

# Annual Report and Consolidated Financial Statements

For the year ended 31 August 2024



Charity number 310033

**The Keepers and Governors of the  
Possessions, Revenues and Goods of  
The Free Grammar School of John Lyon**

Comprising **Harrow School**  
([harrowschool.org.uk](http://harrowschool.org.uk)) and  
**John Lyon School** ([johnlyon.org](http://johnlyon.org))

**Part of John Lyon's Foundation**





## Design inspiration: tradition and innovation

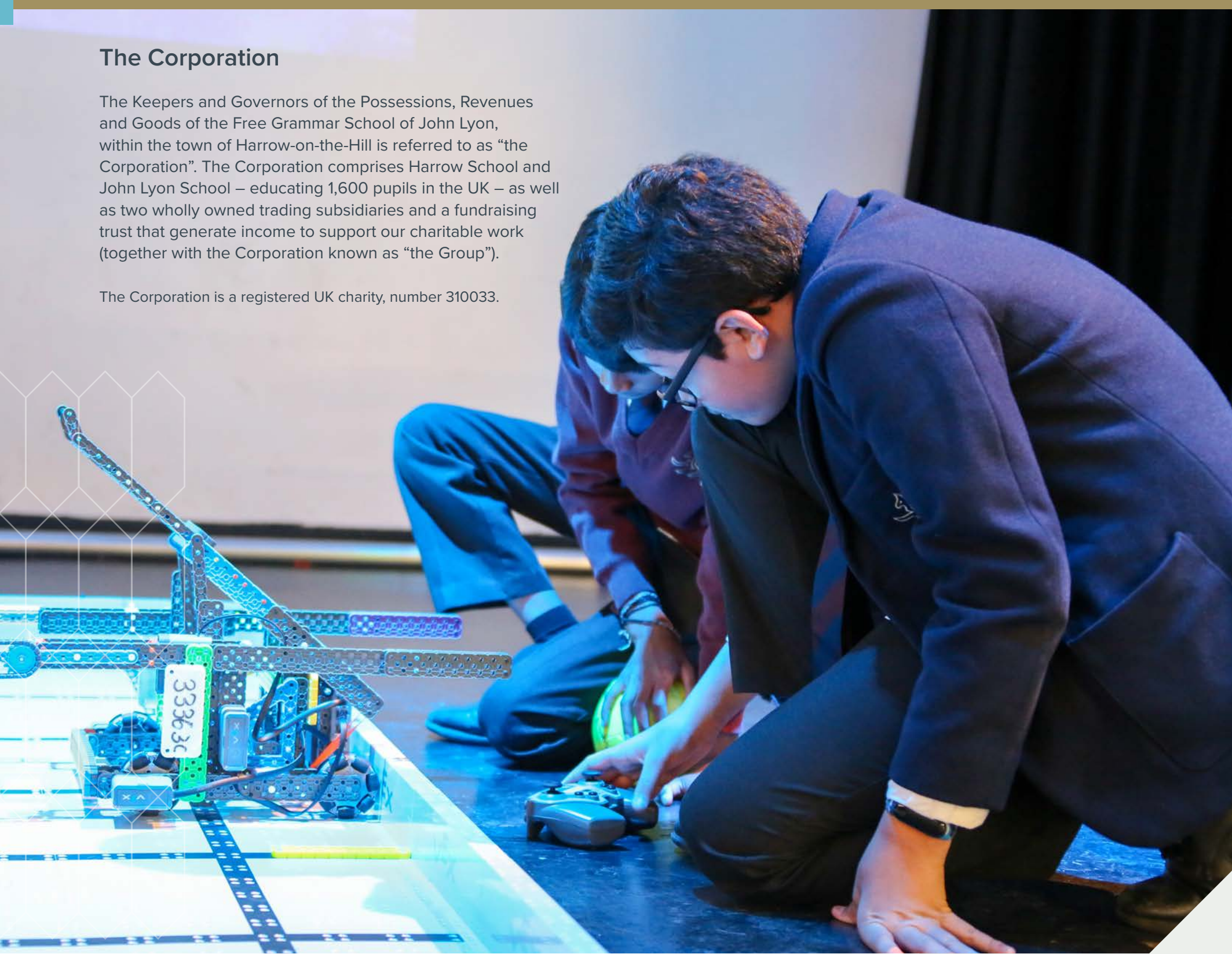
The central panes of the John Lyon window in the Alex Fitch Room at Harrow School show John Lyon receiving the Royal Charter to found Harrow School from Queen Elizabeth I. The window's traditional pattern has inspired the contemporary design of this annual report.



The Corporation

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 is referred to as “the Corporation”. The Corporation comprises Harrow School and John Lyon School – educating 1,600 pupils in the UK – as well as two wholly owned trading subsidiaries and a fundraising trust that generate income to support our charitable work (together with the Corporation known as “the Group”).

The Corporation is a registered UK charity, number 310033.



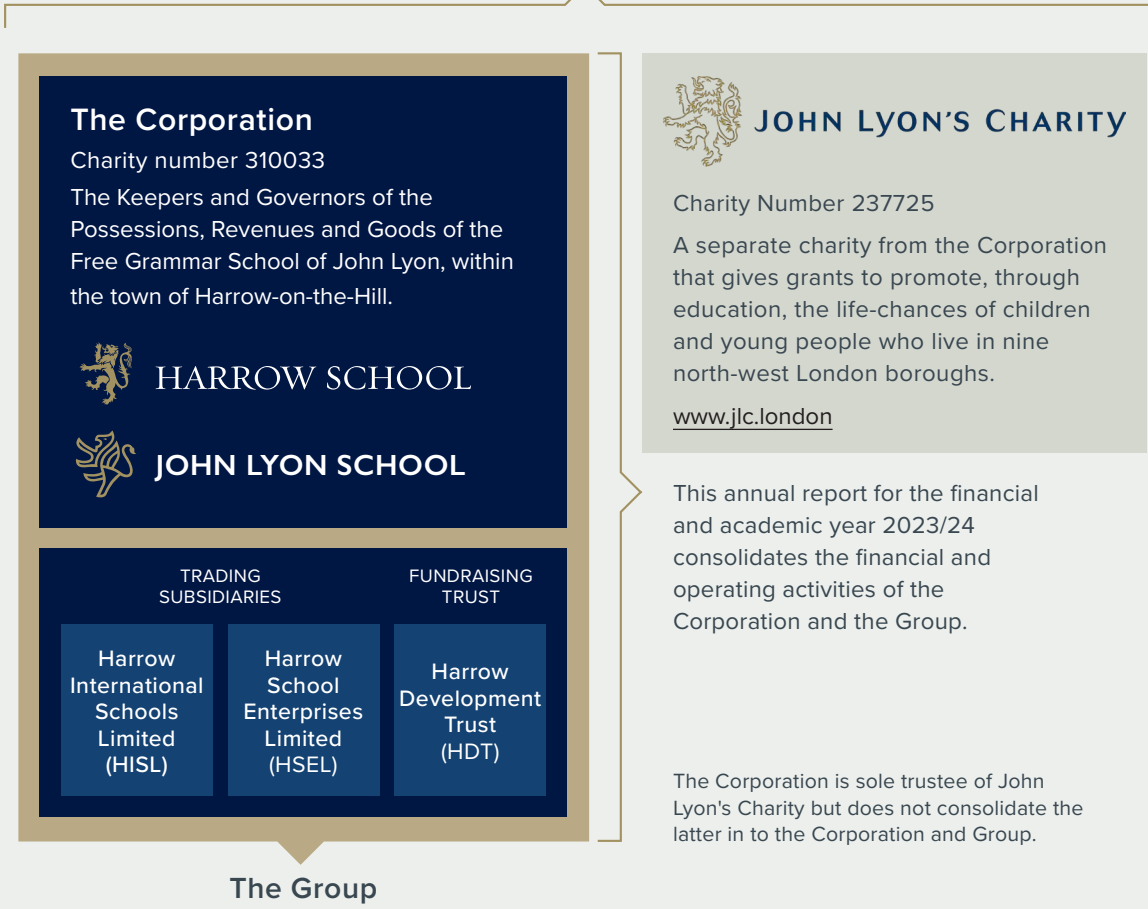
<b>1</b>	<b>About us</b>	<b>6</b>
1.1	John Lyon’s Foundation	6
1.2	The Corporation and Group	7
1.3	Foundation Governors (trustees)	8
1.4	Year at a glance	9
<b>2</b>	<b>Foundation Governors’ (trustees’) foreword</b>	<b>10</b>
<b>3</b>	<b>Our charitable objects</b>	<b>12</b>
<b>4</b>	<b>Our strategy</b>	<b>14</b>
4.1	Strategic objectives and pillars	14
4.2	How we manage risks and uncertainties	16
<b>5</b>	<b>Meeting our objectives</b>	<b>18</b>
5.1	Promoting educational excellence and enrichment	20
5.2	Providing fee assistance that transforms lives	24
5.3	Engaging with our community	27
<b>6</b>	<b>Our Group activities</b>	<b>28</b>
6.1	Harrow International Schools Limited	28
6.2	Harrow School Enterprises Limited	32
6.3	Harrow Development Trust	33
<b>7</b>	<b>Corporate information</b>	<b>34</b>
7.1	Governance	34
7.2	Addresses and advisers	36
<b>8</b>	<b>Financial performance, policies and plans</b>	<b>37</b>
<b>9</b>	<b>Independent auditor's report</b>	<b>41</b>
<b>10</b>	<b>Financial statements</b>	<b>44</b>
10.1	Consolidated statement of financial activities	44
10.2	Balance sheet	45
10.3	Consolidated cash flow statement	46
10.4	Accounting policies	49
10.5	Notes to financial statements	53
<b>Appendix 1 – Glossary of terms</b>		<b>90</b>
<b>Appendix 2 – Contact information</b>		<b>91</b>

1 About us

1.1 John Lyon’s Foundation

John Lyon, a farmland owner from north-west London, was granted a Royal Charter from Queen Elizabeth I in 1572 to develop a school for boys in Harrow on the Hill and to provide an endowment to maintain the two roads from Harrow on the Hill to Marble Arch.

Today, John Lyon’s Foundation sustains its founder’s legacy by working to transform the lives of children and young people through education.



1.2 The Corporation and Group

The Corporation comprises:



**Harrow School**  
An independent, full-boarding senior school for boys, which prepares pupils with diverse backgrounds and abilities for a life of learning, leadership, service and personal fulfilment.



**John Lyon School**  
An independent, co-educational, all-through day school, with academic excellence and opportunity at its heart.

The Corporation and its charitable activities are supported by two wholly owned trading subsidiaries and a fundraising trust. Together with the Corporation, these entities comprise the Group.



**Harrow International Schools Limited**  
HISL – company number 07103979  
HISL sub-licenses the Harrow brand to schools around the world and oversees their performance.



**Harrow School Enterprises Limited**  
HSEL – company number 01617359  
HSEL manages the Corporation’s facilities commercially.



**Harrow Development Trust**  
HDT – charity number 296097  
HDT raises funds from donors and benefactors.



1 About us

1.3 Foundation Governors (trustees) and officers

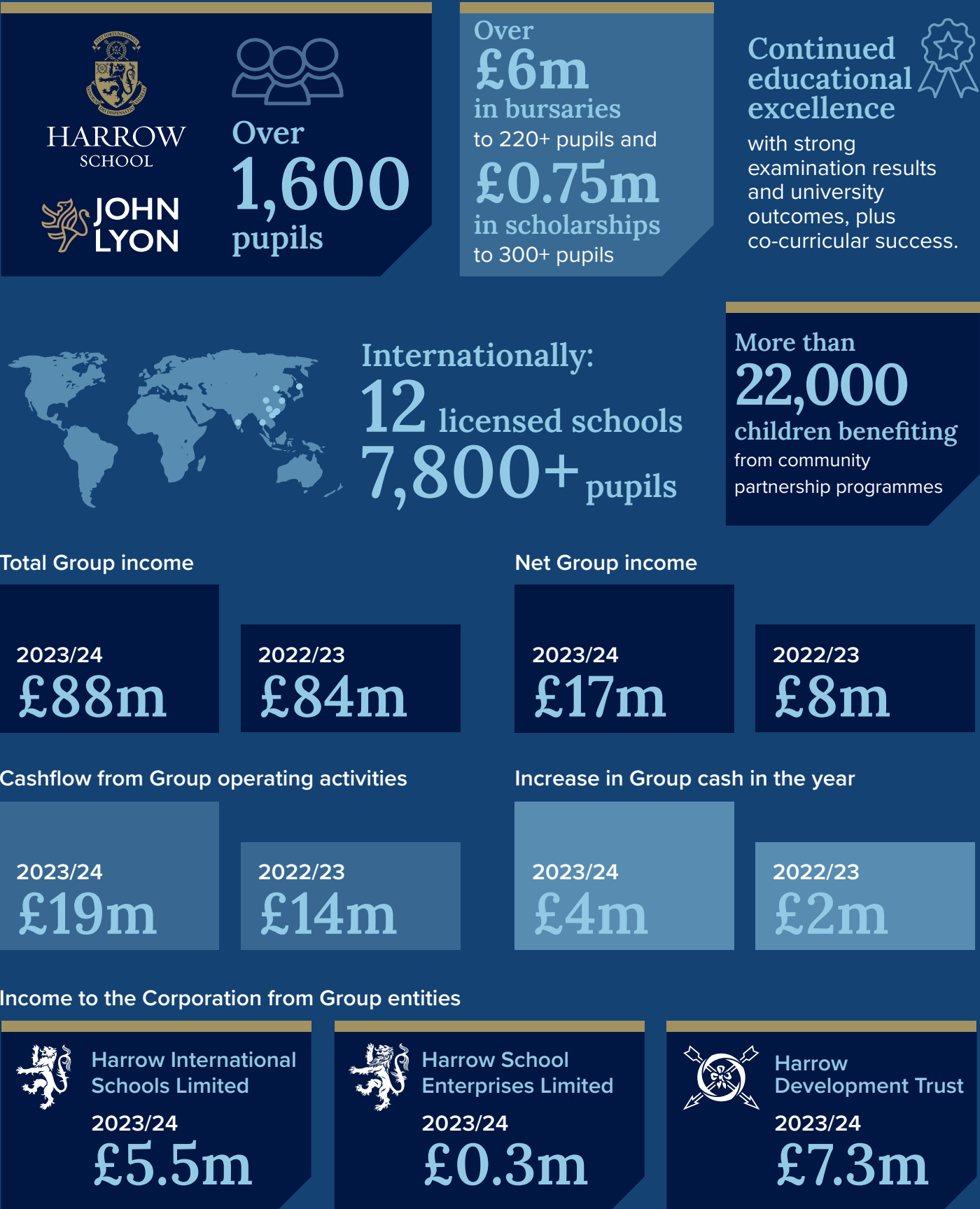
Current and those who served during the year ended 31 August 2024

