



JOHN LYON'S CHARITY



# REPORT OF THE TRUSTEE & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024



**COLLABORATIVE**



**INDEPENDENT**



**FLEXIBLE**



**AMBITIOUS**



**DYNAMIC**

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

**OUR VISION**

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

**OUR MISSION STATEMENT**

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

**OUR VALUES**

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

**OUR OBJECTIVES**

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

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

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

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

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## TRUSTEE AND ADVISORS

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





## CEO MESSAGE



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

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

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

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

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

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

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

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

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

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

**Dr Lynne Guyton**  
Chief Executive Officer




## OVERVIEW OF GRANTS 2023/24

### GRANT SPEND 2023/24

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

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

### TOTAL APPLICATIONS RECEIVED

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

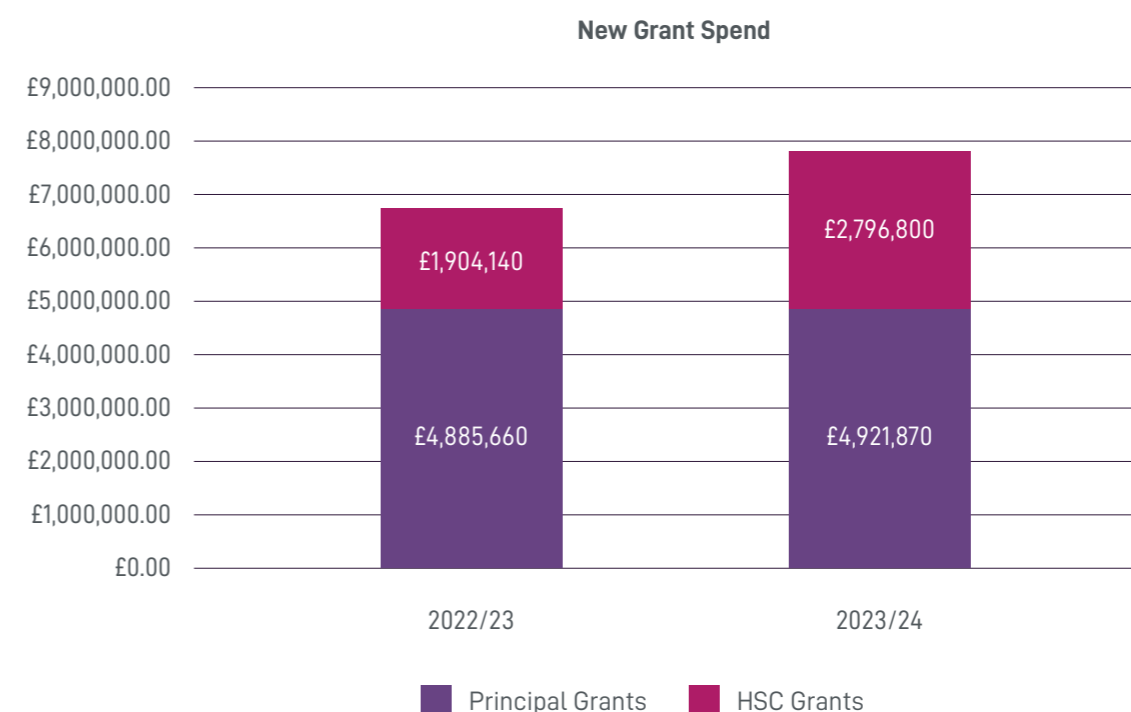
Whilst on the surface, the Charity received fewer applications last year, 2022/23 includes the exceptional Uplift Fund which awarded 154 one-off grants to existing grantees to help support with the Cost of Living crisis. If these are removed, then the Charity saw a year-on-year increase of 11% in applications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

