,843
Administration expenses	102	101
HISL		
Administration expenses	737	652
Overseas taxation	977	804
	<hr/>	<hr/>
	4,318	3,400
	<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 HSL, are set out on the following pages. HEIL did not trade during the period.

#### 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, subject to having distributable reserves. Its trading results, extracted from its audited Financial Statements, which are included in the Unrestricted Funds column in the SOFA, were:

	2022/23 £'000	2021/22 £'000
Turnover	3,084	1,902
Cost of sales	(2,502)	(1,843)
	<hr/>	<hr/>
<b>Gross profit</b>	582	59
Administration expenses	(102)	(101)
	<hr/>	<hr/>
<b>Operating profit/(loss)</b>	480	(42)
Qualifying Donation to The Corporation	-	-
	<hr/>	<hr/>
<b>Profit/(loss) for the Financial year</b>	480	(42)
	<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 £267,585 (2022 – net liabilities £747,293).



2. Fundraising and Trading Activities (continued)

iv. 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:

	2022/23 £'000	2021/22 £'000
Turnover	6,979	6,188
Administration expenses	(737)	(652)
Overseas taxation	(977)	(804)
	—	—
<b>Profit before taxation</b>	5,265	4,732
Qualifying Donation to the Corporation	(5,265)	(4,732)
	—	—
<b>Profit for the Financial year</b>	-	-
	—	—

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	2022/23 £'000	2021/22 £'000
Write off of capitalised costs	(590)	(302)
Other income	237	332
Subscription income	88	90
	—	—
	(265)	120
	—	—

	2022/23 £'000	2021/22 £'000
<b>4. Investment Income</b>		
Income from restricted funds		
Investment income - Scholarships and Bursaries	159	100
	<hr/>	<hr/>
	159	100
	<hr/>	<hr/>
Income from unrestricted funds		
Interest receivable	2,800	2,137
Investment income - Scholarships and Bursaries	294	167
	<hr/>	<hr/>
	3,094	2,304
	<hr/>	<hr/>
Total investment income receivable	3,253	2,404
	<hr/>	<hr/>

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS  
REVENUES AND GOODS OF THE FREE GRAMMAR  
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**NOTES TO THE FINANCIAL  
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Year ended 31 August 2023**

**5 i. Group Analysis for the year ending 31 August 2023**

	<b>Harrow School £'000</b>	<b>The John Lyon School £'000</b>	<b>HSEL £'000</b>	<b>HISL £'000</b>	<b>HDT £'000</b>	<b>JLSDT £'000</b>	<b>2022/23 Total £'000</b>
<b>Income</b>							
School fees receivable	38,488	15,021	-	-	-	-	53,509
Ancillary Trading	4,635	952	-	-	-	-	5,587
Other Charitable	1,091	534	-	-	-	-	1,625
Voluntary	-	104	-	-	9,914	-	10,018
Non Ancillary Trading	166	55	3,084	6,979	-	-	10,284
Other	146	(411)	-	-	-	-	(265)
Investments	3,253	-	-	-	-	-	3,253
<b>Total Income</b>	<b>47,779</b>	<b>16,255</b>	<b>3,084</b>	<b>6,979</b>	<b>9,914</b>	<b>-</b>	<b>84,011</b>
<b>Expenditure</b>							
Fundraising	-	143	-	-	1,401	-	1,544
Non Ancillary Trading	-	-	2,604	1,714	-	-	4,318
Finance	3,066	219	-	-	-	-	3,285
Investment management	489	3	-	-	1	-	493
Teaching	17,827	8,635	-	-	-	-	26,462
Welfare	7,102	827	-	-	-	-	7,929
Premises	12,291	3,044	-	-	-	-	15,335
Support	4,388	2,165	-	-	-	-	6,553
Grants awards and prizes	4,666	533	-	-	-	-	5,199
Other Charitable Projects	-	-	-	-	3	-	3
Ancillary trading	4,118	721	-	-	-	-	4,839
<b>Total Expenditure</b>	<b>53,947</b>	<b>16,290</b>	<b>2,604</b>	<b>1,714</b>	<b>1,405</b>	<b>-</b>	<b>75,960</b>
<b>Net Income</b>	<b>(6,168)</b>	<b>(35)</b>	<b>480</b>	<b>5,265</b>	<b>8,509</b>	<b>-</b>	<b>8,051</b>
<b>Transfers, investment gains and losses</b>							
Transfers between entities	13,401	508	-	(5,265)	(8,609)	(35)	-
Gain/(Loss) on investment assets	193	(68)	-	-	(17)	-	108
Actuarial loss on defined benefit pension	(822)	-	-	-	-	-	(822)
<b>Total</b>	<b>12,772</b>	<b>440</b>	<b>-</b>	<b>(5,265)</b>	<b>(8,626)</b>	<b>(35)</b>	<b>(714)</b>
Balance at beginning of the year	171,400	17,130	(748)	1	1,166	35	188,984
<b>Balance at 31 August 2023</b>	<b>178,004</b>	<b>17,535</b>	<b>(268)</b>	<b>1</b>	<b>1,049</b>	<b>-</b>	<b>196,321</b>

**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS  
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**NOTES TO THE FINANCIAL  
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Year ended 31 August 2023**