Foundation Governors (trustees)			
D G P Eyton CBE MA FIOD FIOD FRENG Chair	H R Mould MA RGN		
C G T Stonehill MA	Professor A D'Angour MA PhD ARCM		
G W J Goodfellow KC MA LLM	M L Mrowiec MA		
M S Bronger LLB Ret. 31 August 2024	C Gallagher MA MSc		
A C Goswell BSc MRICS	Vice Admiral J P Kyd CBE BSc PGDip		
The Hon A Butler KC MA Deputy Chair	N J Enright MA MBA NPQH		
D J C Faber MA	Dr S V Rawal PhD		
R T G Winter CBE BA FCA	L J Halligan MPhil BSc		
A D Hart LLB FRSA	Dr D A Taylor MBBS BSc MD FRCP		
Professor D J Payne MChem DPhil	M C Wallace BCom		
J P J Glover BA	J C Seppala BA Appt. 25 November 2023		
Sir J R Symonds CBE BA FCA	S A Huang MA MSc PGCE Appt. 21 June 2024		

Officers			
Harrow School	John Lyon School	Corporation and Group	
Head Master W M A Land MA FLS FSB	Head R K Hardy PGCE MA MED	Chief Financial & Commercial Officer, John Lyon's Foundation	Clerk to the Governors & General Counsel The Hon A C Millet MA
Bursar J M Wood JP BA	Bursar N Slater BSocSc ACA ChMC Appt. 3 June 2024	D H Curley MA MBA CPFA	
	Chief Operating Officer Cdr G R Mawdsley RN MA Left 31 August 2024		

The Group entities		
Harrow International Schools Limited	Harrow School Enterprises Limited	Harrow Development Trust
Chair M L Mrowiec MA	Chair A D Hart LLB FRSA	Chair J P J Glover BA

1.4 Year at a glance



Source: Consolidated Statement of Financial Activities 2023/24, see page 44



## 2 Foundation Governors' (trustees') foreword

The Foundation Governors, as trustees of the Corporation, are pleased to present this annual report. 2023/24 was another highly successful year for the Corporation, educationally and for our delivery of public benefit.

Harrow School and John Lyon School celebrated exceptional achievements across the board – through their continued educational excellence, impactful charitable initiatives and significant progress on strategic plans.

The key to this success has been a commitment to fostering strong relationships between our dedicated staff, engaged pupils, supportive parents, John Lyon's Charity (of which the Corporation is sole trustee), valuable external partners and the wider community. We create an environment in which academic and pastoral care flourish, charitable endeavours thrive, and more pupils than ever before benefit from life-changing bursaries and scholarships.

Harrow School's A level pupils achieved impressive results, with a high proportion of top grades, gaining places at leading universities: a quarter of applicants secured places at the world's top 20\*. GCSE results were equally strong, with a record number of high grades.

John Lyon School also saw excellent A level results, with strong performances in key subjects such as Mathematics and pupils securing places on competitive courses at prestigious universities. GCSE pupils performed well too, with a significant percentage achieving top grades in multiple subjects and a high overall pass rate.

Pupils at both schools continued to achieve high standards in a wide range of co-curricular activities. Harrow School's 1st XV rugby team maintained their winning streak, taking home the Daily Mail Cup for the second year in a row, while John Lyon School hosted its third TEDx event, which reached 165,000 views online. Enrichment remains a key component of the holistic education we provide, and across the schools

there is a buzz of activity around sport, arts and culture, as well as leadership and service.

John Lyon's vision of educational opportunity continues through the bursaries and scholarships that the Corporation schools provide. In the last five years, Harrow School and John Lyon School have awarded a combined total of more than £26 million in bursaries and scholarships. In the financial and academic year 2023/24 alone, the schools awarded over £6 million in bursaries to more than 220 pupils, and over £0.75 million in scholarships.

John Lyon's Foundation is committed to community engagement and partnerships. Shaftesbury Enterprise, Harrow School's charitable and partnership programme, and Blackwell Enterprise, John Lyon School's equivalent, are examples of this commitment in action. The Corporation works closely with John Lyon's Charity on this priority.

In addition to the Corporation, this annual report also refers to the activities of the Group.

Between them, Harrow International Schools Limited's (HISL) partners educate over 7,800 pupils and employ over 2,000 staff members. In July 2024, HISL expanded its reach by agreeing with a new partner, Taaleem Holdings plc, to establish Harrow International Schools in the Gulf Cooperation Council countries.

Lastly, thanks to generous contributions, Harrow Development Trust (HDT) supported the strategic goals and projects set out by the Corporation. In 2023/24, HDT's fundraising efforts also helped to provide bursary-assisted places at Harrow School. The independent schools sector now faces



a challenging financial environment. Despite these headwinds, the Corporation is in a robust financial position in terms of its resources and its operating performance, thanks to the hard work and dedication of staff and the Foundation Governors, and to our partnerships.

The Corporation will continue to deliver on our charitable aims and objects, providing public benefit through the outstanding education offered by our schools, transformational bursaries and scholarships, and constructive engagement with our community and partners. We wish to extend our gratitude to our

pupils and their families, to our staff and to our partners for their ongoing support and contribution. Together, we will continue to build on our successes, providing exceptional educational opportunities for children and young people in the borough of Harrow, across our wider community and around the world, for many years to come.

**Foundation Governors**



# 3 Our charitable objects

The Corporation’s charitable objects are set out in the Royal Charter of 1572:

“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, and one Schoolmaster and Usher, within the Village of Harrow-on-the-Hill, in the said County of Middlesex, of new to erect, found and for ever to establish for the perpetual education teaching and instruction of Children and Youth of the said Parish; and Two Scholars within our University of Oxford, liberally to endow and maintain, and other common ways, as well between Edgware and London as in other places, at his own very great charge, intends to repair and mend, and other endowments and works of piety, to the very great comfort and encouragement of the Scholars within the said parish applying themselves to learning, thereby giving a very good example to all others to imitate the like hereafter, and also to the common profit of all our subjects.

We therefore... of our special grace, and also of our certain knowledge and mere motion do will, grant and ordain... that for ever hereafter there shall be one Grammar School in the Village of Harrow-on-the-Hill... which shall be called the Free Grammar School of John Lyon, for the bringing up, teaching and instruction of Children and Youth in Grammar, for all time hereafter coming.”

Translation from the original Latin.

As Foundation Governors, we oversee the Corporation and Group’s delivery of our charitable objects and ensure that we are consistently providing benefit to our communities, both within the Corporation’s schools and beyond.



These objects and John Lyon’s vision continue to inform our strategy today.



RIGHT  
Made in 1572, this wax seal was originally attached to the base of the Royal Charter.

# 4 Our strategy

## 4.1 Strategic objectives and pillars

As a Corporation and a Group, we have three strategic objectives:

**Promoting educational excellence and enrichment**

Providing an education that produces school leavers who are empowered and ready for life.

**Providing fee assistance that transforms lives**

Enabling pupils needing fee assistance to benefit from an education at Harrow School or John Lyon School.

**Engaging with our community**

Developing partnerships that improve educational outcomes and opportunities for more young people, particularly those who face significant barriers to progress.

As we work to achieve these objectives, we continually seek to enhance our approach – ensuring that what we do remains impactful, inclusive and aligned with our charitable objects.

### Harrow School

For over 450 years, Harrow School has sought to prepare boys with diverse backgrounds and interests for a life of public service, learning, leadership and personal fulfilment.

**STRATEGIC PILLARS**

<b>Scholarship:</b> Encouraging intellectual curiosity, independent thought and effective learning habits.	<b>Opportunity:</b> Ensuring pupils become their better selves by developing their potential.	<b>Character:</b> Maturing the individual, enabling pupils to uncover the talents, skills and values to be of good influence.	<b>People:</b> Admitting pupils who will thrive and contribute, and recruiting and nurturing staff who facilitate excellence.	<b>Operations:</b> Providing environments, infrastructure and functions that make us leaders in our field.
---	--	--	--	---

### John Lyon School

John Lyon School encourages every child to develop individual character, happiness and growth – equipping them with the tools to succeed in their chosen futures, making a positive impact on the world.

**STRATEGIC PILLARS**

<b>Character:</b> Providing a nurturing co-educational environment for pupils to be happy, curious, independent, life-long learners who embrace challenge and opportunity.	<b>Learning:</b> Pupils and staff working together to flourish academically and develop a love of learning.	<b>Global Outlook:</b> Enabling meaningful experiences where pupils and staff collaborate across all aspects of the curriculum.	<b>Community:</b> Through the work of Blackwell Enterprise, supporting our staff and pupils in engaging with our community.
---	--	--	--

### Harrow International Schools Limited (HISL)

HISL partners with established education operators overseas to facilitate their delivery of a world-class education under the Harrow name.

**STRATEGIC PILLARS**

<b>Optimise:</b> Support the Harrow-branded schools to achieve excellence and maximum revenues.	<b>Connect:</b> Enhance collaboration among the Harrow Family of Schools.	<b>Enhance:</b> Extend the prestige of the Harrow brand.	<b>Explore:</b> Identify and evaluate opportunities to increase and diversify income sources.
--	--	---	--

### Harrow School Enterprises Limited (HSEL)

HSEL delivers high-quality events and holiday courses, and manages the Corporation schools’ sports facilities, tours and lettings.

**STRATEGIC PILLARS**

<b>Education:</b> Summer camps and other learning programmes.	<b>Events:</b> Weddings, corporate away days, dinners and parties.	<b>Sports:</b> Facilities for use by the community as well as international and national teams.	<b>Locations:</b> For film, television and other entertainment and photography projects.
--	---	--	---

### Harrow Development Trust (HDT)

HDT helps to secure the future of Harrow School through fundraising, with support from the School community and working closely with Foundation Governors, the Head Master and the Harrow Association (Harrow’s alumni organisation).

**STRATEGIC PILLARS**

<b>Buildings:</b> Supporting high-priority capital projects.	<b>Bursaries:</b> Widening access to a Harrow education.	<b>Heritage:</b> Preserving the Corporation’s historical estate.
---	---	---



# 4 Our strategy

## 4.2 How we manage risks and uncertainties

The Foundation Governors review the risk context for the Corporation and Group at each Foundation Governors Meeting and at the termly Audit and Risk Committee (known before 31 August 2024 as the Foundation Risk Oversight and Opportunities Committee).

### Key Risks



**Changes in the geopolitical landscape:** the Corporation and Group have partners in diverse international markets and receive income from outside the UK. Changes in the geopolitical landscape may present risks to this income.



**Financial pressures in the UK independent school sector:** the Corporation and Group is active in the UK independent school sector through its operation of Harrow School and John Lyon School. The sector's financial context has changed in recent years with increasing costs and the introduction of VAT on school fees from 1 January 2025.



**Cybercrime:** as with many organisations, the Corporation and Group rely on technology, and their operations may be subject to cybercrime and related risks.

Through a structured approach to risk management, our Foundation Governors and Officers actively identify, oversee and mitigate these risks, along with several others that can vary in nature and level across the Corporation and Group.

The Chief Financial and Commercial Officer provides assurance to the Foundation Governors on our risk management processes and on the overall risk level.

We will continue to identify, oversee and mitigate all relevant risks and, as a priority, ensure that the Corporation has the processes and resources in place to ensure the safeguarding, health and safety, and wellbeing of our pupils, staff and community.

Actively identifying, overseeing and mitigating risks through a structured approach.



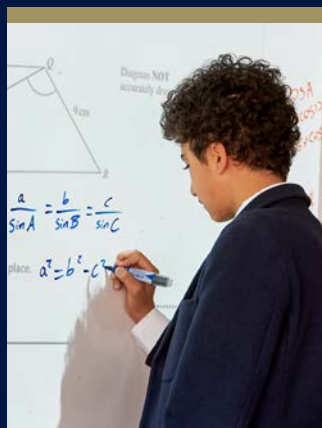
## 5 Meeting our objectives

### Public benefit

With a focus on our charitable objects, the Corporation delivered public benefit in 2023/24 through our education activities, our community engagement and our partnerships.

As Foundation Governors, we confirm that we have complied with Section 17(5) of the Charities Act 2011, both in our statutory requirement to report on our public benefit, and in having due regard to the public benefit guidance published by the Charity Commission where relevant to matters to which the guidance relates.

### Key highlights



### Continued focus on high-quality education

at Harrow School and John Lyon School with strong A level and GCSE performances.

John Lyon School hosted the VEX Robotics season opener and qualified for the regional finals.



Over **£6m** in bursaries to 220+ pupils and **£0.75m** in scholarships to 330+ pupils.

More than **22,000** children benefited from community and partnership programmes.



Close to **£0.5** million in funding and resources provided for community activities, excluding volunteering hours.



TAALEEM  
**HARROW**  
SCHOOLS  
مدارس هارو تعليم

Harrow International Schools Limited  
**forged a new partnership**

with Taaleem Holdings plc to establish Harrow International Schools in the Gulf Cooperation Council countries.

**Harrow School Enterprises Limited**

maintained its financial contribution to the Corporation.

In an unbeaten season,

**Harrow School's 1st XV** rugby team won

the National Under-18 Continental Tyres Schools Cup final at Twickenham and the Daily Mail Trophy for a second year.



Over **86,000** hours

of volunteering by pupils and staff, and community use of Corporation facilities.