### DECLINES

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

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

### NEW TOTAL SPEND





## PRINCIPAL GRANTS PROGRAMME

### NEW GRANTS BY PROGRAMME AREA

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

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

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

### PRINCIPAL GRANTS PROGRAMME – ALL NEW GRANTS:



#### INFORMAL EDUCATION

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



#### FORMAL EDUCATION

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



#### ACCESS TO EDUCATION

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



#### CAPACITY BUILDING

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

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



### PRINCIPAL GRANTS PROGRAMME – NEW GRANTS EXCLUDING SHAF:



#### INFORMAL EDUCATION

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



#### FORMAL EDUCATION

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



#### ACCESS TO EDUCATION

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



#### CAPACITY BUILDING

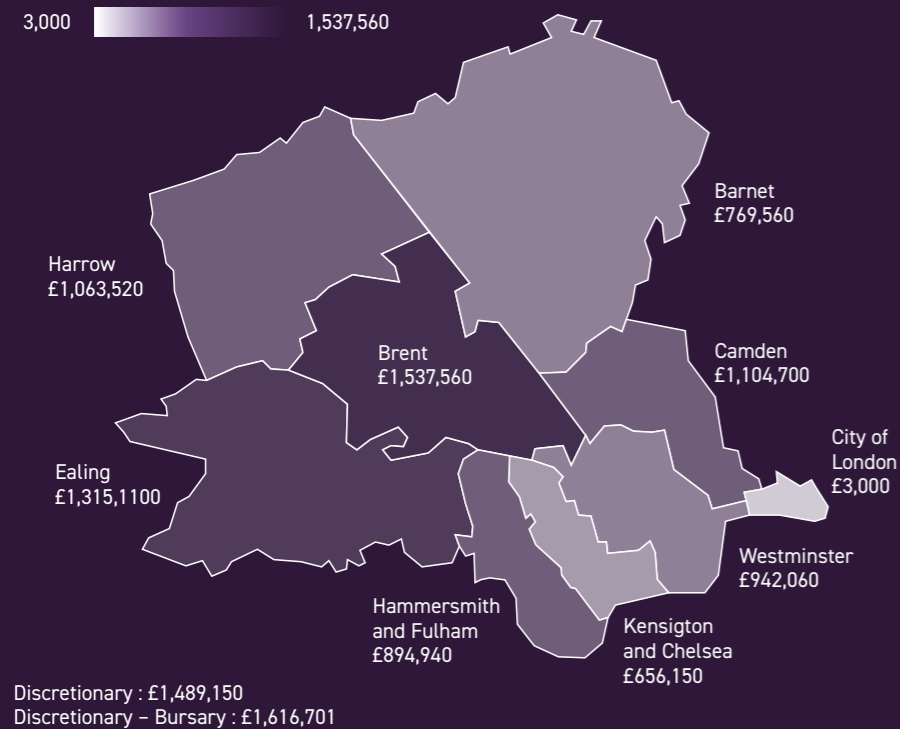
10 grants (9%)  
£565,000 in funding (13%)