**5. i. Group Analysis for the year ended 31 August 2022**

	<b>Harrow School £'000</b>	<b>The John Lyon School £'000</b>	<b>HSEL £'000</b>	<b>HISL £'000</b>	<b>HDT £'000</b>	<b>JLSDT £'000</b>	<b>2021/22 Total £'000</b>
<b>Income</b>							
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
<b>Total Income</b>	<b>42,135</b>	<b>15,133</b>	<b>1,902</b>	<b>6,188</b>	<b>8,800</b>	<b>1</b>	<b>74,159</b>
<b>Expenditure</b>							
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
<b>Total Expenditure</b>	<b>49,366</b>	<b>14,981</b>	<b>1,944</b>	<b>1,456</b>	<b>1,315</b>	<b>-</b>	<b>69,062</b>
<b>Net Income</b>	<b>(7,231)</b>	<b>152</b>	<b>(42)</b>	<b>4,732</b>	<b>7,485</b>	<b>1</b>	<b>5,097</b>
<b>Transfers, investment gains and losses</b>							
Transfers between entities	11,350	382	-	(4,732)	(7,000)	-	-
Gain on investment properties	316	-	-	-	-	-	316
Loss on investment assets	(12,334)	(27)	-	-	(9)	-	(12,370)
Actuarial gain on defined benefit pension	4,294	-	-	-	-	-	4,294
<b>Total</b>	<b>3,626</b>	<b>355</b>	<b>-</b>	<b>(4,732)</b>	<b>(7,009)</b>	<b>-</b>	<b>(7,760)</b>
Balance at beginning of the year	175,005	16,623	(706)	1	690	34	191,647
<b>Balance at 31 August 2022</b>	<b>171,400</b>	<b>17,130</b>	<b>(748)</b>	<b>1</b>	<b>1,166</b>	<b>35</b>	<b>188,984</b>

**NOTES TO THE FINANCIAL  
STATEMENTS**  
**Year ended 31 August 2023**

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**THE KEEPERS AND GOVERNORS OF THE POSSESSIONS  
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**NOTES TO THE FINANCIAL  
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Year ended 31 August 2023**

**5. iii. Analysis of Grants, Awards and Prizes**

	<b>Harrow School £'000</b>	<b>The John Lyon School £'000</b>	<b>2022/23 Total £'000</b>	<b>2021/22 Total £'000</b>
Awards from unrestricted funds (see note 1):				
Scholarships	-	187	187	177
Means-tested bursaries	-	766	766	726
Other awards	266	206	472	466
	<hr/>	<hr/>	<hr/>	<hr/>
	266	1,159	1,425	1,369
	<hr/>	<hr/>	<hr/>	<hr/>
Awards from restricted funds:				
Scholarships	453	-	453	448
Means-tested bursaries	3,824	534	4,358	3,686
Prizes and other awards	388	-	388	202
	<hr/>	<hr/>	<hr/>	<hr/>
	4,665	534	5,199	4,336
	<hr/>	<hr/>	<hr/>	<hr/>
Total grants, awards and prizes	4,931	1,693	6,624	5,705
	<hr/>	<hr/>	<hr/>	<hr/>

**6. Employees and Key Management**

	<b>Harrow School £'000</b>	<b>The John Lyon School £'000</b>	<b>HSEL £'000</b>	<b>HISL £'000</b>	<b>HDT £'000</b>	<b>2022/23 Total £'000</b>
Wages and salaries	21,605	7,846	1,332	434	765	31,982
Social security costs	2,215	842	121	52	86	3,316
Teachers' Pension Scheme	2,183	1,053	-	-	17	3,253
Support Staff Pension Scheme	17	-	-	-	-	17
Harrow Corporation Pension Scheme	659	125	81	43	22	930
Death in service benefit	76	16	3	2	-	97
Unfunded pension costs	10	-	-	-	-	10
Transfer to Capital projects	(592)	-	-	-	-	(592)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	26,173	9,882	1,537	531	890	39,013
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

	<b>Harrow School £'000</b>	<b>The John Lyon School £'000</b>	<b>HSEL £'000</b>	<b>HISL £'000</b>	<b>HDT £'000</b>	<b>2021/22 Total £'000</b>
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)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	24,514	9,066	1,266	415	837	36,098
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**6. Employees and Key Management (continued)**

<b>Average number of Employees during the Year</b>	<b>2022/23</b>	<b>2021/22</b>
The Schools:		
Teaching	212	204
Teaching support	78	79
Estates	107	109
Domestic	112	116
Bursary and other administration	75	71
HSEL	20	22
HDT	7	9
HISL	5	5
	<hr/>	<hr/>
	616	615
	<hr/>	<hr/>

The Foundation Remuneration Committee considers the remuneration of the Officers and other senior employees of the Corporation.

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

	<b>2022/23</b>	<b>2021/22</b>
£ 60,001 - £ 70,000	43	36
£ 70,001 - £ 80,000	33	25
£ 80,001 - £ 90,000	23	21
£ 90,001 - £100,000	13	10
£100,001 - £110,000	9	5
£110,001 - £120,000	3	4
£120,001 - £130,000	2	3
£130,001 - £140,000	2	-
£140,001 - £150,000	-	1
£220,001 - £230,000	-	1
£230,001 - £240,000	1	-
£240,001 - £250,000	1	2
£260,001 - £270,000	2	-
£290,001 - £300,000	-	1
£320,001 - £330,000	1	-
	<hr/>	<hr/>

Pension contributions to defined contribution schemes of £211,000 (2021/22 - £169,000) were made for 27 (2021/22 - 23) higher paid employees during the year. Contributions were made to defined benefit pension schemes for 100 (2021/22 - 86) 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 £3,535,000 (2021/22 - £3,202,000).

The redundancy and termination payments, net of recoveries from insurance, totalled £14,000 (2021/22 - £21,000).