**HARROW**  
DEVELOPMENT TRUST

Harrow Development Trust continued to support the Corporation's strategic objectives through fundraising activity.

**TEDx**

John Lyon School hosted a third TEDx event

that attracted **over 165,000** online views.





## 5 Meeting our objectives

### 5.1 Promoting educational excellence and enrichment

As Foundation Governors, we seek to ensure that Harrow School and John Lyon School provide an education that produces school leavers who are empowered and ready for life. This commitment is central to how we govern and oversee the Corporation's activities.

The excellent examination results and university outcomes achieved by our pupils, combined with our pastoral programmes, demonstrate the ongoing effectiveness of our educational strategies.

#### Harrow School

Harrow School's outgoing Upper Sixth achieved outstanding A level results in the summer of 2024.

Almost a third of all grades were A\*, with over two thirds either A\* or A. Over 90% of all of the grades were A\*-B. Twenty-six pupils gained three or more A\*s and 80 pupils gained three or more A\*-A grades.

These strong A level results translated into a positive set of university outcomes, with Harrovians taking up places at six of the eight Ivy League schools in the USA, and 47 pupils accepting places at universities ranked in the world's top 20 including Princeton, Columbia and Edinburgh.

At GCSE, over 40 % of results were grade 9, with two-thirds graded 9 or 8. The 9-7 grade percentage was the highest on record since 2013. Sixteen pupils gained ten or more grade 9s, and 24 gained nine or more grade 9s.

Pupils also enjoyed many successes in academic competitions and Olympiads.

Sporting highlights included the cricket First XI's victory over Eton at Lord's and the rugby 1st XV winning the Under-18 Continental Tyres Schools Cup at Twickenham and retaining the Daily Mail Trophy for a second consecutive year. Harrow was also the joint winner of the Brian Howes Sabre Trophy at the Public Schools Fencing Championships.

Music, art and drama thrived, with numerous productions in the School's Ryan Theatre, a performance at Shakespeare's Globe Theatre, art exhibitions in the Pasmore Gallery, and over 100 musical performances. These achievements, and many others, reflect the Harrow School values of courage, honour, humility and fellowship, strengthening the School's close-knit community.

New developments on the Harrow School estate in 2023/24 included the opening on Speech Day of Harrow's new Biology and Chemistry Schools, with state-of-the-art teaching laboratories, a dedicated research laboratory and a 180-seat lecture theatre.

*Harrow School's values  
- courage, honour,  
humility and fellowship  
- strengthen the School's  
close-knit community.*





“Pupils look after each other, are compassionate and exhibit a willingness to volunteer, all of which are reflective of the School’s aims.”

ISI INSPECTION REPORT,  
JOHN LYON SCHOOL

## 5 Meeting our objectives

### 5.1 Promoting educational excellence and enrichment

#### John Lyon School

At John Lyon School, 12% of all A level grades awarded in the summer of 2024 were A\*. A significant number of pupils achieved at least two A\*–A grades. Nearly four fifths of all grades fell within the A\*–C range.

Year 13 leavers went on to read competitive university courses such as Medicine, Chemistry, Mathematics, Engineering, Computing and Data Science at universities including the University of Oxford, the University of Cambridge, University College London, Imperial College London, University of York, University of Nottingham, University of Southampton, University of Bath, and the London School of Economics and Political Science.

John Lyon School pupils also celebrated strong GCSE results, with a third of all pupils achieving grade 8 or 9 in at least six subjects, and over half

graded 7 or higher in six or more subjects. High marks were common, with a fifth of all grades at grade 9, and nearly half graded 9 or 8.

Nearly two-thirds of all grades were a 9, 8 or 7, and 92% of all grades were a pass at grade 5 or above.

During 2023/24, pupils at John Lyon School excelled in sports, music, art and STEAM. Prep and Senior pupils performed in multiple concerts and productions, with the winter production of *The Addams Family – The Musical Comedy* receiving rave reviews.

John Lyon School also hosted its third TEDx event on campus, with the recorded videos receiving over 165,000 views online, as well as the VEX Robotics season opener, at which John Lyon secured qualification for the regional finals.



## 5 Meeting our objectives

### 5.2 Providing fee assistance that transforms lives

Enabling pupils needing fee assistance to benefit from an education at Harrow School or John Lyon School is an important part of our strategy to meet our charitable objects and to deliver public benefit.

The Foundation Governors maintained the significant commitment to fee assistance in 2023/24, with Harrow School and John Lyon School providing in excess of £6m in bursaries to more than 220 pupils, and over £0.75m in scholarships to over 330 pupils.

Working together in partnership across the Foundation, our mission is to:

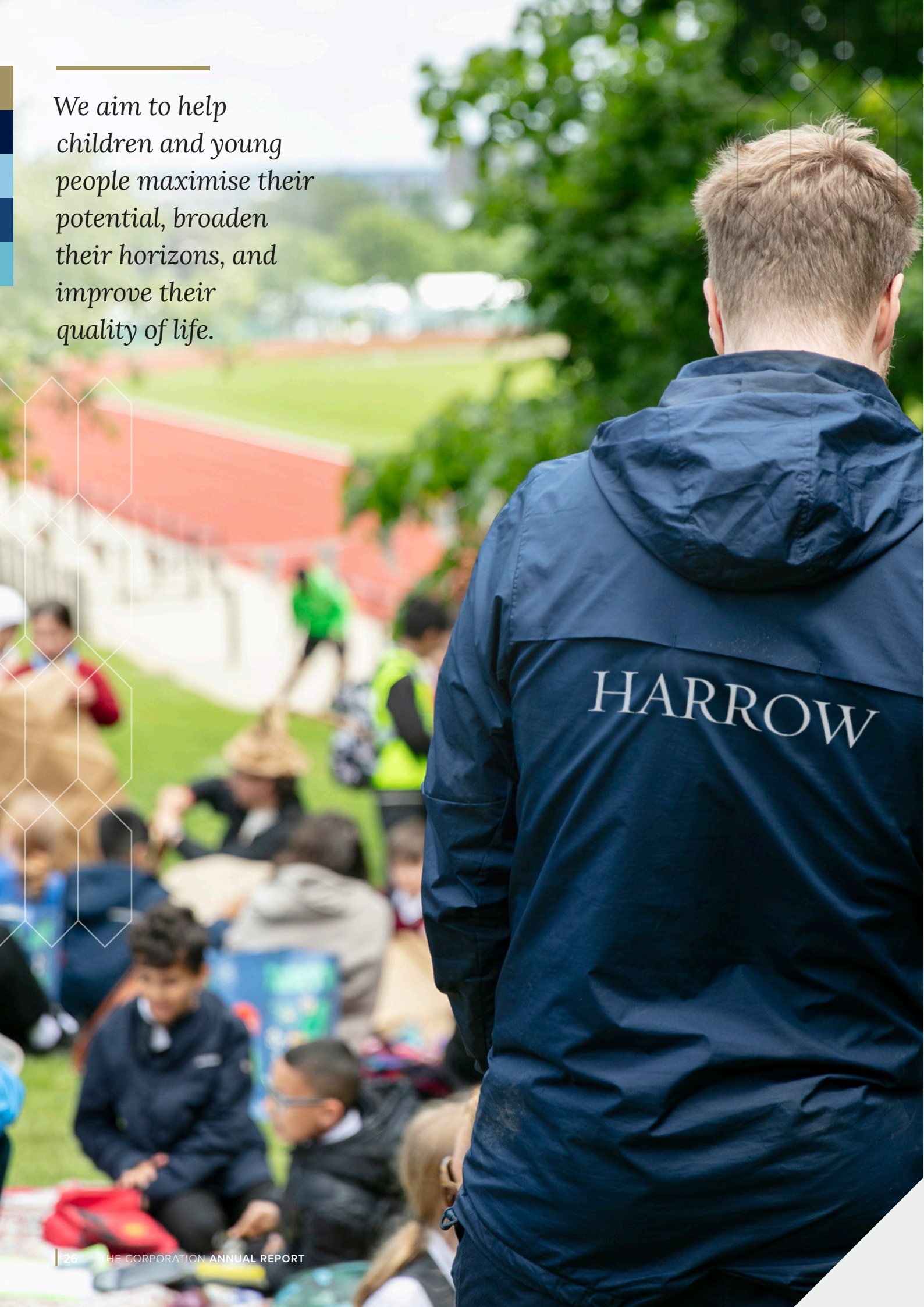
*“Transform the lives of children and young people through education.”*

*Over the previous five years, we have awarded over £26m in bursaries and scholarships to pupils at the Corporation's schools.*





We aim to help children and young people maximise their potential, broaden their horizons, and improve their quality of life.



## 5 Meeting our objectives

### 5.3 Engaging with our community

As Foundation Governors, we are committed to delivering public benefit by developing community partnerships that improve educational outcomes and opportunities for more young people, particularly those who face significant barriers to progress.

Through our work with Shaftesbury Enterprise (Harrow School's charitable and partnership programme), Blackwell Enterprise (John Lyon School's equivalent), John Lyon's Charity, other charities, schools and local councils, we aim to help children and young people maximise their potential, broaden their horizons, and improve their quality of life.

#### Shaftesbury Enterprise

Shaftesbury Enterprise delivers Harrow School's charitable and partnership work in the areas of academia, culture, sport, community, and conservation and sustainability. Through Shaftesbury Enterprise, pupils and staff engage purposefully with local and national organisations to improve educational outcomes and opportunities for young people, particularly those who face significant barriers to progress. This work is undertaken in collaboration with partner schools, local authorities and charities in order to deliver significant benefit in the London Borough of Harrow and beyond.

#### Blackwell Enterprise

Blackwell Enterprise encompasses much of John Lyon School's charitable and partnership work. Through these philanthropic initiatives, we are focused on enriching and enhancing the lives of our local communities. Blackwell Enterprise provides opportunities to help those who need it most through charitable works, community service and the sharing of three well-equipped campuses in Harrow on the Hill, central Harrow and Sudbury. The work extends to directly supporting young people who use our school facilities and receive visits from staff and pupils, senior citizens we visit in care homes, and our charities and partners.

#### Combined 2023/24 statistics



Over  
**86,000** hours

of volunteering by pupils and staff, and community use of Corporation facilities.

More than  
**22,000**



children benefited.



# 6 Our Group activities

The Corporation and its charitable activities are supported by two wholly owned trading subsidiaries (HISL and HSEL) and a fundraising trust (HDT). Together with the Corporation, these entities comprise the Group.

## 6.1 Harrow International Schools Limited

HISL partners with established education operators overseas to facilitate their delivery of a world-class education under the Harrow name.

In 2023/24, HISL appointed a Chief Education Officer to oversee the development and delivery of the Harrow Standards, which outline expectations of Harrow-branded schools in their localised delivery of a Harrow education.

Other activities included induction and shadowing days for new Harrow-branded school staff at Harrow School, and conferences on higher education and boarding. Pastoral and boarding practices also received specialist support.



### Map Key

- 1 Harrow School
- 2 John Lyon School

#### AISL Harrow Schools

- 3 Appi, Japan
- 4 Bangkok
- 5 Beijing
- 6 Chongqing
- 7 Haikou
- 8 Hengqin
- 9 Hong Kong
- 10 Nanning
- 11 Shanghai
- 12 Shenzhen Qianhai (x2)

#### Amity Harrow Schools

- 13 Bengaluru
- 14 New York (planned)

#### Taaleem Harrow Schools

- 15 Abu Dhabi (planned)
- 16 Dubai (planned)





# 6 Our Group activities

## 6.1 Harrow International Schools Limited



Educating over  
**7,700**  
students

**2,000+**  
members of staff

### AISL Harrow Schools

Asia International School Limited (AISL) is HISL's founding partner, with 11 schools in East and Southeast Asia.

Highlights from their summer 2024 examination results include 56% of GCSE examinations at Harrow International School Hong Kong achieving grade 9 and 91% securing grades 7–9; and four AISL Harrow Schools achieving the highest outcomes in China for first cohorts undertaking GCSE examinations.

From the four long-established AISL Harrow Schools with Year 13 leavers in 2023/24, more than 20 students moved on to Imperial College London, with a similar number to Oxford University, Cambridge University and Ivy League universities, plus MIT (Massachusetts Institute of Technology), Stanford University and Caltech (California Institute of Technology).

In addition during the 2023/24 period, BSO – British Schools Overseas, the UK Government's inspection scheme for British international schools – judged Harrow International School Shanghai as outstanding in nearly all areas.



### Amity Harrow Schools

HISL's second partner – Amity Education Group, India's leading not-for-profit international education foundation – opened Harrow International School Bengaluru in a distinctive new campus in August 2023.

In its first year of opening, the school made two student visits to Harrow School and John Lyon School: one as part of a football tour of the UK and another for the annual Harrow Family of Schools Fifth Form Conference.

### Taaleem Harrow Schools

In June 2024, HISL signed an agreement with its third partner, Taaleem Holdings plc, to establish Harrow International Schools in the Gulf Cooperation Council countries.



# 6 Our Group activities

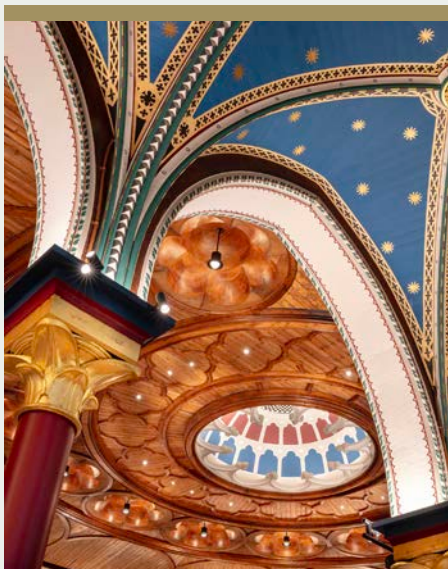
## 6.2 Harrow School Enterprises Limited



HSEL delivers high-quality events and holiday courses, and manages the Corporation’s sports facilities, tours and lettings. HSEL had a successful 2023/24, generating a net profit to support the Corporation’s strategic objectives.