## GRANTS BY BOROUGH

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

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

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



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

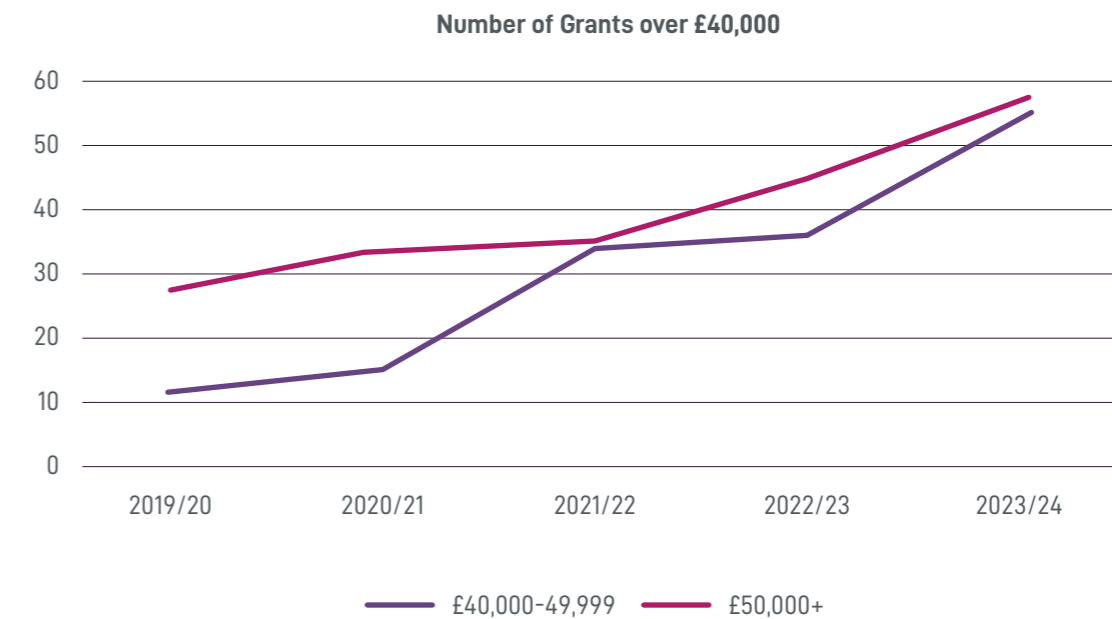
There has been a demonstrable shift to longer grants; 38% of new grants awarded in 2023/24 are at least five years with a further 39% being three years with the option for a further two (3+2).

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

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

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

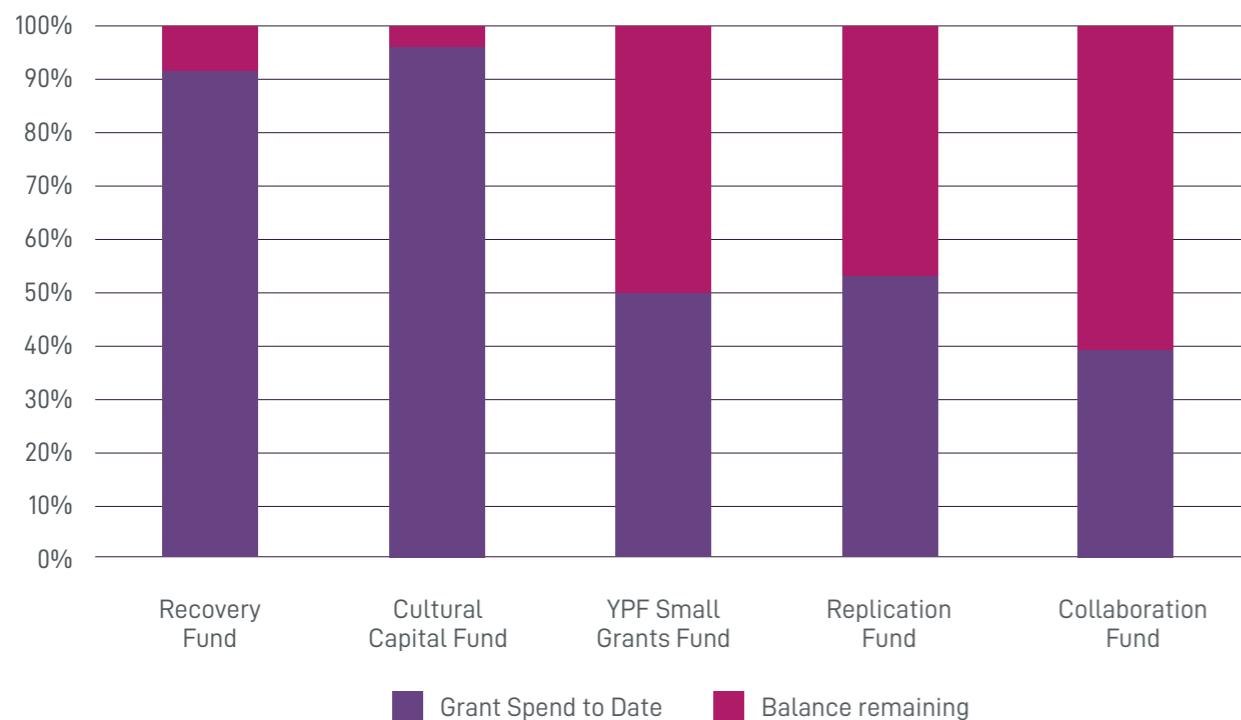
The number of grants over £40,000 has increased from 80 in 2022/23 to 112 in 2023/24. With the launch of the new 5-year strategy in April 2023 this growth was anticipated as the Charity shifts towards larger grants. Going forward those grants £50,000 and above will be reported in recognition that this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