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**7. Total Resources Expended**

	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
This is stated after charging/(crediting):		
Auditors' remuneration		
For the audit of the Corporation	56	52
For the audit of other group entities	33	32
For tax compliance	35	14
For other services	5	10
For the audit of the defined benefit pension scheme	11	10
Depreciation (see note 9)	5,744	5,545
Amortisation (see note 10)	11	10
Operating lease rentals	150	132
Change in pension scheme liabilities excluding actuarial (loss)/gain (see note 20 (i) c))	(159)	(192)
	<hr/>	<hr/>
Interest and finance costs payable:		
Overdrafts and bank loans repayable within 5 years not by instalments	139	285
Finance leases	1	1
	<hr/>	<hr/>
	140	286
	<hr/>	<hr/>
Bond interest payable	2,680	2,956
Other interest payable	270	157
	<hr/>	<hr/>
Total interest payable	3,090	3,399
Bank charges	16	12
	<hr/>	<hr/>
Pension commitments – net finance costs (see note 20 (i) c))	179	138
	<hr/>	<hr/>
Total finance costs	3,285	3,549
	<hr/> <hr/>	<hr/> <hr/>



8. Transfers between Funds

	Unrestricted £'000	Restricted £'000	Expendable Endowment £'000	Permanent Endowment £'000
i.	(194)	194	-	-
ii.	(809)	1,498	-	(689)
iii.	3,546	(3,546)	-	-
iv.	(80)	-	-	80
v.	-	(54)	(105)	159
vi.	(1,421)	1,421	-	-
	<u>1,042</u>	<u>(487)</u>	<u>(105)</u>	<u>(450)</u>

- i. Transfer 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 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 12 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 Fund.
- vi. Transfer of funds from HISL allocated to bursaries.

9. 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 2022	165,514	21,844	187,358	165,391	21,641	187,032
Additions	25,028	4,997	30,025	25,028	4,997	30,025
Disposals	-	(849)	(849)	-	(849)	(849)
Capital costs written off	(588)	(230)	(818)	(588)	(230)	(818)
T/f from investment properties	460	-	460	460	-	460
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	190,414	25,762	216,176	190,291	25,559	215,850
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>						
At 1 September 2022	44,718	13,551	58,269	44,587	13,358	57,945
Charge for the year	4,189	1,555	5,744	4,189	1,553	5,742
Released on disposals	-	(840)	(840)	-	(840)	(840)
Capital costs written off		(230)	(230)		(230)	(230)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2023	48,907	14,036	62,943	48,766	13,241	62,617
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>						
At 31 August 2023	141,507	11,726	153,233	141,515	11,718	153,233
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	120,796	8,293	129,089	120,804	8,283	129,087
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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

- i. Freehold land and buildings include £35,976,000 (2021/22 - £23,177,000) for buildings under construction.
- ii. Residential properties included above at a net book value of £2,228,000 (2021/22 - £2,310,000) are charged as contingent assets in a Security Agreement with the Pension Protection Fund for the Harrow School Support Staff Pension Scheme.

10. Intangible Assets

**Goodwill**

**- Consolidated and Corporation**

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>Cost</b>		
At 1 September	117	117
Addition	-	-
	<hr/>	<hr/>
At 31 August	117	117
	<hr/>	<hr/>
<b>Amortisation</b>		
At 1 September	20	10
Charge for the Year	13	10
	<hr/>	<hr/>
At 31 August	33	20
	<hr/>	<hr/>
<b>Net Book Value</b>		
At 31 August 2023	84	97
	<hr/>	<hr/>
At 31 August 2022	97	107
	<hr/>	<hr/>

The goodwill relates to the Corporation's purchase of the assets and trade of Quainton 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 Quainton Hall School for £3,650,000 of which £1,350,000 was deferred to be paid over 5 years with the first payment on 6 November 2021. The balance due at the year end was £810,000. (2021/22 - £1,080,000).

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.

**11. Investment Properties** **2022/23**  
**- Consolidated and Corporation** **£'000**

Balance at beginning of year	2,048
Transfer to fixed assets	(460)

Balance at end of year	1,588
------------------------	-------

	At beginning of year £'000	Movement £'000	At end of year £'000
Attributed to:			
Unrestricted	976	(460)	516
Endowed - Expendable endowment	77	-	77
- Permanent endowment	995	-	995
	<hr/>	<hr/>	<hr/>
	2,048	(460)	1,588
	<hr/>	<hr/>	<hr/>

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.

**2021/22**

**£'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
	<hr/>	<hr/>	<hr/>
	1,732	316	2,048
	<hr/>	<hr/>	<hr/>

**12. Fixed Asset Investments**

<b>Consolidated</b>	<b>Expendable Permanent</b>				<b>Total</b>
	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowed Funds £'000</b>	<b>Endowed Funds £'000</b>	
Listed					
Opening market value excluding cash	132,168	1,044	6,146	29,839	169,197
Additions	14,787	44	-	1,913	16,744
Disposal proceeds	(33,933)	-	(111)	(2,339)	(36,383)
Realised gains/(losses)	(3,122)	(3)	(1)	40	(3,086)
Unrealised gains/(losses)	3,584	(14)	(117)	(259)	3,194
Market value at end of year	113,484	1,071	5,917	29,194	149,666
Cash with investment managers at beginning of year	4,009	(3)	-	831	4,837
Movement in year	2,044	-	810	142	2,996
Cash with investment managers at end of year	6,053	(3)	810	973	7,833
Unlisted	200	-	-	-	200
At end of year	119,737	1,068	6,727	30,167	157,699
At beginning of year	136,377	1,041	6,146	30,670	174,234

<b>Corporation</b>	<b>Expendable Permanent</b>				<b>Total</b>
	<b>Unrestricted Funds £'000</b>	<b>Restricted Funds £'000</b>	<b>Endowed Funds £'000</b>	<b>Endowed Funds £'000</b>	
Listed					
Opening market value excluding cash	132,168	192	6,146	29,839	168,345
Additions	14,928	44	-	1,913	16,885
Disposal proceeds	(33,933)	-	(111)	(2,339)	(36,383)
Realised gains/(losses)	(3,134)	-	(1)	40	(3,095)
Unrealised gains/(losses)	3,598	(3)	(117)	(259)	3,219
Market value at end of year	113,627	233	5,917	29,194	148,971
Cash with investment managers at beginning of year	4,009	(3)	-	831	4,837
Movement in year	2,044	-	810	142	2,996
Cash with investment managers at end of year	6,053	(3)	810	973	7,833
Unlisted	200	-	-	-	200
At end of year	119,880	230	6,727	30,167	157,004
At beginning of year	136,377	189	6,146	30,670	173,382

**12. Fixed Asset Investments (continued)**

**i. Investment Portfolios**

At 31 August 2023, Unrestricted Fund investments comprise The John Lyon School Awards Fund, Corporation Bond and the Harrow School Designated Funds. Their cost was £123,237,000 (2021/22 - £142,763,000).