In addition to welcoming international students to its summer programmes, including offering free places to refugees, HSEL expanded its global reach through the delivery of online English language courses. The iconic Harrow School estate also served as a backdrop for major film and TV productions, attracting prominent actors and athletes. HSEL further solidified its community engagement by hosting media events and providing training facilities for a major NFL (National Football League) team.

## 6.3 Harrow Development Trust



HDT helps to secure the future of Harrow School through fundraising, with support from the School community and working closely with Governors, the Head Master and the Harrow Association (Harrow’s alumni organisation).

Generous donations from a wide range of supporters in 2023/24 helped to fund bursaries, and contributed to the School’s non-fee income. HDT also supported building for the future through capital projects such as the new Biology and Chemistry Schools, the ongoing upgrade of the Shepherd Churchill Dining Hall, and the restoration of the historic Speech Room.

HDT’s fundraising efforts involved events, communications and partnerships with the Harrow Association and other volunteers, along with promoting legacy giving. These activities supported various bursary schemes, enabling a significant number of bursary-assisted places. Funding also supported partnerships with local charities through initiatives like fundraising runs and gala performances, and the launch of a sustainability programme to engage the Harrow School community in environmental protection.



7 Corporate information
for the period 1 September 2023–31 August 2024

7.1 Governance

The Corporation’s constitution comprises the objects contained in the original Elizabethan Charter and separate “statutes” promulgated pursuant to the Public School’s Act 1868 (and subsequent legislation) updated over the years, most recently in June 2016 and approved and sealed by the Privy Council. The statutes provide in detail for the governance of the Corporation.

The maximum number of Foundation Governors is restricted to 25. This group is expected to include a representative from each of Oxford and Cambridge Universities and the Royal Society and who are selected by the Foundation Governors (trustees). Two other Foundation Governors are elected respectively by the Lord Chief Justice and the Head Master and the Masters of Harrow School. All Foundation 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 Foundation Governor can serve a further term of up to five years so long as no more than five Foundation Governors serve a fourth term at any one time.

The Foundation Governors are the charity trustees of the Corporation and the Governors of Harrow School. Within defined parameters, the governance of John Lyon School is delegated by the Foundation Governors to a separate Board of Governors for John Lyon School, the members of which are appointed by the Foundation Governors.

Recruitment and training of Foundation Governors

The Foundation Selection Committee is responsible for considering nominations for future Foundation Governors, based on guidelines that include a list of the skills and experience that should be represented by Foundation Governors, including Governors of John Lyon School.

The Clerk to the Governors is responsible for the induction of new Foundation Governors, who are briefed individually. Guidance and advice on effective trusteeship

and updates about best practice are brought to the attention of Foundation Governors by the Clerk and other Officers.

Governance and delegation to committees

The Foundation Governors meet as a board at least three times a year, ensuring that governance arrangements are appropriate and effective. The appointment of knowledgeable Governors, the use of appropriate risk management processes and the use of effective delegation also ensure that governance arrangements are appropriate. Boards and committee membership is indicated in the table on page 35.

Delegation to management

The Governors have delegated the day-to-day management of Harrow School and John Lyon School to the officers as listed on page 35 and the financial and commercial management, strategy and risk management of the Corporation and Group to the Chief Financial and Commercial Officer of John Lyon's Foundation. These officers are the key management personnel as referred to in note 6 of the financial statements.

Remuneration

The remuneration of key management personnel is discussed in detail each year by the Foundation Remuneration Committee, with reference to sectoral context, standards and benchmarking, and is approved by the Foundation Governors on the recommendation of the Foundation Remuneration Committee. In addition, the committee also carefully considers, reviews and recommends remuneration in respect of Foundation Governors who are separately employed as directors of HISL, as reported in note 23 of the financial statements.

Foundation Governors, Officers and Committees – 2023/24

Role	Name	Retired/Appointed	Foundation Selection Committee	Foundation Remuneration Committee	Foundation Investments Committee	Foundation Risk & Opportunities Oversight Committee	Corporation Bond Issue Committee (now the CFC)	Corporation Finance Committee (CFC)	Directors of trading subsidiaries & trustees of HDI
Foundation Governors									
Chair	D G P Eyton		X Ch	X	X		X	X	1, 3
	C G T Stonehill					X Ch	X Ch		
Chair of John Lyon School Board of Governors	G W J Goodfellow		X			X	X		1
	M S Brounger	Ret 31/08/24	X						4
	A C Goswell				X				
Deputy Chair	The Hon A Butler		X	X		X		X	1
	D J C Faber								
	R T G Winter					X	X		
Chair of Harrow School Enterprises Limited	A D Hart		X						1, 2, 4
	Prof D J Payne								
Chair of Harrow Development Trust	J P J Glover		X	X					2, 4
	Sir J R Symonds				X Ch		X		
	H R Mould								
	Prof A D'Angour								
Chair of Harrow International Schools Limited	M L Mrowiec			X		X			1
	C Gallagher								
	His Excellency Vice Admiral J Kyd					X Ch			
Deputy Chair of John Lyon School Board of Governors	N J D Enright		X						
	Dr S Rawal		X	X					
	L J Halligan								
	Dr D A Taylor								
	M C Wallace				X		X		4
	J C Seppala	Appt 25/11/23				X	X		4
	S A Huang	Appt 21/06/24							
Officers – attend committees but do not vote									
Clerk to the Governors and General Counsel	The Hon A C Millett		X		X	X	X	X	Company Secretary to 1, 2, 3
Chief Financial and Commercial Officer	D H Curley				X	X	X	X	1, 2, 3
Harrow School									
Head Master	W M A Land					X	X	X	1, 2, 3
Bursar	J M Wood				X	X	X	X	2
John Lyon School									
Head	R K Hardy					X		X	
Chief Operating Officer	Cdr G R Mawdsley	Left 31/08/24				X	X		
Bursar	N Slater	Appt 03/06/24						X	

- 1 – Harrow International Schools Limited (company number: 07103979)
- 2 – Harrow School Enterprises Limited (company number: 0617359)
- 3 – Harrow Educational Investments Limited (company number: 13490117)
- 4 – Harrow Development Trust Limited (Charity number: 296097)

Ch – Chair

Committee descriptions:  
Foundation Selection Committee: Responsible for overseeing the appointment of new Foundation Governors, including Governors of John Lyon School.  
Foundation Remuneration Committee: Responsible for overseeing the remuneration of the Officers and senior employees of the Corporation.  
Foundation Investments Committee: Responsible for overseeing the management of financial investments.  
Foundation Risk and Opportunities Oversight Committee: Responsible for overseeing the

management of risk and opportunities (known since 31 August 2024 as the Audit and Risk Committee).  
Corporation Bond Issue Committee: Responsible for overseeing the investment and use of the proceeds of two private placement bonds.  
Corporation Finance Committee (CFC): Responsible for overseeing the Corporation’s use of its financial and capital resources.



7 Corporate information
for the period 1 September–31 August 2024

7.2 Addresses and advisors

Addresses

Harrow School
Harrow International Schools Limited
Harrow School Enterprises Limited
Harrow Development Trust

5 High Street
Harrow on the Hill
Middlesex
HA1 3AP

John Lyon School

Middle Road
Harrow on the Hill
Middlesex
HA2 0HN

Advisors

Principal Bankers

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

Independent Auditor

PFK Littlejohn LLP
15 Westferry Circus
Canary Wharf
London
E14 4HD

Principal Solicitors

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

Principal Investment Managers

Cazenove Capital Management
1 London Wall Place
London
EC2Y 5AU

Principal Investment Advisers

Cambridge Associates Ltd
62 Buckingham Gate
London
SW1E 6AJ

Actuaries\*

XPS Pensions
11 Strand
London
WC2N 5HR

Charity number

310033

\* Actuaries to Harrow School's Support Staff Pension Scheme

8 Financial performance, policies and plans

Financial performance

The Consolidated Statement of Financial Activities for the year is set out on page 44 of the financial statements. A summary of the financial results is set out below.

The Group's net movement in funds for the year was an increase of £17,834,000 (2022/23 – increase of £7,337,000). Net income before transfers and investment gains/losses was £2,699,000 (2022/23 – £8,051,000).

Total income for the Group for the year was £87,759,000 (2022/23 – £84,011,000). Total expenditure increased to £85,060,000 (2022/23 – £75,960,000).

HISL generated a profit of £5,497,000 (2022/23 – £5,265,000) and HSEL generated a profit of £526,000 (2022/23 – £480,000).

The appropriations from HDT for the benefit of the Corporation were £7,250,000 (2022/23 – £8,609,000).

Net assets on the balance sheet increased to £214,155,000 as of 31 August 2024 (£196,321,000 as of 31 August 2023). There were fixed asset additions of £24,519,000 (2022/23 – £30,025,000).

The Group increased cash by £3,564,000 (2022/23 – £2,101,000). Net debt at the year-end was £92,275,000 (2022/23 – £95,333,000), which is largely long-term debt in the form of two bonds totalling £90,000,000, repayable from 2059.

Investment powers, policy and performance

The Foundation Investments Committee supervises and monitors the investment of the Corporation's financial assets.

The Corporation seeks to generate the best financial return within an acceptable level of risk. The investment objective for 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.

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

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

The Corporation is advised by Cambridge Associates Ltd 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 11.5% during 2023/24.

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. This portfolio generated a yield of approximately 3.1% per annum net of costs.



# 8 Financial performance, policies and plans

## Reserves policy

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

The Corporation’s consolidated reserves totalled £214,155,000 (2022/23 – £196,321,000) at the year end, and comprised the following:

	2023/24 £	2022/23 £
*Unrestricted funds	164,781,000	149,811,000
Restricted funds	3,176,000	4,101,000
Endowment funds	46,198,000	42,409,000
<b>Total reserves</b>	<b>214,155,000</b>	<b>196,321,000</b>
*Unrestricted funds		
Of which tangible fixed assets are:	165,997,000	149,573,000

The unrestricted funds, net of designated funds, and a £4,504,000 (2022/23 – £5,119,000) 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 £90,000,000 of long-term funding by way of private placement bond issues (see note 17), 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 Foundation Governors believe that the present levels of reserves are sufficient to meet the Corporation’s essential obligations. Nevertheless, the Foundation Governors are focused on increasing the level of unrestricted reserves from the operating surpluses of the Schools, the subsidiary companies and from fundraising, while, in the medium term, benefiting from the returns from invested funds. Increasing unrestricted reserves will assist the Corporation in delivering on its charitable objects and executing its strategy.

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

## Going concern

The Foundation Governors have reviewed the reserves position carefully, together with the financial forecasts and operating cashflows of the various entities. The Foundation 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 12 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 the Corporation does 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 by Harrow Development Trust, without involvement of commercial participators or professional fundraisers, or third parties. The day-to-day management of all income generation is delegated to 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 of HDT.

## Future plans

The Corporation has continued to focus on its charitable objects in 2024/25 and on the strategy of promoting educational excellence and enrichment, providing fee assistance that transforms lives, and on engaging with our community. The Corporation will continue to work closely in co-operation with the Group and with our partners, including John Lyon’s Charity.

The Corporation and Group will continue to monitor financial performance and the use of resources in a robust budgeting framework and will prudently manage the use of capital. In doing so, the Corporation and Group will address the evolving financial context in the independent schools sector and adopt appropriate risk mitigations where required.

## Disclosure of information to the auditor

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

## Auditor

Following a competitive tender process in autumn 2024, Crowe UK LLP were appointed as external auditor with effect from financial year end 31 August 2025.

## Statement of Foundation Governors’ (trustees’) responsibilities

The purpose of this statement is to distinguish the responsibilities of the trustees as a body for the financial statements from the responsibilities of the auditor as stated in their report.

The Charities Act 2011 requires the Foundation Governors (trustees) 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, which are the financial statements of the Corporation (here, “the parent charity”), the two subsidiary entities and the fundraising trust (here, “subsidiaries”) the Foundation Governors (trustees) follow best practice and:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles of the Charities Statement of Recommended Practice, 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.

Foundation Governors (trustees) 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 Foundation Governors and signed on its behalf by:

**D G P Eyton**  
Chair of Foundation Governors (trustees)  
22 March 2025



# 9 Independent auditor's report

## Opinion

We have audited the financial statements of the Corporation (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 August 2024 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 2024 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.

## 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 Governors' 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.



## 9 Independent auditor's report

- 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.
  - 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/auditorresponsibilities](http://www.frc.org.uk/auditorresponsibilities). 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

9 April 2025

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.





# 10 Financial statements

## 10.1 Consolidated statement of financial activities

Year ended 31 August 2024

		Income funds		Capital funds		2023/24	2022/23
	Notes	Unrestricted funds	Restricted funds	Expendable endowment	Permanent endowment	Total	Total
		£000	£000	£000	£000	£000	£000
<b>Income and endowments from:</b>							
<b>Charitable activities</b>							
School fees receivable	1	58,477	-	-	-	58,477	53,509
Ancillary trading income	2i	5,853	-	-	-	5,853	5,587
Charitable grants received	2ii	-	1,083	-	-	1,083	1,625
<b>Voluntary sources</b>							
Other charitable income	2iii	6,206	1,526	174	-	7,906	10,018
Tsunami income		-	22	-	-	22	-
Non-ancillary trading income	2iv	11,021	-	-	-	11,021	10,284
Other incoming resources	3	197	91	-	-	288	(265)
<b>Investments</b>							
Investment income	4	2,935	170	4	-	3,109	3,253
<b>Total income</b>		<b>84,689</b>	<b>2,892</b>	<b>178</b>	<b>-</b>	<b>87,759</b>	<b>84,011</b>
<b>Expenditure on:</b>							
<b>Raising funds</b>							
Fundraising costs		1,313	96	-	-	1,409	1,544
Non ancillary trading expenses	2iv	4,724	-	-	-	4,724	4,318
Finance costs	7	3,466	-	-	-	3,466	3,285
Investment management costs		592	-	4	53	649	493
		10,095	96	4	53	10,248	9,640
<b>Charitable activities</b>							
Teaching costs		28,349	-	-	-	28,349	26,462
Welfare costs		8,828	-	-	-	8,828	7,929
Premises costs		18,377	-	-	-	18,377	15,335
Support costs		7,871	22	-	-	7,893	6,553
Grants, awards and prizes	5iii	-	6,364	-	-	6,364	5,199
Other charitable projects		-	-	-	-	-	3
Ancillary trading expenses	2i	5,001	-	-	-	5,001	4,839
		68,426	6,386	-	-	74,812	66,320
<b>Total expenditure</b>		<b>78,521</b>	<b>6,482</b>	<b>4</b>	<b>53</b>	<b>85,060</b>	<b>75,960</b>
<b>Net income/(expenditure) before transfers and investment gains/(losses)</b>							
		<b>6,168</b>	<b>(3,590)</b>	<b>174</b>	<b>(53)</b>	<b>2,699</b>	<b>8,051</b>
Transfers between funds	8	(2,008)	2,556	(105)	(443)	-	-
Gains on investment assets	12	10,306	109	788	3,428	14,631	108
Net income/(expenditure)		14,466	(925)	857	2,932	17,330	8,159
Actuarial gain/(loss) on defined benefit pension scheme	20(c)	504	-	-	-	504	(822)
Net movement in funds		14,970	(925)	857	2,932	17,834	7,337
Balances at beginning of year		149,811	4,101	7,331	35,078	196,321	188,984
<b>Balances at end of year</b>		<b>164,781</b>	<b>3,176</b>	<b>8,188</b>	<b>38,010</b>	<b>214,155</b>	<b>196,321</b>

The Corporation has no gains or losses that are not shown above and all activities are continuing.  
The 2023 consolidated statement of financial activities is shown at note 24.