## HOME SCHOOL COMMUNITY GRANTS PROGRAMME

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

### HSC GRANT SPEND BY FUND



### NEW GRANTS BY PROGRAMME AREA

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

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

### HOME SCHOOL COMMUNITY GRANTS PROGRAMME:

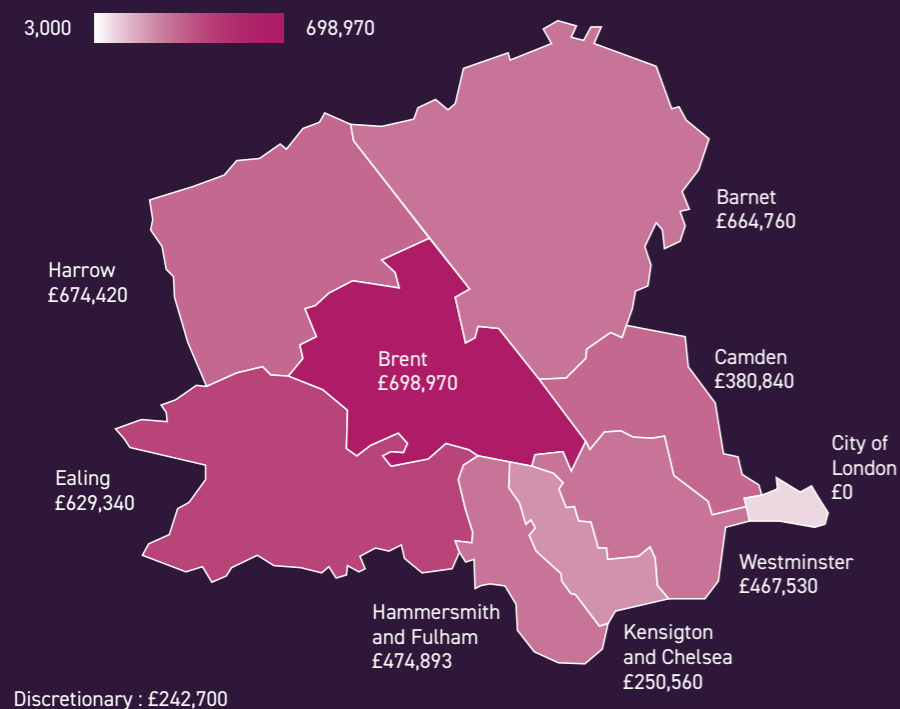




## GRANTS BY BOROUGH

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

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



## STRATEGIC UPDATE

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

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

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

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

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

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



## 1. EXCLUDED INITIATIVE UPDATE

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

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

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

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

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

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

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

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

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

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

## 2. PERSPECTIVES UPDATE

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

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

### CAREERS AND PATHWAYS

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

### **COSTS AND FUNDING / LOBBYING**

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

### **MONITORING & EVALUATION**

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

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

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

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

### **RECOVERY FUND (MAIN)**

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

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

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

### **RECOVERY FUND (REFURBISHMENT)**

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

### **REPLICATION FUND**

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



## COLLABORATION FUND

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

## CULTURAL CAPITAL FUND

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

## YOUNG PEOPLE'S FOUNDATION (YPF) SMALL GRANTS FUND

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

# REPORT OF THE TRUSTEE

## 1. INTRODUCTION

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

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

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



## 2. OBJECTIVES AND ACTIVITIES

### A) THE OBJECTS OF THE CHARITY

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

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

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

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

## B) THE ACTIVITIES OF THE CHARITY

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

## 3. GOVERNANCE, STRUCTURE AND MANAGEMENT

### A) GOVERNANCE

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

### B) CHARITY MANAGEMENT

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

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

### C) STRUCTURE

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