At 31 August 2023, Restricted Fund investments consisted of investments on the UK Stock Exchange with a cost of £662,000 (2021/22 - £1,072,000).

At 31 August 2023, 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 £6,512,000 (2021/22 - £5,527,000).

At 31 August 2023, 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:

	<b>2022/23 £'000</b>	<b>2021/22 £'000</b>
School and Lyon Foundation	2,562	2,278
Shepherd Churchill Bequest	4,905	4,641
Scholarship Funds comprising L C Wilson and Harrow Awards Fund	14,697	14,754
Harrow Challenge Fund	4,131	3,909
Foundation Awards	2,461	2,298
	<hr/>	<hr/>
	28,756	27,880
	<hr/>	<hr/>

**ii. Significant Holdings**

At 31 August 2023 the following investments were considered material in the context of the investment portfolios:

	<b>Consolidated %</b>	<b>Corporation %</b>
Cazenove Charity Multi Asset Fund	17.8	17.5
Vanguard Total World Stock ETF USD	15.9	15.9
Cash	5.6	5.6
	<hr/>	<hr/>

**iii. Application of the Power of Total Return**

Under the total return 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.

12. 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:**

	<b>Harrow Awards Funds £'000</b>	<b>L C Wilson Bequest £'000</b>	<b>Foundation Awards Fund £'000</b>	<b>Total £'000</b>
Opening valuation at 1 September 2022	13,106	2,479	2,717	18,302
Changes in year				
Investment return – income	160	-	-	160
Investment Management Charge	(12)	(1)	(2)	(15)
Investment return				
– realised/unrealised gains and (losses)	117	(48)	(50)	19
Cash withdrawn	(496)	(92)	(101)	(689)
	<hr/>	<hr/>	<hr/>	<hr/>
Net return for the year	(231)	(141)	(153)	(525)
	<hr/>	<hr/>	<hr/>	<hr/>
New Funds Received	-	-	109	109
	<hr/>	<hr/>	<hr/>	<hr/>
Closing Valuation at 31 August 2023	12,875	2,338	2,673	17,886
	<hr/>	<hr/>	<hr/>	<hr/>

**Statement of Unapplied Total Return**

Opening valuation at 1 September 2022	5,382	1,027	365	6,774
Net return for the year	(231)	(141)	(153)	(525)
	<hr/>	<hr/>	<hr/>	<hr/>
Unapplied total return as at 31 August 2023	5,151	886	212	6,249
	<hr/>	<hr/>	<hr/>	<hr/>

	<b>Harrow Awards Fund £'000</b>	<b>L C Wilson Bequest £'000</b>	<b>Foundation Awards Fund £'000</b>	<b>Total £'000</b>
<b>Amount available for distribution</b>				
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
Investment valuation at 31 August 2023	12,875	2,338	2,673	17,886
	<hr/>	<hr/>	<hr/>	<hr/>
Three year average	13,307	2,470	2,738	18,516
	<hr/>	<hr/>	<hr/>	<hr/>
Amount available for distribution – year ending 31 August 2024	499	93	103	695
	<hr/>	<hr/>	<hr/>	<hr/>

## 12. 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 2021	3,002
Investment valuation at 31 August 2022	2,771
Investment valuation at 31 August 2023	2,612
	<hr/>
Three year average	2,795
	<hr/>
Amount available for distribution - year ending 31 August 2024	105
	<hr/> <hr/>

### v. Designated Funds

The Governors have also elected to apply the total return policy, as set out in note 12iii, to the Harrow School Designated Awards fund.

#### Amount available for distribution

	Harrow School Designated Awards Fund £'000
Investment valuation at 31 August 2021	22,482
Investment valuation at 31 August 2022	23,035
Investment valuation at 31 August 2023	24,232
	<hr/>
Three year average	23,250
	<hr/>
Amount available for distribution - year ending 31 August 2024	872
	<hr/> <hr/>

### vi. Overall Portfolio Structure

At 31 August 2023 the structure of the total portfolio was as follows:

	Consolidated %	Corporation %
Gilts/UK Fixed interest	42.0	42.1
Global Funds	26.5	26.6
Charity multi asset funds	19.6	19.3
Cash	5.5	5.6
UK Equities	3.7	3.7
Hedge Funds	2.7	2.7
	<hr/>	<hr/>
Total	100.0	100.0
	<hr/> <hr/>	<hr/> <hr/>



**12. 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 not traded since that date.

**13. Stocks**

	<b>Consolidated</b>		<b>Corporation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Works Department	58	78	58	78
Other stocks	256	322	159	200
	<hr/>	<hr/>	<hr/>	<hr/>
	314	400	217	278
	<hr/>	<hr/>	<hr/>	<hr/>

**14. Debtors**

	<b>Consolidated</b>		<b>Corporation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Fees, recharges and extras	548	691	548	691
Amounts owed by HSEL	-	-	426	862
Amounts owed by HISL	-	-	2,561	2,225
Amounts owed by HDT	-	-	24	104
Income tax recoverable	43	134	43	134
Accrued interest on corporate bonds	990	1,208	990	1,208
Other debtors and prepayments	5,392	4,574	1,756	1,277
	<hr/>	<hr/>	<hr/>	<hr/>
	6,973	6,607	6,348	6,501
	<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  
REVENUES AND GOODS OF THE FREE GRAMMAR  
SCHOOL OF JOHN LYON**

**NOTES TO THE FINANCIAL  
STATEMENTS  
Year ended 31 August 2023**

**15. Cash at Bank and in Hand**

	<b>Consolidated</b>		<b>Corporation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Unrestricted	6,318	4,282	5,784	3,986
Restricted	38	37	38	37
	<hr/>	<hr/>	<hr/>	<hr/>
	6,356	4,319	5,822	4,023
	<hr/>	<hr/>	<hr/>	<hr/>