The accounting policies and notes on pages 49 to 88 form part of these financial statements.

## 10.2 Balance sheet

At 31 August 2024

		Group		Corporation	
	Notes	2024 £000	2023 £000	2024 £000	2023 £000
<b>Fixed assets</b>					
Tangible fixed assets	9	169,586	153,233	169,578	153,233
Intangible assets	10	72	84	72	84
Investment properties	11	1,588	1,588	1,588	1,588
Investments	12	164,474	157,699	163,791	157,004
		335,720	312,604	335,029	311,909
Current asset investments		34	34	34	34
Stocks	13	287	314	244	217
Debtors	14	7,343	6,973	7,469	6,348
Cash at bank and in hand	15	984	6,356	728	5,822
		8,648	13,677	8,475	12,421
Creditors: amounts falling due within one year	16	(26,109)	(26,633)	(25,767)	(25,470)
<b>Net current (liabilities)</b>		<b>(17,461)</b>	<b>(12,956)</b>	<b>(17,292)</b>	<b>(13,049)</b>
<b>Total assets less current (liabilities)</b>		<b>318,259</b>	<b>299,648</b>	<b>317,737</b>	<b>298,860</b>
Creditors: amounts falling due after more than one year	17	(99,600)	(98,208)	(99,600)	(98,208)
Net assets before pension		218,659	201,440	218,137	200,652
Pension scheme liabilities	20	(4,504)	(5,119)	(4,504)	(5,121)
<b>Net assets including pension scheme liabilities</b>		<b>214,155</b>	<b>196,321</b>	<b>213,633</b>	<b>195,531</b>
<b>Represented by:</b>					
<b>Capital funds</b>					
Permanent endowment		38,010	35,078	38,010	35,078
Expendable endowment		8,188	7,331	8,188	7,331
		46,198	42,409	46,198	42,409
<b>Income funds</b>					
Restricted		3,176	4,101	2,795	3,649
Unrestricted		164,781	149,811	164,640	149,473
<b>Total funds</b>	21	<b>214,155</b>	<b>196,321</b>	<b>213,633</b>	<b>195,531</b>

The financial statements were approved and authorised for issue by the Foundation Governors on 22 March 2025 and were signed on their behalf by

**D G P Eyton**  
Chair of the Foundation Governors (trustees)

The accounting policies and notes on pages 49 to 88 form part of these financial statements.



## 10.3 Consolidated cash flow statement

Year ended 31 August 2024

	Note	2023/24		2022/23	
		£000	£000	£000	£000
<b>Net cash inflow from operating activities</b>	(i)		18,644		14,252
<b>Cash flows from investing activities</b>					
Payments to acquire tangible fixed assets		(24,519)		(30,025)	
Sale proceeds of tangible fixed assets		141		590	
Payments to acquire investments		(27,059)		(16,744)	
Sale proceeds of investments		29,035		36,386	
(Increase)/decrease in cash held in investments		5,986		(2,996)	
Listed investment income		537		453	
Interest received		2,572		3,094	
Interest paid		(3,466)		(3,289)	
<b>Net cash (outflow) from investing activities</b>			(16,773)		(12,531)
<b>Cash flow from financing activities</b>					
Loans received		1,900		1,500	
Loan repayment		(206)		(1,114)	
Finance lease repayment		(1)		(6)	
<b>Net cash inflow from financing activities</b>			1,693		380
<b>Increase in cash in the year</b>			3,564		2,101
<b>Made up as follows:</b>					
Decrease in bank overdraft – unrestricted funds			8,936		64
Increase/(decrease) in other cash balances			(5,372)		2,037
<b>Increase in unrestricted fund and other cash</b>	(ii)		3,564		2,101
<b>Reconciliation of net cash flow to movement in net funds</b>					
Increase in cash in the year			3,564		2,101
Cash inflow resulting from decrease in net debt and lease financing			(1,693)		(380)
Other non-cash movement			1,187		(7)
<b>Change in funds resulting from cash flows and movement in net funds in the year</b>			3,058		1,714
<b>Net funds at 1 September 2023</b>			(95,333)		(97,047)
<b>Net funds at 31 August 2024</b>	(iii)		(92,275)		(95,333)

The accounting policies and notes on pages 49 to 88 form part of these financial statements.

## 10.3 Consolidated cash flow statement

Year ended 31 August 2024

		2023/24	2022/23	
		£000	£000	
<b>(i) Net cash inflow from operating activities</b>				
Net incoming resources		17,330	8,159	
Depreciation		7,027	5,744	
Amortisation of goodwill		12	11	
Decrease in stocks		27	86	
Increase in debtors		(370)	(363)	
Increase in creditors		6,576	274	
Increase in entry and part-fee deposits		1,221	856	
Decrease in liability for unfunded pensions		5	5	
FRS 102 credit before actuarial gains/losses		(615)	663	
Decrease in provision for other pension benefit arrangements		499	(827)	
Interest paid		3,466	3,289	
Interest received		(2,572)	(3,094)	
Investment income		(537)	(453)	
Gain on revaluation of investment assets		(14,631)	(112)	
Loss on disposal of fixed assets		(2)	7	
Impairment of investment		200	-	
Unwinding of bond discount		8	7	
Impairment of fixed asset		1,000	-	
		18,644	14,252	
<b>(ii) Changes in cash and cash equivalents</b>				
<b>Analysis of balances</b>				<b>Change in year</b>
		2023/24	2022/23	£000
		£000	£000	
Bank overdraft (see note 16)		(500)	(9,436)	8,936
Other cash balances (see note 15)		984	6,356	(5,372)
		484	(3,080)	3,564
<b>(iii) Analysis of net funds – year ended 31 August 2024</b>				
	<b>As at beginning of year</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>As at end of year</b>
	£000	£000	£000	£000
<b>Cash and cash equivalents</b>				
Cash	6,356	(5,372)	-	984
Bank overdraft	(9,436)	8,936	-	(500)
	(3,080)	3,564	-	484
<b>Borrowings</b>				
Loans less than one year	(206)	206	(206)	(206)
Loans more than one year	(2,324)	(1,900)	1,706	(2,518)
Bond	(89,722)	-	(8)	(89,730)
Finance leases	(1)	1	(305)	(305)
	(92,253)	(1,693)	1,187	(92,759)
<b>Total</b>	(95,333)	1,871	1,187	(92,275)



10.3 Consolidated cash flow statement

Year ended 31 August 2024

(iv) Analysis of net funds – year ended 31 August 2023

	As at beginning of year £000	Cash flow £000	Other non-cash changes £000	As at end of year £000
<strong>Cash and cash equivalents</strong>				
Cash	4,319	2,037	-	6,356
Bank overdraft	(9,500)	64	-	(9,436)
	(5,181)	2,101	-	(3,080)
<strong>Borrowings</strong>				
Loans less than one year	(331)	331	(206)	(206)
Loans more than one year	(1,813)	(717)	206	(2,324)
Bond	(89,715)	-	(7)	(89,722)
Finance leases	(7)	6	-	(1)
	(91,866)	(380)	(7)	(92,253)
<strong>Total</strong>	<strong>(97,047)</strong>	<strong>1,721</strong>	<strong>(7)</strong>	<strong>(95,333)</strong>

10.4 Accounting policies

a) Basis of preparation and consolidation

These financial statements represent the activities of John Lyon School and Harrow School ("the Corporation schools"), 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"). HEIL and JLSDT were dormant in 2023/24.

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 Group together with the expected ongoing demand for places and the Group's future projected cash flows, the Governors have a reasonable expectation that the Group 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 comprises the following:

Unrestricted funds

- Harrow School** – fees running costs, other income and direct charitable trading income and expenditure, and advanced fees.
- John Lyon School** – fees running costs, other income and 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.

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.

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

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

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

e) Expenditure

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

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

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

f) Investments

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

g) Goodwill

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

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

h) Tangible fixed assets

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

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

i) Investment properties

Certain properties, not used for the direct charitable purposes of the Corporation, 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 for on 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 of asset 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

Stock is 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) Redundancy and termination costs

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



10.4 Accounting policies

o) Pensions and post-retirement benefit schemes

Defined contribution scheme

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

Defined benefit schemes

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

The Corporation also runs a defined benefit pension scheme, the Harrow School Support Staff Pension Scheme (HSSSPS), for non-teaching staff, which has been closed to new entrants and to further accruals. The funds of the HSSSPS 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 HSSSPS so as to secure the benefits set out in the rules.

The HSSSPS current service costs are charged to the SoFA within staff costs. The HSSSPS assets are measured at fair value at the balance sheet date. The HSSSPS 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 at 31 August 2024, the Corporation as a registered charity 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 Group'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 Group has financial assets and liabilities of a kind that qualify as basic financial instruments. These are initially recognised at transaction value and subsequently measured at their settlement value, as follows:

<b>Cash:</b>
Cash held
<b>Debtors:</b>
Settlement amount after any discounts
<b>Creditors:</b>
Settlement amount after any trade discounts
<b>Loans and loan notes:</b>
Amortised cost

10.5 Notes to financial statements

Year ended 31 August 2024

1. School fees receivable

	Harrow School £000	John Lyon School £000	2023/24 Total £000	2022/23 Total £000
Gross fees excluding bursaries	42,109	17,594	59,703	54,934
Fee remissions and awards	(258)	(968)	(1,226)	(1,425)
Unrestricted funds (note 5 iii)				
	41,851	16,626	58,477	53,509

2. Fundraising and trading activities

i.	<b>Ancillary trading income</b>	<b>2023/24 £000</b>	<b>2022/23 £000</b>
	Registration fees and non-refundable fee deposits	431	380
	Advanced fees income	-	1
	Other income	421	367
	Pupils' charges and school trips	5,001	4,839
		5,853	5,587
	<b>Ancillary trading expenses</b>		
	The Corporation		
	Pupils' charges and school trips	5,001	4,839
ii.	<b>Charitable grants received</b>	<b>2023/24 £000</b>	<b>2022/23 £000</b>
	Legacies	-	660
	Grants received from John Lyon's Charity		
	Harrow School	503	431
	John Lyon School	580	534
		1,083	1,625

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 £7,918,000 (2022/23 – £9,914,000), which included donations received of £22,000 (2022/23 – £Nil) to support projects in Sri Lanka following the 2004 tsunami; outgoing resources expended totalled £8,534,000 (2022/23 – £10,010,000). Net (outgoing) resources for the year were (£534,000) (2022/23 – (£113,000)).

Fundraising proceeds in the SoFA comprise

	2023/24 £000	2022/23 £000
HDT	7,896	9,914
John Lyon School	10	104
	<hr/>	<hr/>
	7,906	10,018
	<hr/> <hr/>	<hr/> <hr/>

iv. Non-ancillary trading activities

Non-ancillary trading income

	2023/24 £000	2022/23 £000
The Corporation, rental income	273	277
	<hr/>	<hr/>
HSEL (excluding intra group sales)	3,342	3,028
HISL	7,406	6,979
	<hr/>	<hr/>
	11,021	10,284
	<hr/> <hr/>	<hr/> <hr/>

Non-ancillary trading expenses

	2023/24 £000	2022/23 £000
HSEL		
Cost of sales	2,685	2,502
Administration expenses	130	102
	<hr/>	<hr/>
HISL		
Administration expenses	982	737
Overseas taxation	927	977
	<hr/>	<hr/>
	4,724	4,318
	<hr/> <hr/>	<hr/> <hr/>

2. Fundraising and trading activities (continued)

iv. Non-ancillary trading activities (continued)

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

HSEL

The principal activity of this company is non-charitable trading for the Group. 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:

	2023/24 £000	2022/23 £000
Turnover	3,342	3,084
Cost of sales	(2,685)	(2,502)
	<hr/>	<hr/>
Gross profit	657	582
	<hr/>	<hr/>
Administration expenses	(131)	(102)
	<hr/>	<hr/>
Operating profit	526	480
	<hr/>	<hr/>
Qualifying donation to the Corporation	(259)	-
	<hr/>	<hr/>
Profit for the financial year	267	480
	<hr/> <hr/>	<hr/> <hr/>

Amounts above are included within the relevant unrestricted categories in the SoFA.

The net assets of the company at the year end were £2 (2023 – net liabilities £267,585).



10.5 Notes to financial statements

Year ended 31 August 2024

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:

	2023/24 £000	2022/23 £000
Turnover	7,406	6,979
Administration expenses	(982)	(737)
Overseas taxation	(927)	(977)
Profit before taxation	5,497	5,265
Qualifying donation to the Corporation	(5,497)	(5,265)
Profit for the financial year	-	-

Amounts above 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

	2023/24 £000	2022/23 £000
Profit/(loss) on disposal of fixed assets	2	(590)
Other income	195	237
Subscription income	91	88
	288	(265)

10.5 Notes to financial statements

Year ended 31 August 2024

4. Investment income

	2023/24 £000	2022/23 £000
Income from restricted funds		
Investment income – scholarships and bursaries	174	159
	174	159
Income from unrestricted funds		
Interest receivable	2,572	2,800
Investment income – scholarships and bursaries	363	294
	2,935	3,094
Total investment income receivable	3,109	3,253

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 5 i. Group analysis for the year ending 31 August 2024

	Harrow School £000	John Lyon School £000	HSEL £000	HISL £000	HDT £000	2023/24 Total £000
<b>Income</b>						
School fees receivable	41,852	16,625	-	-	-	58,477
Ancillary trading	4,831	1,022	-	-	-	5,853
Other charitable	503	580	-	-	-	1,083
Voluntary	-	10	-	-	7,896	7,906
Non-ancillary trading	198	75	3,342	7,406	-	11,021
Other	269	19	-	-	-	288
Investments	3,109	-	-	-	-	3,109
Tsunami	-	-	-	-	22	22
<b>Total income</b>	<b>50,762</b>	<b>18,331</b>	<b>3,342</b>	<b>7,406</b>	<b>7,918</b>	<b>87,759</b>
<b>Expenditure</b>						
Fundraising	-	126	-	-	1,283	1,409
Non-ancillary trading	-	-	2,815	1,909	-	4,724
Finance	3,163	303	-	-	-	3,466
Investment management	646	3	-	-	-	649
Teaching	19,254	9,095	-	-	-	28,349
Welfare	7,833	995	-	-	-	8,828
Premises	15,162	3,215	-	-	-	18,377
Support	5,433	2,460	-	-	-	7,893
Grants awards and prizes	5,776	588	-	-	-	6,364
Ancillary trading	4,193	808	-	-	-	5,001
<b>Total expenditure</b>	<b>61,460</b>	<b>17,593</b>	<b>2,815</b>	<b>1,909</b>	<b>1,283</b>	<b>85,060</b>
<b>Net income</b>	<b>(10,698)</b>	<b>738</b>	<b>527</b>	<b>5,497</b>	<b>6,635</b>	<b>2,699</b>
<b>Transfers, investment gains and losses</b>						
Transfers between entities	12,479	527	(259)	(5,497)	(7,250)	-
Gain on investment assets	14,033	517	-	-	81	14,631
Actuarial gain on defined benefit pension	504	-	-	-	-	504
<b>Total</b>	<b>27,016</b>	<b>1,044</b>	<b>(259)</b>	<b>(5,497)</b>	<b>(7,169)</b>	<b>15,135</b>
Balance at beginning of the year	178,004	17,535	(268)	1	1,049	196,321
<b>Balance at 31 August 2024</b>	<b>194,322</b>	<b>19,317</b>	<b>-</b>	<b>1</b>	<b>515</b>	<b>214,155</b>

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 5 i. Group analysis for the year ending 31 August 2023

	Harrow School £000	John Lyon School £000	HSEL £000	HISL £000	HDT £000	JLSDT* £000	2022/23 Total £000
<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 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>

\* JLSDT was dormant in 2023/24



## 10.5 Notes to financial statements

Year ended 31 August 2024

### 5 ii. Analysis of total resources expended

	Staff costs	Other	Depreciation & impairment	2023/24 Total
	£000	£000	£000	£000
<b>Raising funds</b>				
Fundraising costs	988	421	-	1,409
Trading expenses	2,447	2,275	2	4,724
Finance costs (see note 7)	-	3,466	-	3,466
Investment management costs	-	649	-	649
	3,435	6,811	2	10,248
<b>Charitable expenditure</b>				
Teaching	24,502	3,847	-	28,349
Welfare	5,131	3,697	-	8,828
Premises	4,559	5,793	8,025	18,377
Support	4,899	2,994	-	7,893
Grants, awards and prizes	-	6,364	-	6,364
Ancillary trading expenses	-	5,001	-	5,001
	39,091	27,696	8,025	74,812
<b>Total resources expended</b>	<b>42,526</b>	<b>34,507</b>	<b>8,027</b>	<b>85,060</b>

	Staff costs	Other	Depreciation & impairment	2022/23 Total
	£000	£000	£000	£000
<b>Raising funds</b>				
Fundraising costs	971	573	-	1,544
Trading expenses	2,067	2,249	2	4,318
Finance costs (see note 7)	-	3,285	-	3,285
Investment management costs	-	493	-	493
	3,038	6,600	2	9,640
<b>Charitable expenditure</b>				
Teaching	22,917	3,545	-	26,462
Welfare	4,371	3,558	-	7,929
Premises	4,348	5,245	5,742	15,335
Support	4,339	2,214	-	6,553
Grants, awards and prizes	-	5,199	-	5,199
Other charitable projects	-	3	-	3
Ancillary trading expenses	-	4,839	-	4,839
	35,975	24,603	5,742	66,320
<b>Total resources expended</b>	<b>39,013</b>	<b>31,203</b>	<b>5,744</b>	<b>75,960</b>

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 5. iii. Analysis of grants, awards and prizes

	Harrow School £000	John Lyon School £000	2023/24 Total £000	2022/23 Total £000
Awards from unrestricted funds (see note 1):				
Scholarships	-	220	220	187
Means-tested bursaries	-	461	461	766
Other awards	258	287	545	472
	258	968	1,226	1,425
Awards from restricted funds:				
Scholarships	502	-	502	453
Means-tested bursaries	4,733	588	5,321	4,358
Prizes and other awards	541	-	541	388
	5,776	588	6,364	5,199
<b>Total grants, awards and prizes</b>	<b>6,034</b>	<b>1,556</b>	<b>7,590</b>	<b>6,624</b>

### 6. Employees and key management

	Harrow School £000	John Lyon School £000	HSEL £000	HISL £000	HDT £000	2023/24 Total £000
Wages and salaries	23,802	8,365	1,446	675	765	35,053
Social security costs	2,440	857	129	81	91	3,598
Teachers' pension scheme	2,548	1,011	-	-	16	3,575
Support staff pension scheme	17	-	-	-	-	17
Harrow corporation pension scheme	549	333	87	24	19	1,012
Death in service benefit	74	17	4	1	-	96
Unfunded pension costs	10	-	-	-	-	10
Transfer to capital projects	(835)	-	-	-	-	(835)
	28,605	10,583	1,666	781	891	42,526

	Harrow School £000	John Lyon School £000	HSEL £000	HISL £000	HDT £000	2022/23 Total £000
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)
	26,173	9,882	1,537	531	890	39,013

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 6. Employees and key management (continued)

Average number of employees during the year	2023/24	2022/23
Harrow School and John Lyon School:		
Teaching	212	212
Teaching support	71	78
Estates	110	107
Domestic	113	112
Bursary and other administration	77	75
HSEL	18	20
HDT	8	7
HISL	7	5
	—	—
	616	616

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:

	2023/24	2022/23
£ 60,001 - £ 70,000	54	43
£ 70,001 - £ 80,000	37	33
£ 80,001 - £ 90,000	21	23
£ 90,001 - £100,000	24	13
£100,001 - £110,000	7	9
£110,001 - £120,000	6	3
£120,001 - £130,000	3	2
£130,001 - £140,000	-	2
£140,001 - £150,000	2	-
£170,001 - £180,000	1	-
£220,001 - £230,000	1	-
£230,001 - £240,000	1	1
£240,001 - £250,000	-	1
£260,001 - £270,000	-	2
£270,001 - £280,000	1	-
£290,001 - £300,000	1	-
£310,001 - £320,000	1	-
£320,001 - £330,000	-	1

Pension contributions to defined contribution schemes of £311,000 (2022/23 – £211,000) were made for 41 (2022/23 – 27) higher paid employees during the year. Contributions were made to defined benefit pension schemes for 151 (2022/23 – 100) 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 £2,172,000 (2022/23 – £1,921,000). The 2022/23 comparative figure has been restated to reflect a change in the definition of key management personnel.

Redundancy and termination payments, net of recoveries from insurance, totalled £449,000 (2022/23 – £14,000).

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 7. Total resources expended

	2023/24 £000	2022/23 £000
This is stated after charging/(crediting):		
Auditor's remuneration		
For the audit of the Corporation	58	56
For the audit of other group entities	34	33
For tax compliance	36	35
For other services	19	5
For the audit of the defined benefit pension scheme	12	11
Depreciation & impairment (see note 9)	8,027	5,744
Amortisation (see note 10)	12	13
Operating lease rentals	184	150
Change in pension scheme liabilities excluding actuarial (loss)/gain (see note 20 (i) c))	(113)	(159)
	—	—
Interest and finance costs payable:		
Overdrafts and bank loans repayable within 5 years not by instalments	225	139
Finance leases	1	1
	—	—
	226	140
Bond interest payable	2,680	2,680
Other interest payable	294	270
	—	—
Total interest payable	3,200	3,090
Bank charges	12	16
Pension commitments – net finance costs (see note 20 (i) c))	254	179
	—	—
Total finance costs	3,466	3,285



## 10.5 Notes to financial statements

Year ended 31 August 2024

### 8. Transfers between funds

	Unrestricted £000	Restricted £000	Expendable endowment £000	Permanent endowment £000
i.	(105)	105	-	-
ii.	(872)	1,567	(105)	(590)
iii.	447	(447)	-	-
iv.	(80)	-	-	80
v.	-	(67)	-	67
vi.	(1,398)	1,398	-	-
<b>Total</b>	<b>(2,008)</b>	<b>2,556</b>	<b>(105)</b>	<b>(443)</b>

- 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 the Harrow Challenge and Harrow Awards Funds.
- vi. Transfer of funds allocated to bursaries (including from HISL).

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 9. Tangible fixed assets

Cost	Group			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 2023	190,414	25,762	216,176	190,291	25,559	215,850
Additions	21,607	2,912	24,519	21,607	2,912	24,519
Disposals	(135)	(2,349)	(2,484)	(135)	(2,349)	(2,484)
At 31 August 2024	211,886	26,325	238,211	211,763	26,122	237,885
<b>Depreciation</b>						
At 1 September 2023	48,907	14,036	62,943	48,776	13,841	62,617
Charge for the year	4,718	2,309	7,027	4,716	2,319	7,035
Impairment of asset	1,000	-	1,000	1,000	-	1,000
Released on disposals	-	(2,345)	(2,345)	-	(2,345)	(2,345)
At 31 August 2024	54,625	14,000	68,625	54,492	13,815	66,307
<b>Net book value</b>						
At 31 August 2024	157,261	12,325	169,586	157,271	12,307	169,578
At 31 August 2023	141,507	11,726	153,233	141,515	11,718	153,233

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

- I. Freehold land and buildings include £36,535,000 (2022/23 – £35,976,000) for buildings under construction.
- II. Residential properties included above at a net book value of £2,166,000 (2022/23 – £2,228,000) are charged as contingent assets in a security agreement with the HSSSPS.
- III. The net book value of capitalised finance leases at the year end was £305,000 (2022/23 – £2,000)
- IV. Following careful consideration, the refurbishment of certain mixed-use properties purchased during 2020/21 has been postponed. A valuation was obtained for the properties that resulted in the assets, which are held at cost, being impaired by £1,000,000.

10.5 Notes to financial statements
Year ended 31 August 2024

10. Intangible assets

Goodwill Group and Corporation	2024 £000	2023 £000
<b>Cost</b>		
At 1 September 2023	117	117
Addition	-	-
At 31 August 2024	117	117
<b>Amortisation</b>		
At 1 September 2023	33	20
Charge for the year	12	13
At 31 August 2024	45	33
<b>Net book value</b>		
At 31 August 2024	72	84
At 31 August 2023	84	97

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 has been deferred to be paid over five years with the first payment on 6 November 2021. The balance due at the year end was £540,000 (2022/23 – £810,000).

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.

10.5 Notes to financial statements
Year ended 31 August 2024

11. Investment properties

Group and Corporation	2023/24 £000		
Balance at beginning of year			1,588
Movement in year			-
Balance at end of year			1,588
	At beginning of year £000	Movement £000	At end of year £000
Attributed to:			
Unrestricted	516		516
Endowed -expendable endowment	77	-	77
-permanent endowment	995	-	995
	1,588	-	1,588

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.

	2022/23 £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
	2,048	(460)	1,588



## 10.5 Notes to financial statements

Year ended 31 August 2024

### 12. Fixed asset investments

Group	Unrestricted funds £000	Restricted funds £000	Expendable endowed funds £000	Permanent endowed funds £000	Total £000
Listed					
Opening market value excluding cash	113,484	1,071	5,917	29,194	149,666
Additions	23,721	49	808	2,787	27,365
Disposal proceeds	(26,057)	(140)	(106)	(2,732)	(29,035)
Realised gains/(losses)	(1,561)	42	10	25	(1,484)
Unrealised gains/(losses)	11,867	67	778	3,403	16,115
Market value at end of year	121,454	1,089	7,407	32,677	162,627
Cash at stockbrokers at beginning of year	6,053	(3)	810	973	7,833
Movement in year	(4,917)	-	(627)	(442)	(5,986)
Cash with investment managers at end of year	1,136	(3)	183	531	1,847
Unlisted					
Opening balance	200	-	-	-	200
Impairment	(200)	-	-	-	(200)
Unlisted at end of year	-	-	-	-	-
At end of year	122,590	1,086	7,590	33,208	164,474
At beginning of year	119,737	1,068	6,727	30,167	157,699

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 12. Fixed asset investments (continued)

Corporation	Unrestricted funds £000	Restricted funds £000	Expendable endowed funds £000	Permanent endowed funds £000	Total £000
Listed					
Opening market value excluding cash	113,627	233	5,917	29,194	148,971
Additions	23,725	-	808	2,787	27,320
Disposal proceeds	(26,057)	-	(106)	(2,732)	(28,895)
Realised gains/(losses)	(1,562)	27	10	25	(1,500)
Unrealised gains/(losses)	11,867	-	778	3,403	16,048
Market value at end of year	121,600	260	7,407	32,677	161,944
Cash at stockbrokers at beginning of year	6,053	(3)	810	973	7,833
Movement in year	(4,917)	-	(627)	(442)	(5,986)
Cash with investment managers at end of year	1,136	(3)	183	531	1,847
Unlisted					
Opening balance	200	-	-	-	200
Impairment	(200)	-	-	-	(200)
Unlisted at end of year	-	-	-	-	-
At end of year	122,736	257	7,590	33,208	163,791
At beginning of year	119,880	230	6,727	30,167	157,004

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 12. Fixed asset investments (continued)

#### i. Investment portfolios

At 31 August 2024, unrestricted fund investments principally comprised investments in corporate bonds, Harrow School Designated Fund and John Lyon School Scholarship Fund. Their cost was £118,692,000 (2022/23 – £123,237,000).