**16. Creditors:** amounts falling due within one year

	<b>Consolidated</b>		<b>Corporation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank overdrafts	9,436	9,500	9,436	9,500
Fees received in advance *	5,834	5,543	5,834	5,543
Advanced Fees	400	-	400	-
Other taxes and social security	980	870	980	870
Amounts due to suppliers	1,262	2,198	1,061	2,034
Accruals	4,138	2,921	4,120	2,921
Other creditors	1,810	2,301	866	1,545
Development loans (see below)	206	331	206	331
Entry deposits	872	902	872	902
Part fee deposits	1,147	1,138	1,147	1,138
Retention	277	324	277	324
Finance Leases	1	7	1	7
Deferred consideration	270	270	270	270
	<hr/>	<hr/>	<hr/>	<hr/>
	26,633	26,305	25,470	25,385
	<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.

\*Fees received in advance represent fees paid by parents before 31 August ahead of the Autumn term in the given year.

**17. Creditors:** amounts falling due after more than one year

	<b>Consolidated</b>		<b>Corporation</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bond	89,722	89,715	89,722	89,715
Entry deposits	4,919	4,080	4,919	4,080
Part fee deposits	703	665	703	665
Development loans (see below)	824	1,698	824	1,698
Amounts owed to HDT	-	-	1,500	115
Other loans	1,500	115	-	-
Deferred consideration	540	810	540	810
	<hr/>	<hr/>	<hr/>	<hr/>
	98,208	97,083	98,208	97,083
	<hr/>	<hr/>	<hr/>	<hr/>

## **Bond**

The Corporation entered into a bond placement 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 bond placement 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 9 May 2023 the balance of £0.37m on this element of the loan drawn down from Santander plc was repaid.

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. On 3 May 2023 the balance of £0.3m on the loan with National Westminster Bank plc was repaid.

	<b>2023 £'000</b>	<b>2022 £'000</b>
Amounts repayable within one year	206	331
Amounts repayable between two and five years	824	1,341
Amounts repayable after 5 years	-	357
	<hr/>	<hr/>
	1,030	2,029
	<hr/>	<hr/>

## **Other Loans**

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

	<b>2023 £'000</b>	<b>2022 £'000</b>
Amounts repayable within one year	-	-
Amounts repayable between two and five years	1,500	115
Amounts repayable after 5 years	-	-
	<hr/>	<hr/>
	1,500	115
	<hr/>	<hr/>

**18. Operating Lease Commitments**  
**- Consolidated and Corporation**

As at 31 August 2023, the minimum total lease payments to which the Corporation is committed under non-cancellable operating leases (plant and equipment) are:

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Expiring within one year	107	94
Expiring within two to five years	334	56
Expiring more than five years	-	-
	<hr/>	<hr/>
	441	150
	<hr/>	<hr/>

**19. Capital Commitments**  
**- Consolidated and Corporation**

At 31 August 2023 capital works contracted for amounted to £23,991,000 (2021/22 - £36,516,000). In addition, £Nil (2021/22 - £10,287,000) was authorised but not contracted.

	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
Commitments within one year	15,027	31,594
Commitments over one year	8,964	4,922
	<hr/>	<hr/>
	23,991	36,516
	<hr/>	<hr/>

**20. Pension Scheme Liabilities**  
**- Consolidated and Corporation**

Pension scheme liabilities are summarised as follows:

	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>
Non-teaching staff defined benefit scheme	5,004	4,336
Other benefit arrangements	115	120
	<hr/>	<hr/>
Total pension liability	5,119	4,456
	<hr/>	<hr/>
Total increase/(decrease) in liability (see 20(i) c)	663	(4,486)
	<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, 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 £394,000 (2021/22 - £382,000). The expected scheme contributions for the year ending 31 August 2024 are estimated at £406,000.

**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 2023 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.

**20. 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:

	<b>2023 £'000</b>	<b>2022 £'000</b>
Present value of obligations	(17,973)	(20,413)
Fair value of plan assets	12,969	16,077
	<hr/>	<hr/>
Scheme deficit	(5,004)	(4,336)
	<hr/>	<hr/>
a) Changes in the present value of the scheme obligations:		
Opening defined benefit obligation	20,413	31,093
Interest cost	864	492
Actuarial (gain)loss/ (excluding assets)	(2,644)	(10,521)
Benefits paid	(660)	(651)
	<hr/>	<hr/>
Defined benefit obligations at the end of the year	17,973	20,413
	<hr/>	<hr/>
b) Changes in the fair value of the scheme assets are as follows:		
Opening fair value of scheme assets	16,077	22,276
Interest income on scheme assets	685	354
Return on assets excluding interest income	(3,466)	(6,227)
Employer contributions	394	382
Benefits paid	(670)	(661)
Scheme administration cost	(51)	(47)
	<hr/>	<hr/>
Fair value of scheme assets at the end of the year	12,969	16,077
	<hr/>	<hr/>
c) The amounts included in the Statement of Financial Activities are as follows:		
Interest income on scheme assets	(685)	(354)
Interest on pension liabilities	864	492
	<hr/>	<hr/>
Net finance cost (see note 7)	179	138
Current service cost	51	47
Contributions paid	(394)	(382)
	<hr/>	<hr/>
FRS 102 credit before actuarial gains/losses	(164)	(197)
Increase in other benefit arrangements	5	5
	<hr/>	<hr/>
Total debit/(credit) to SOFA (see note 7)	(159)	(192)
FRS 102 Actuarial losses/(gains)	822	(4,294)
	<hr/>	<hr/>
Increase/(decrease) in liability	663	(4,486)
	<hr/>	<hr/>

20. 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:

	2023 %	2022 %
Fixed interest and liability driven investment	40	28
Cash and other	3	5
Equities and properties	19	28
Insured annuities	11	10
Diversified grants and funds	27	29
	<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.