At 31 August 2024, restricted fund investments consisted of investments with a cost of £607,000 (2022/23 – £622,000).

At 31 August 2024, expendable endowed fund 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 £6,761,000 (2022/23 – £6,512,000).

At 31 August 2024, 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:

	2023/24 £000	2022/23 £000
School and Lyon Foundation	2,807	2,562
Shepherd Churchill Bequest	5,069	4,905
Scholarship Funds comprising L C Wilson and Harrow Awards Fund	14,316	14,697
Harrow Challenge Fund	4,269	4,131
Foundation Awards	2,454	2,461
	<u>28,915</u>	<u>28,756</u>

#### ii. Significant holdings

At 31 August 2024 the following investments were considered material in the context of the investment portfolios:

	Group %	Corporation %
Cazenove charity multi asset fund	17.8	17.5
Vanguard total world stock ETF USD	15.9	15.9
Cash	5.6	5.6

#### iii. Application of the power of total return – permanent endowed funds

In January 2006, the Charity Commission made an order permitting the Corporation to adopt total return investment powers in relation to its permanent endowment in the form of the Commission's model order. The Governors resolved to implement the Order in a limited form with effect from 1 April 2006. Under the policy adopted by the Governors, up to 4% of the value of the fund at the previous balance sheet date may be withdrawn in the following financial year.

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 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:

	Harrow Awards Funds £000	L C Wilson Bequest £000	Foundation Awards Fund £000	Total £000
Opening valuation at 1 September 2023	12,875	2,338	2,673	17,886
Changes in year				
Investment return – income	169	-	-	169
Investment management charge	(12)	(1)	(2)	(15)
Investment return				
– realised/unrealised gains and (losses)	1,378	275	314	1,967
Cash withdrawn	(499)	(93)	(103)	(695)
Net return for the year	1,036	181	209	1,426
Closing valuation at 31 August 2024	<u>13,911</u>	<u>2,519</u>	<u>2,882</u>	<u>19,312</u>

#### Statement of unapplied total return

Opening valuation at 1 September 2023	5,151	886	212	6,249
Net return for the year	1,036	181	209	1,426
Unapplied total return as at 31 August 2024	<u>6,187</u>	<u>1,067</u>	<u>421</u>	<u>7,675</u>

	Harrow Awards Fund £000	L C Wilson Bequest £000	Foundation Awards Fund £000	Total £000
<b>Amount available for distribution</b>				
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
Investment valuation at 31 August 2024	<u>13,911</u>	<u>2,519</u>	<u>2,882</u>	<u>19,312</u>
Three year average	13,297	2,445	2,757	18,500
Amount available for distribution – year ending 31 August 2025	<u>499</u>	<u>92</u>	<u>103</u>	<u>694</u>



## 10.5 Notes to financial statements

Year ended 31 August 2024

### 12. Fixed asset investments (continued)

#### iv. Application of the power of total return – expendable endowed funds

With effect from 1 September 2017 the Foundation 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 2022	2,771
Investment valuation at 31 August 2023	2,612
Investment valuation at 31 August 2024	2,813
Three year average	2,732

Amount available for distribution – year ending 31 August 2025	102
--	-----

#### v. Application of the power of total return – designated funds

The Foundation 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 2022	23,035
Investment valuation at 31 August 2023	24,232
Investment valuation at 31 August 2024	27,329
Three year average	24,865

Amount available for distribution – year ending 31 August 2025	932
--	-----

#### i. Overall portfolio structure

At 31 August 2024 the structure of the total portfolio was as follows:

	Group %	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
Total	100.0	100.0

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 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 HSEL are included in unrestricted funds in the financial statements at a cost of £2.

#### viii. HISL

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

#### ix. HEIL

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

### 13. Stocks

	Group		Corporation	
	2024 £000	2023 £000	2024 £000	2023 £000
Works department	64	58	64	58
Other stocks	223	256	180	159
	287	314	244	217

### 14. Debtors

	Group		Corporation	
	2024 £000	2023 £000	2024 £000	2023 £000
Fees, recharges and extras	509	548	509	548
Amounts owed by group undertakings	-	-	3,733	3,011
Tax recoverable	-	43	-	43
Accrued interest on corporate bonds	975	990	975	990
Other debtors and prepayments	5,859	5,392	2,252	1,756
	7,343	6,973	7,469	6,348

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.

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 15. Cash at bank and in hand

	Group		Corporation	
	2024 £000	2023 £000	2024 £000	2023 £000
Unrestricted	968	6,318	711	5,784
Restricted	16	38	17	38
	<u>984</u>	<u>6,356</u>	<u>728</u>	<u>5,822</u>

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

	Group		Corporation	
	2024 £000	2023 £000	2024 £000	2023 £000
Bank overdrafts	500	9,436	500	9,436
Fees received in advance	13,327	6,234	13,327	6,234
Other taxes and social security	1,026	980	1,026	980
Amounts due to suppliers	1,589	1,262	1,482	1,061
Accruals	3,439	4,138	3,438	4,120
Other creditors	1,899	1,810	1,093	866
Development loans	206	206	206	206
Entry deposits	1,057	872	1,057	872
Part fee deposits	1,010	1,147	1,010	1,147
Retention	1,767	277	1,767	277
Finance leases	19	1	19	1
Deferred consideration	270	270	270	270
Amounts owed to group undertakings	-	-	572	-
	<u>26,109</u>	<u>26,633</u>	<u>25,767</u>	<u>25,470</u>

The bank overdraft is a short-term Lombard facility with EFG International, which is secured on investments.

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

	Group		Corporation	
	2024 £000	2023 £000	2024 £000	2023 £000
Bond	89,730	89,722	89,730	89,722
Entry deposits	5,572	4,919	5,572	4,919
Part fee deposits	1,224	703	1,224	703
Development loans	618	824	618	824
Amounts owed to HDT	-	-	1,900	1,500
Other loans	1,900	1,500	-	-
Deferred consideration	270	540	270	540
Finance leases	286	-	286	-
	<u>99,600</u>	<u>98,208</u>	<u>99,600</u>	<u>98,208</u>

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 17. Creditors: amounts falling due after more than one year (continued)

#### Bonds

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

A further 40-year bond issued for £50 million was entered into with The Prudential Insurance Company of America, Prudential Legacy Insurance Company of New Jersey, and Prudential Annuities Life Assurance Corporation. This bond issue closed and was funded on 18 June 2021 and is due for repayment on 20 June 2061. Interest at 2.7% per annum is computed on the basis of a 30/360-day year and payable semi-annually on 18 December and 18 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 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. The outstanding balance on this loan at 31 August 2024 was £0.82m.

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.

	2024 £000	2023 £000
Amounts repayable within one year	206	206
Amounts repayable between two and five years	618	824
Amounts repayable after five years	-	-
	<u>824</u>	<u>1,030</u>

#### Corporation: amounts owed to HDT

HDT has entered in to loan arrangements with third parties, which are unsecured and interest-free. The Corporation has entered in to loan arrangements with HDT correspondingly and therefore owes the same amounts to HDT (see note 17, page 74).

	2024 £000	2023 £000
Amounts repayable within one year	-	-
Amounts repayable between two and five years	1,900	1,500
Amounts repayable after five years	-	-
	<u>1,900</u>	<u>1,500</u>



10.5 Notes to financial statements

Year ended 31 August 2024

18. Operating lease commitments

Group and Corporation

As at 31 August 2024, the minimum total lease payments to which the Corporation is committed under non-cancellable operating leases (plant and equipment) are:

	2024 £000	2023 £000
Expiring within one year	184	107
Expiring within two to five years	326	334
Expiring more than five years	-	-
	<u>510</u>	<u>441</u>

19. Capital commitments

Group and Corporation

At 31 August 2024, capital works contracted for amounted to £18,808,000 (2023/23 - £23,991,000).

	2024 £000	2023 £000
Commitments within one year	14,972	15,027
Commitments over one year	3,836	8,964
	<u>18,808</u>	<u>23,991</u>

10.5 Notes to financial statements

Year ended 31 August 2024

20. Pension liabilities

Group and Corporation

Pension scheme liabilities are summarised as follows:

	2024 £000	2023 £000
Non-teaching staff defined benefit scheme	4,394	5,004
Other benefit arrangements	110	115
	<u>4,504</u>	<u>5,119</u>
Total pension liability	4,504	5,119
	<u>(615)</u>	<u>663</u>
Total (decrease)/increase in liability (see 20(i) c)	(615)	663

(i) Non-teaching staff defined benefit scheme – HSSSPS

HSSSPS, a scheme for eligible non-teaching staff, who are all employed by the Corporation but work on the activities of either Harrow School, 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 HSSSPS 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 HSSSPS are charged to the SoFA of the School, the Trust and the Association, and the profit and loss account of HSEL so as to spread the cost of pensions over employees' working lives. The HSSSPS 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 HSSSPS 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 HSSSPS's trustees have resolved to return the funding level to 100% by 2038. As a consequence, the Foundation 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 £406,000 (2022/23 – £394,000). The expected scheme contributions for the year ending 31 August 2025 are estimated at £418,000.

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 2024 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.

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 20. Pension liabilities (continued)

#### Group and Corporation

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

The amounts recognised in the balance sheet are as follows:

	2024 £000	2023 £000
Present value of obligations	(18,165)	(17,973)
Fair value of plan assets	13,771	12,969
	<u>          </u>	<u>          </u>
Scheme deficit	(4,394)	(5,004)
	<u>          </u>	<u>          </u>
a) Changes in the present value of the scheme obligations:		
Opening defined benefit obligation	17,973	20,413
Past service costs	(10)	-
Interest cost	933	864
Actuarial loss/(gain) (excluding assets)	9	(2,644)
Benefits paid	(740)	(660)
	<u>          </u>	<u>          </u>
Defined benefit obligations at the end of the year	18,165	17,973
	<u>          </u>	<u>          </u>
b) Changes in the fair value of the scheme assets are as follows:		
Opening fair value of scheme assets	12,969	16,077
Interest income on scheme assets	679	685
Return on assets excluding interest income	511	(3,466)
Employer contributions	406	394
Benefits paid	(740)	(670)
Scheme administration cost	(54)	(51)
	<u>          </u>	<u>          </u>
Fair value of scheme assets at the end of the year	13,771	12,969
	<u>          </u>	<u>          </u>
c) The amounts included in the Statement of Financial Activities are as follows:		
Interest income on scheme assets	(679)	(685)
Interest on pension liabilities	933	864
	<u>          </u>	<u>          </u>
Net finance cost (see note 7)	254	179
	<u>          </u>	<u>          </u>
Current service cost	54	51
Past service costs	(10)	-
Contributions paid	(406)	(394)
	<u>          </u>	<u>          </u>
FRS 102 credit before actuarial gains/losses	(108)	(164)
(Decrease)/increase in other benefit arrangements	(5)	5
	<u>          </u>	<u>          </u>
Total debit/(credit) to SoFA (see note 7)	(113)	(159)
	<u>          </u>	<u>          </u>
FRS 102 actuarial (gains)/losses	(504)	822
Movement in non-consolidated Foundation entity liability	2	-
	<u>          </u>	<u>          </u>
(Decrease)/increase in liability	(615)	663
	<u>          </u>	<u>          </u>

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 20. Pension liabilities (continued)

#### Group 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:

	2024 %	2023 %
Fixed interest and liability driven investment	44	40
Cash and other	5	3
Equities and properties	16	19
Insured annuities	9	11
Diversified grants and funds	26	27
	<u>      </u>	<u>      </u>

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.

	2024 £000	2023 £000
Actual return on the scheme assets in the year	1,136	(2,832)
	<u>      </u>	<u>      </u>

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

	2024 %	2023 %
Inflation assumption (RPI)	3.0	3.3
Inflation assumption (CPI)	2.5	2.7
Discount rate	5.0	5.3
Rate of increase in salaries	4.0	4.3
Future LPI pension increases	3.0	3.3

Assumed life expectations on retirement at age 65:

Retiring today – males	21.2	21.4
Retiring today – females	28.9	24.0
Retiring in 20 years – males	22.8	23.0
Retiring in 20 years – females	25.4	25.5

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

	2024 £000	2023 £000	2022 £000	2021 £000	2020 £000
Present value of obligations	(18,165)	(17,973)	(20,413)	(31,093)	(30,938)
Fair value of plan assets	13,771	12,969	16,077	22,276	20,954
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Scheme deficit	(4,394)	(5,004)	(4,336)	(8,817)	(9,984)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Experience adjustment on scheme assets	(511)	3,466	6,277	(1,582)	687
Percentage of scheme assets	3.7%	-26.7%	-38.7%	7.1%	3.3%
Experience adjustment on scheme liabilities	9	(2,644)	(10,521)	602	(506)
Percentage of scheme liabilities	0.0%	14.7%	51.5%	1.9%	1.6%
Cumulative scheme actuarial losses	(5,072)	(5,574)	(4,752)	(9,046)	(10,026)



## 10.5 Notes to financial statements

Year ended 31 August 2024

### 20. Pension liabilities (continued)

#### Group 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 2024 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:

	2024 £000	2023 £000
Provision at beginning of year	115	120
Decrease in provision	(5)	(5)
Provision at end of year	110	115
After more than one year	110	115

##### (iii) Teachers' Pension Scheme

The Schools participate in the Teachers' Pension Scheme ("the TPS") for teaching staff. The pension charge for the year includes contributions payable to the TPS of £3,598,000 (2022/2023 – £3,316,000) and at the year-end £318,000 (2022/2023 – £260,000) was accrued in respect of contributions to TPS.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report 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 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and 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 known as the Harrow Corporation Pension Scheme is offered to eligible employees. The amount recognised in the SoFA for the year was £1,029,000 (2022/23 – £947,000). The expected Scheme contributions for the year ending 31 August 2025 are estimated at £1,555,000.

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 21. Allocation of consolidated net assets for the year ended 31 August 2024

The net assets at 31 August 2024 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 *	3,341	10	3,096	330	-	6,777
Harrow School Endowment Fund	-	985	-	-	-	985
Shepherd Churchill Bequest *	-	-	5,814	(14)	-	5,800
Butler Memorial Trust	19	-	96	279	-	394
Awards						
Harrow Awards Fund *	-	-	13,911	(22)	-	13,889
L C Wilson Bequest	-	-	2,519	-	-	2,519
Foundation Awards	-	-	2,882	(108)	-	2,774
Harrow Challenge	-	-	4,890	(18)	-	4,872
	3,360	995	33,208	447	-	38,010
<b>Expendable endowment</b>						
J G Aparc Trust *	301	77	-	1	-	379
Harrow Challenge	-	-	2,813	22	-	2,835
Harrow Awards	-	-	4,777	197	-	4,974
	301	77	7,590	220	-	8,188
<b>Total capital funds</b>	<b>3,661</b>	<b>1,072</b>	<b>40,798</b>	<b>667</b>	<b>-</b>	<b>46,198</b>
<b>Income funds</b>						
<b>Restricted</b>						
Harrow	-	-	-	3,450	-	3,450
JLS	-	-	260	152	-	412
Subsidiaries	-	-	826	388	(1,900)	(686)
	-	-	1,086	3,990	(1,900)	3,176
<b>Unrestricted</b>						
Designated						
Harrow Awards	-	-	27,189	(4,154)	-	23,035
JLS	-	-	4,864	558	-	5,422
Awards	-	-	-	(132)	-	(132)
Other	-	-	-	(117)	-	(117)
Bond	-	-	83,931	-	(89,730)	(5,799)
General						
Harrow	145,718	516	6,606	(20,335)	(5,347)	127,158
JLS	20,273	-	-	331	(7,127)	13,477
Subsidiaries	6	-	-	1,731	-	1,737
	165,997	516	122,590	(22,118)	(102,204)	164,781
<b>Total income funds</b>	<b>165,997</b>	<b>516</b>	<b>123,676</b>	<b>(18,128)</b>	<b>(104,104)</b>	<b>167,957</b>
<b>Total funds</b>	<b>169,658</b>	<b>1,588</b>	<b>164,474</b>	<b>(17,461)</b>	<b>(104,104)</b>	<b>214,155</b>

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 21. Allocation of consolidated net assets for the year ended 31 August 2024

The movement in reserves for the various funds for the year ended 31 August 2024 are as follows:

Capital Funds	Balance brought forward	Income	Expenditure	Gains and losses	Transfers	Balance carried forward
	£000	£000	£000	£000	£000	£000
<b>Permanent endowment</b>						
General						
School and Lyon Foundation incl the Philathletic Trust *	6,389	-	(2)	310	80	6,777
Harrow School Endowment Fund	985	-	-	-	-	985
Shepherd Churchill Bequest *	5,188	-	(3)	615	-	5,800
Butler Memorial Trust	377	-	-	17	-	394
Awards						
Harrow Awards Fund *	12,756	-	(12)	1,472	(327)	13,889
L C Wilson Bequest	2,338	-	(1)	275	(93)	2,519
Foundation Awards	2,687	-	(2)	192	(103)	2,774
Harrow Challenge	4,358	-	(33)	547	-	4,872
	35,078	-	(53)	3,428	(443)	38,010
<b>Expendable endowment</b>						
Harrow Challenge	2,634	-	(2)	308	(105)	2,835
J P Apcar Trust *	405	-	-	(26)	-	379
Other	4,292	178	(2)	506	-	4,974
	7,331	178	(4)	788	(105)	8,188
<b>Total capital funds</b>	<b>42,409</b>	<b>178</b>	<b>(57)</b>	<b>4,216</b>	<b>(548)</b>	<b>46,198</b>
<b>Income funds</b>						
<b>Restricted</b>						
Harrow	3,915	2,165	(5,773)	587	2,556	3,450
JLS	399	679	(694)	28	-	412
Subsidiaries	(213)	48	(8)	(513)	-	(686)
	4,101	2,892	(6,475)	102	2,556	3,176
<b>Unrestricted</b>						
Designated						
Harrow Awards	19,713	-	-	3,322	-	23,035
JLS	4,809	-	(10)	489	134	5,422
Awards	(182)	-	-	922	(872)	(132)
Other	(116)	-	-	(1)	-	(117)
Bond	(8,350)	-	-	2,551	-	(5,799)
General						
Harrow	120,021	49,556	(55,812)	1,523	11,870	127,158
JLS	12,322	18,180	(16,891)	-	(134)	13,477
Subsidiaries	1,594	16,953	(5,815)	2,011	(13,006)	1,737
	149,811	84,689	(78,528)	10,817	(2,008)	164,781
<b>Total income funds</b>	<b>153,912</b>	<b>87,581</b>	<b>(85,003)</b>	<b>10,919</b>	<b>548</b>	<b>167,957</b>
<b>Total funds</b>	<b>196,321</b>	<b>87,759</b>	<b>(85,060)</b>	<b>15,135</b>	<b>-</b>	<b>214,155</b>

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 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 2024 of the other charities referred to, included in the SoFA and Balance Sheet, are as follows:

	Shepherd Churchill Bequest	Harrow Awards Fund	Butler Memorial Trust	J G Apcar Trust
	£000	£000	£000	£000
Investments				
Additions	-	2,628	-	-
Disposals	(4)	(2,526)	-	-
Investment income	-	-	-	-
Realised gain	-	6	-	-
Unrealised gains	615	1,472	17	-
Net movement in cash held for investment	1	445	-	-
Investment properties				
Rental income	-	-	-	1

In addition to the above Uniting Direction, the assets of the Harrow Land Trust comprise land currently occupied by a farm and a golf course at Harrow School, the original value of which is not known and no current value is placed upon it.



## 10.5 Notes to financial statements

Year ended 31 August 2024

### 21. Allocation of consolidated net assets for the year ended 31 August 2023

The net assets at 31 August 2023 were held for the various funds as follows:

Capital funds	Tangible fixed assets £000	Investment properties £000	Investments £000	Net current assets/ (liabilities) £000	Long term liabilities £000	Total £000
<b>Permanent endowment</b>						
General						
School and Lyon Foundation including 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	-	-	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>

## 10.5 Notes to financial statements

Year ended 31 August 2024

### 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:

Capital funds	Balance brought forward £000	Income £000	Expenditure £000	Gains and losses £000	Transfers £000	Balance carried forward £000
<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
Awards						
Harrow Awards Funds *	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
	35,799	-	(52)	(219)	(450)	35,078
<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
	7,379	179	(4)	(118)	(105)	7,331
<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)
	7,221	2,714	(5,330)	(17)	(487)	4,101
<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
	138,585	81,118	(70,574)	(360)	1,042	149,811
<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 transactions for the year to 31 August 2023 of the other charities referred to, included in the SoFA and balance sheet, are as follows:

	Shepherd Churchill Bequest	Harrow Awards Fund	Butler Memorial Trust	J G Aparcar Trust
	£000	£000	£000	£000
Investments				
Additions	-	1,804	-	-
Disposals	(5)	(2,128)	-	-
Investment income	-	-	-	-
Realised losses	-	43	-	-
Unrealised gains	(103)	75	-	24
Net movement in cash held for investment	2	(25)	-	-
Investment properties				
Rental income	-	-	-	(1)

22. Indemnity insurance

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

The cost of the insurance amounted to £10,000 (2022/23 – £9,000).

23. Related party transactions

- i. John Lyon's Charity made grants for bursaries in the year at Harrow School of £503,000 (2022/23 – £431,000) and at John Lyon School of £580,000 (2022/23 – £534,000) to enable pupils 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.
- ii. One former 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 (HSSSPS) and advice on the pension scheme liabilities arising from this and other benefit arrangements. Payment to XPS Pensions in the year amounted to £130,000 (2022/23 – £122,000).
- iii. Two Governors were employed as Directors during the year by HISL. The costs to the Corporation relating to these two named Directors, including remuneration and national insurance, were: M L Mrowiec – £129,000 (2022/23 – £117,000), A D Hart – £72,000 (2022/23 – £67,000).
- iv. 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 £4,000 (2022/23 – £3,000) were paid to four (2022/23 – four) Governors during the year.
- v. In 2021, the Corporation made an investment of £200,000 in Intellego Education Limited (IEL). IEL seeks to help schools maximise their potential by delivering education outcomes. The son of a Governor, G W J Goodfellow, is a Director of IEL. Following careful consideration, the Corporation has written down this investment to nil in 2023/24.
- vi. Governors made voluntary donations to the Corporation of £83,000 (2022/23 £214,000).

23. Related party transactions (continued)

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

Related party transactions for the year ended 31 August 2024

	Income	Expenditure	Debtor balance	Creditor balance
	£000	£000	£000	£000
HSEL	332	(685)	317	-
HISL	5,497	(37)	2,771	-
HDT	7,250	(81)	(244)	(1,900)

Related party transactions for the year ended 31 August 2023

	Income	Expenditure	Debtor balance	Creditor balance
	£000	£000	£000	£000
HSEL	317	(761)	426	-
HISL	5,265	(15)	2,561	-
HDT	9,109	(122)	24	(1,500)



## 10.5 Notes to financial statements

### 24. Consolidated statement of financial activities for the year ended 31 August 2023

	Notes	Income funds		Capital funds		Total
		Unrestricted funds	Restricted funds	Expendable endowment	Permanent endowment	
		£000	£000	£000	£000	£000
<b>Income and endowments from:</b>						
<b>Charitable activities</b>						
School fees receivable	1	53,509	-	-	-	53,509
Ancillary trading income	2i	5,587	-	-	-	5,587
Charitable grants received	2ii	660	965	-	-	1,625
<b>Voluntary sources</b>						
Other charitable income	2iii	8,337	1,502	179	-	10,018
Non-ancillary trading income	2iv	10,284	-	-	-	10,284
Other incoming resources	3	(353)	88	-	-	(265)
<b>Investments</b>						
Investment income	4	3,094	159	-	-	3,253
<b>Total income</b>		<b>81,118</b>	<b>2,714</b>	<b>179</b>	<b>-</b>	<b>84,011</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Fundraising costs	2iv	1,435	109	-	-	1,544
Non ancillary trading expenses	7	4,318	-	-	-	4,318
Finance costs		3,285	-	-	-	3,285
Investment management costs		436	1	4	52	493
		9,474	110	4	52	9,640
<b>Charitable activities</b>						
Teaching costs		26,462	-	-	-	26,462
Welfare costs		7,929	-	-	-	7,929
Premises costs		15,335	-	-	-	15,335
Support costs		6,535	18	-	-	6,553
Grants, awards and prizes	5iii	-	5,199	-	-	5,199
Other charitable projects		-	3	-	-	3
Ancillary trading expenses	2i	4,839	-	-	-	4,839
		61,100	5,220	-	-	66,320
<b>Total expenditure</b>		<b>70,574</b>	<b>5,330</b>	<b>4</b>	<b>52</b>	<b>75,960</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>
Transfers between funds		1,042	(487)	(105)	(450)	-
(Losses)/gains on investment assets		462	(17)	(118)	(219)	108
<b>Net income/(expenditure)</b>		<b>12,048</b>	<b>(3,120)</b>	<b>(48)</b>	<b>(721)</b>	<b>8,159</b>
Actuarial (loss)/gain on defined-benefit pension scheme	20	(822)	-	-	-	(822)
<b>Net movement in funds</b>		<b>11,226</b>	<b>(3,120)</b>	<b>(48)</b>	<b>(721)</b>	<b>7,337</b>
Balances at beginning of year		138,585	7,221	7,379	35,799	188,984
<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>



# Appendix 1

## Glossary of terms

**The Corporation**

A charity comprising Harrow School and John Lyon School ("the Schools")

**The Group**

The Corporation and three principal entities, namely Harrow International Schools Limited, Harrow Development Trust and Harrow School Enterprises Limited

**Consolidated and consolidation**

The presentation in this annual report of the financial statements of the Corporation and the Group combined

**The Foundation**

John Lyon's Foundation, which comprises the Corporation and Group and a separate legal entity and charity, John Lyon's Charity. The Corporation is sole trustee of John Lyon's Charity

**Governors and Foundation Governors**

The appointed members of the governing body of the Corporation

**Trustees**

The Governors and Foundation Governors acting in their capacity as charity trustees of the Corporation

**Endowments**

Bequests of assets to the Corporation which must either be retained (permanent) or can be used (expendable)

**Trust or trusts**

May refer in the financial statements to charities linked to the Corporation or to funds, either of which hold expendable or permanent endowment for the Corporation

**Fundraising**

Activities undertaken principally by Harrow Development Trust to support Harrow School

**Statement of financial activities (SoFA)**

The summary of the financial performance of the Corporation in reporting period (2023/24)

**The Charter**

The principal founding document of the Corporation

**Objects**

The precise charitable aims of the Corporation as set out in the Charter

# Appendix 2

## Contact information

**Harrow School**  
**Harrow International Schools Limited**  
**Harrow School Enterprises Limited**  
**Harrow Development Trust**

5 High Street  
Harrow on the Hill  
Middlesex  
HA1 3AP

**John Lyon School**

Middle Road  
Harrow on the Hill  
Middlesex  
HA2 0HN



Part of



JOHN LYON'S  
FOUNDATION