	2023 £'000	2022 £'000
Actual return on the scheme assets in the year	(5,291)	(5,304)
	<hr/>	<hr/>

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

	2023 %	2022 %
Inflation assumption (RPI)	3.3	3.4
Inflation assumption (CPI)	2.7	2.8
Discount rate	5.3	4.3
Rate of increase in salaries	4.3	4.4
Future LPI pension increases	3.3	3.4
Assumed life expectations on retirement at age 65:		
Retiring today – males	21.4	21.3
Retiring today – females	24.0	23.9
Retiring in 20 years – males	23.0	22.9
Retiring in 20 years – females	25.5	25.4

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

	2023 £'000	2022 £'000	2021 £'000	2020 £'000	2019 £'000
Present value of obligations	(17,973)	(20,413)	(31,093)	(30,938)	(31,418)
Fair value of plan assets	12,969	16,077	22,276	20,954	21,549
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Scheme deficit	(5,004)	(4,366)	(8,817)	(9,984)	(9,869)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Experience adjustment on scheme assets	3,466	6,227	(1,582)	687	25
Percentage of scheme assets	-26.7%	-38.7%	7.1%	3.3%	0.1%
Experience adjustment on scheme liabilities	(2,644)	(10,521)	602	(506)	3,362
Percentage of scheme liabilities	14.7%	51.5%	1.9%	1.6%	10.7%
Cumulative scheme actuarial losses	(5,574)	(4,752)	(9,046)	(10,026)	(9,845)

**20. 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 2023 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:

	<b>2023 £'000</b>	<b>2022 £'000</b>
Provision at beginning of year	120	125
Decrease in provision	(5)	(5)
	<hr/>	<hr/>
Provision at end of year	115	120
	<hr/>	<hr/>
After more than one year	115	120
	<hr/>	<hr/>

**(iii) Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS"). The pension charge for the year includes contributions payable to the TPS of £3,339,000 (2021/22 - £3,020,000) and at the year-end £260,000 (2022 - £240,000) 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 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 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to March 2022. The actuaries have assumed that members are likely choose the option that provides them with the greater benefits, and preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

**(iv) Other defined contribution schemes**

A defined contribution scheme now known as the Harrow Corporation Pension Scheme for eligible employees across the Corporation. The amount recognised in the SOFA for the year was £969,000 (2021/22 - £866,000). The expected scheme contributions for the year ending 31 August 2024 are estimated at £1,235,000.



**21. Allocation of Consolidated Net Assets for the year ended 31 August 2023**

The net assets at 31 August 2023 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
<b>Permanent Endowment</b>						
General						
School and Lyon Foundation incl the Philathletic Trust*	3,421	10	2,623	335	-	6,389
Harrow School Endowment Fund	-	985	-	-	-	985
Shepherd Churchill Bequest*	-	-	5,203	(15)	-	5,188
Butler Memorial Trust	21	-	77	279	-	377
Awards						
Harrow Awards Fund*	-	-	12,863	(107)	-	12,756
L C Wilson Bequest	-	-	2,338	-	-	2,338
Foundation Awards	-	-	2,687	-	-	2,687
Harrow Challenge	-	-	4,376	(18)	-	4,358
	3,442	995	30,167	474	-	35,078
<b>Expendable Endowment</b>						
J G Apcar Trust*	302	77	-	26	-	405
Harrow Challenge	-	-	2,612	22	-	2,634
Harrow Awards	-	-	4,115	177	-	4,292
	302	77	6,727	225	-	7,331
<b>Total Capital Funds</b>	<b>3,744</b>	<b>1,072</b>	<b>36,894</b>	<b>699</b>	<b>-</b>	<b>42,409</b>
<b>Income Funds</b>						
<b>Restricted</b>						
Harrow	-	-	-	3,915	-	3,915
JLS	-	-	233	166	-	399
Subsidiaries	-	-	835	452	(1,500)	(213)
	-	-	1,068	4,533	(1,500)	4,101
<b>Unrestricted</b>						
Designated						
Harrow Awards	-	-	24,232	(4,519)	-	19,713
JLS	-	-	4,144	665	-	4,809
Masterplan	-	-	-	-	-	-
Awards	-	-	-	(182)	-	(182)
Other	-	-	-	(116)	-	(116)
Bond	-	-	81,372	-	(89,722)	(8,350)
General						
Harrow	129,246	516	9,989	(14,477)	(5,253)	120,021
JLS	20,327	-	-	(1,153)	(6,852)	12,322
Subsidiaries	-	-	-	1,594	-	1,594
	149,573	516	119,737	(18,188)	(101,827)	149,811
<b>Total Income Funds</b>	<b>149,573</b>	<b>516</b>	<b>120,805</b>	<b>(13,655)</b>	<b>(103,327)</b>	<b>153,912</b>
<b>TOTAL FUNDS</b>	<b>153,317</b>	<b>1,588</b>	<b>157,699</b>	<b>(12,956)</b>	<b>(103,327)</b>	<b>196,321</b>

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**21. Allocation of Consolidated Net Assets for the year ended 31 August 2023**

The movement in reserves for the various funds for the year ended 31 August 2023 are as follows:

<b>Capital Funds</b>	<b>Balance Brought Forward £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains and Losses £'000</b>	<b>Transfers £'000</b>	<b>Balance Carried Forward £'000</b>
<b>Permanent Endowment</b>						
General						
School and Lyon Foundation incl the Philathletic Trust*	6,359	-	(4)	(46)	80	6,389
Harrow School Endowment Fund	985	-	(29)	29	-	985
Shepherd Churchill Bequest*	5,293	-	-	(105)	-	5,188
Butler Memorial Trust	377	-	-	-	-	377
<b>Awards</b>						
Harrow Awards Fund*	13,142	-	(12)	(37)	(337)	12,756
L C Wilson Bequest	2,479	-	(2)	(47)	(92)	2,338
Foundation Awards	2,717	-	(2)	73	(101)	2,687
Harrow Challenge	4,447	-	(3)	(86)	-	4,358
	<u>35,799</u>	<u>-</u>	<u>(52)</u>	<u>(219)</u>	<u>(450)</u>	<u>35,078</u>
<b>Expendable Endowment</b>						
Harrow Challenge	2,793	-	(2)	(52)	(105)	2,634
J P Apcar Trust	403	1	-	1	-	405
Other	4,183	178	(2)	(67)	-	4,292
	<u>7,379</u>	<u>179</u>	<u>(4)</u>	<u>(118)</u>	<u>(105)</u>	<u>7,331</u>
<b>Total Capital Funds</b>	<b>43,178</b>	<b>179</b>	<b>(56)</b>	<b>(337)</b>	<b>(555)</b>	<b>42,409</b>
<b>Income Funds</b>						
<b>Restricted</b>						
Harrow	5,549	626	(4,658)	2,885	(487)	3,915
JLS	424	646	(668)	(3)	-	399
Subsidiaries	1,248	1,442	(4)	(2,899)	-	(213)
	<u>7,221</u>	<u>2,714</u>	<u>(5,330)</u>	<u>(17)</u>	<u>(487)</u>	<u>4,101</u>
<b>Unrestricted</b>						
Designated						
Harrow Awards	19,393	-	-	320	-	19,713
JLS	4,194	36	(6)	(64)	649	4,809
Masterplan	(1,443)	60	(3,446)	4,829	-	-
Awards	(182)	-	-	809	(809)	(182)
Other	(116)	-	-	-	-	(116)
Bond	(9,382)	-	-	1,032	-	(8,350)
General						
Harrow	113,855	45,471	(45,783)	(9,264)	15,742	120,021
JLS	12,546	15,573	(15,616)	468	(649)	12,322
Subsidiaries	(280)	19,978	(5,723)	1,510	(13,891)	1,594
	<u>138,585</u>	<u>81,118</u>	<u>(70,574)</u>	<u>(360)</u>	<u>1,042</u>	<u>149,811</u>
<b>Total Income Funds</b>	<b>145,806</b>	<b>83,832</b>	<b>(75,904)</b>	<b>(377)</b>	<b>555</b>	<b>153,912</b>
<b>TOTAL FUNDS</b>	<b>188,984</b>	<b>84,011</b>	<b>(75,960)</b>	<b>(714)</b>	<b>-</b>	<b>196,321</b>

**21. 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 2023 of the other charities referred to, included in the SOFA and Balance Sheet, are as follows:

	<b>Shepherd Churchill Bequest</b>	<b>Harrow Awards Fund</b>	<b>Butler Memorial Trust</b>	<b>J G Apcar Trust</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investments				
Additions	-	1,804	-	-
Disposals	(5)	(2,128)	-	-
Investment income	-	-	-	-
Realised gain	-	43	-	-
Unrealised (loss)/gains	(103)	75	-	24
Net movement in cash held for investment	2	(25)	-	-
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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**21. Allocation of Consolidated Net Assets for the year ended 31 August 2022**

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

<b>Capital Funds</b>	<b>Tangible fixed assets £'000</b>	<b>Investment properties £'000</b>	<b>Investments £'000</b>	<b>Net current assets/ (liabilities) £'000</b>	<b>Long term liabilities £'000</b>	<b>Total £'000</b>
<b>Permanent Endowment</b>						
General						
School and Lyon Foundation including 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
<b>Awards</b>						
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
	<u>3,524</u>	<u>995</u>	<u>30,670</u>	<u>610</u>	<u>-</u>	<u>35,799</u>
<b>Expendable Endowment</b>						
J G Apcar Trust*	302	77	-	24	-	403
Harrow Challenge	-	-	2,770	23	-	2,793
Harrow Awards	-	-	3,376	807	-	4,183
	<u>302</u>	<u>77</u>	<u>6,146</u>	<u>854</u>	<u>-</u>	<u>7,379</u>
<b>Total Capital Funds</b>	<u><b>3,826</b></u>	<u><b>1,072</b></u>	<u><b>38,816</b></u>	<u><b>1,464</b></u>	<u><b>-</b></u>	<u><b>43,178</b></u>
<b>Income Funds</b>						
<b>Restricted</b>						
Harrow	-	-	-	5,549	-	5,549
JLS	-	-	192	232	-	424
Subsidiaries	-	-	849	514	(115)	1,248
	<u>-</u>	<u>-</u>	<u>1,041</u>	<u>6,295</u>	<u>(115)</u>	<u>7,221</u>
<b>Unrestricted</b>						
Designated						
Harrow	-	-	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)
	<u>125,360</u>	<u>976</u>	<u>136,377</u>	<u>(22,704)</u>	<u>(101,424)</u>	<u>135,585</u>
<b>Total Income Funds</b>	<u><b>125,360</b></u>	<u><b>976</b></u>	<u><b>137,418</b></u>	<u><b>(16,409)</b></u>	<u><b>(101,539)</b></u>	<u><b>145,806</b></u>
<b>TOTAL FUNDS</b>	<u><b>129,186</b></u>	<u><b>2,048</b></u>	<u><b>174,234</b></u>	<u><b>(14,945)</b></u>	<u><b>(101,539)</b></u>	<u><b>188,984</b></u>

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**21. Allocation of Consolidated Net Asset 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:

<b>Capital Funds</b>	<b>Balance Brought Forward £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains and Losses £'000</b>	<b>Transfers £'000</b>	<b>Balance Carried Forward £'000</b>
<b>Permanent Endowment</b>						
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
<b>Awards</b>						
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>
<b>Expendable Endowment</b>						
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>
<b>Total Capital Funds</b>	<b>43,381</b>	<b>807</b>	<b>(63)</b>	<b>(348)</b>	<b>(599)</b>	<b>43,178</b>
<b>Income Funds</b>						
<b>Restricted</b>						
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>
<b>Unrestricted</b>						
<b>Designated</b>						
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)	-	-	3,577	-	(9,382)
<b>General</b>						
Harrow	99,474	35,643	(29,385)	(14,151)	24,954	113,855
JLS	12,313	14,960	(14,211)	(516)	-	12,546
Subsidiaries	(671)	16,890	(4,713)	(54)	(11,732)	(280)
	<u>127,292</u>	<u>70,565</u>	<u>(64,365)</u>	<u>(7,403)</u>	<u>12,496</u>	<u>135,585</u>
<b>Total Income Funds</b>	<b>148,266</b>	<b>73,352</b>	<b>(68,999)</b>	<b>(7,412)</b>	<b>599</b>	<b>145,806</b>
<b>TOTAL FUNDS</b>	<b>191,647</b>	<b>74,159</b>	<b>(69,062)</b>	<b>(7,760)</b>	<b>-</b>	<b>188,984</b>

## 21. Allocation of Consolidated Net Assets (continued)

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:

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

## 22. 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 (2021/22 - £9,000).

## 23. 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 2021/22 were £43,000. In addition, legal fees paid by the Corporation to Cripps in 2021/22 were £480,000 inclusive of VAT and disbursements.
- ii. John Lyon's Charity made grants for bursaries in the year at Harrow School of £431,000 (2021/22 - £438,000) and at The John Lyon School of £534,000, (2021/22 - £554,000) 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, who retired on 31 December 2022, 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 £122,000 (2021/22 - £264,000).
- iv. Two Governors were employed during the year by HISL as Directors and received the following remuneration: M L Mrowiec - £117,000 (2021/22 - £113,000), A D Hart - £67,000 (2021/22 £62,000).
- 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 £3,000 (2021/22 - £2,000) were paid to four (2021/22 - five) Governors during the year.

**23. Related party transactions (continued)**

- vi. One Governor, J P Batting, was a Director of Intellego Education Limited (IEL) until 31 December 2022, The son of another Governor, G W J Goodfellow is a Director of IEL. 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. On 31 January 2024 the agreements with IEL came to an end, except for the Investment Agreement to the extent to which the Corporation remains a shareholder in IEL. The value of the investment will be written down to its recoverable value in the year ended 31 August 2024.

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 2023**

	<b>Income/(Expenditure)</b>		<b>Debtor/(Creditor) Balance</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
HSEL	317	(761)	426	-
HISL	5,265	(15)	2,561	-
HDT	9,109	(122)	24	(1,500)

**Related party transactions for the year ended 31 August 2022**

	<b>Income/(Expenditure)</b>		<b>Debtor/(Creditor) Balance</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
HSEL	316	(338)	862	-
HISL	4,732	(55)	2,225	-
HDT	7,126	(89)	104	(115)

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**24. Statement of Financial Activities for the year ended 31 August 2022**

	Notes	Income Funds Unrestricted Funds £'000	Restricted Funds £'000	Capital Funds Expendable Endowment £'000	Permanent Endowment £'000	Total £'000
<b>Income and endowments from:</b>						
<b>Charitable activities</b>						
School fees receivable	1	49,977	-	-	-	49,977
Ancillary trading income	2i	3,285	-	-	-	3,285
Voluntary income		-	992	-	-	992
<b>Voluntary sources</b>						
Other charitable income	2ii	6,704	1,589	807	-	9,100
Tsunami income		-	16	-	-	16
<b>Other trading activities</b>						
Non ancillary trading income	2iii	8,265	-	-	-	8,265
Other incoming resources	3	30	90	-	-	120
<b>Investments</b>						
Investment income	4	2,304	100	-	-	2,404
<b>Total</b>		<b>70,565</b>	<b>2,787</b>	<b>807</b>	<b>-</b>	<b>74,159</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Fundraising costs		1,086	284	-	-	1,370
Non ancillary trading expenses	2iv	3,400	-	-	-	3,400
Finance costs	7	3,549	-	-	-	3,549
Investment management costs		623	1	4	59	687
		8,658	285	4	59	9,006
<b>Charitable activities</b>						
Teaching costs		24,321	-	-	-	24,321
Welfare costs		7,164	-	-	-	7,164
Premises costs		14,636	-	-	-	14,636
Support costs		6,946	-	-	-	6,946
Grants, awards and prizes	5iii	-	4,336	-	-	4,336
Other charitable projects		-	13	-	-	13
Ancillary trading expenses	5iii	2,640	-	-	-	2,640
		55,707	4,349	-	-	60,056
<b>Total Expenditure</b>	6-7	<b>64,365</b>	<b>4,634</b>	<b>4</b>	<b>59</b>	<b>69,062</b>
<b>Net Income/(Expenditure) before Transfers and Investment Gains/(Losses)</b>						
		<b>6,200</b>	<b>(1,847)</b>	<b>803</b>	<b>(59)</b>	<b>5,097</b>
Transfers between funds	8	12,495	(11,897)	(104)	(495)	-
Gains on investment properties	11	97	-	24	195	316
(Losses)/gains on investment assets	12	(11,794)	(9)	(23)	(544)	(12,370)
<b>Net Income/(Expenditure)</b>		<b>6,999</b>	<b>(13,753)</b>	<b>700</b>	<b>(903)</b>	<b>(6,957)</b>
Actuarial (loss)/gain on defined-benefit pension scheme	20	4,294	-	-	-	4,294
<b>Net Movement in Funds</b>		<b>11,293</b>	<b>(13,753)</b>	<b>700</b>	<b>(903)</b>	<b>(2,663)</b>
Balances at beginning of year		127,292	20,974	6,679	36,702	191,647
<b>Balances at end of year</b>		<b>138,585</b>	<b>7,221</b>	<b>7,379</b>	<b>35,799</b>	<b>188,984</b>