### D) KEY RISKS

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

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

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

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

## I. THE CORPORATION (FOUNDATION BOARD)

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

## II. CHARITY BOARD

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

## III. GRANTS COMMITTEE

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

## IV. ESTATE & PROPERTY COMMITTEE

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

## V. FOUNDATION PHILANTHROPY COMMITTEE

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

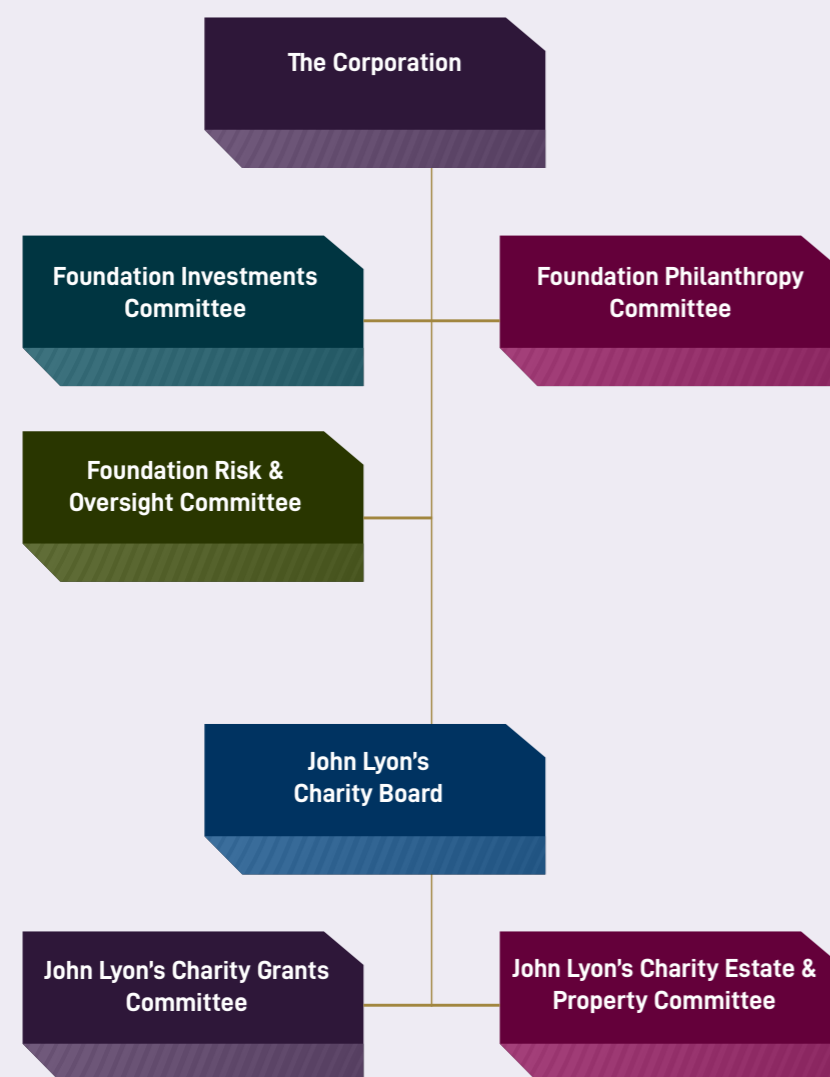
## VI. FOUNDATION INVESTMENTS COMMITTEE

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

## VII. FOUNDATION RISK & OVERSIGHT COMMITTEE

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

## JOHN LYON'S CHARITY GOVERNANCE STRUCTURE



## FINANCIAL REVIEW OF THE CHARITY

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

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

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

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

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

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

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

### FINANCIAL INVESTMENT POLICIES

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



## OVERARCHING INVESTMENT OBJECTIVES

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

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

## APPROACH TO RESPONSIBLE INVESTMENTS

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

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



## UNDERLYING INVESTMENT PRINCIPLES

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

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

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

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

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

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

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

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

## ASSET ALLOCATION

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

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

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

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

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

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

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

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

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

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





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

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

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

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

## AUDITORS

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



**D Eyton**

**A Butler**

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

21st June 2024

## STATEMENT OF THE TRUSTEE'S RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

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

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



# REPORT OF THE INDEPENDENT AUDITOR

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

### OPINION

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

In our opinion the financial statements:

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

### BASIS FOR OPINION

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

### CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

### OTHER INFORMATION

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

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

We have nothing to report in this regard.

### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

### RESPONSIBILITIES OF THE TRUSTEE

As explained more fully in the Statement of Trustee's Responsibilities, the Trustee is responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

## USE OF OUR REPORT

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



**PKF Littlejohn LLP**  
**Statutory Auditor**  
**9 July 2024**

15 Westferry Circus  
 Canary Wharf  
 London E14 4HD

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





## STATEMENT OF FINANCIAL ACTIVITIES

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

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

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

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



## BALANCE SHEET AS AT 31 MARCH 2024

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

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



D Eyton



A Butler

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

## CASH FLOW STATEMENT YEAR ENDED 31 MARCH 2024

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

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



## GENERAL INFORMATION AND BASIS OF PREPARATION

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

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

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

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

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

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

## INVESTMENT PROPERTIES

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

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

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

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

No depreciation is charged on Investment Properties.

## RENTAL INCOME

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

## FIXED ASSET INVESTMENTS

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

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

## TANGIBLE FIXED ASSETS

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

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

## GRANTS

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

## TAXATION

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

## PENSION COSTS

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

## OPERATING LEASES

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

## 1. ANALYSIS OF THE STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2023

	Restricted Fund 2022/23	Unrestricted Fund 2022/23	Endowment Fund 2022/23	Total Funds 2022/23
	£'000	£'000	£'000	£'000
<b>Income and Endowment from:</b>				
Charitable activities	1,020	-	-	1,020
Property investments	-	-	7,148	7,148
Investments	-	-	2,397	2,397
Other Income	-	-	-	-
<b>Total Income and Endowment</b>	<b>1,020</b>	<b>-</b>	<b>9,545</b>	<b>10,565</b>
<b>Expenditure on:</b>				
Raising funds	-	-	3,136	3,136
Charitable activities	125	16,222	-	16,347
<b>Total Expenditure</b>	<b>125</b>	<b>16,222</b>	<b>3,136</b>	<b>19,483</b>
Net Gains on Property Investments	-	-	(34,636)	(34,636)
Net Gains on Investments	-	-	(1,475)	(1,475)
<b>Net Income/(Expenditure)</b>	<b>895</b>	<b>(16,222)</b>	<b>(29,702)</b>	<b>(45,029)</b>
Transfers between funds	-	16,222	(16,222)	-
<b>Net Movement in Funds</b>	<b>895</b>	<b>-</b>	<b>45,924</b>	<b>45,029</b>
<b>Reconciliation of Funds:</b>				
Total funds brought forward	1	-	436,048	391,725
<b>Balance at end of year</b>	<b>896</b>	<b>-</b>	<b>390,124</b>	<b>391,020</b>

## 2. INCOME FROM PROPERTY

	2023/24	2022/23
	£'000	£'000
Residential rents	2,663	2,456
Commercial rents	5,310	4,692
<b>Total incoming resources from property</b>	<b>7,973</b>	<b>7,148</b>

## 3. INCOME FROM INVESTMENTS

	2023/24	2022/23
	£'000	£'000
Investments	2,894	2,344
Bank and deposit interest	106	53
Loan interest	-	-
<b>Total incoming resources from investments</b>	<b>3,000</b>	<b>2,397</b>

## 4. EXPENDITURE ON RAISING FUNDS

	2023/24	2022/23
	£'000	£'000
Property management charges	350	485
Property repairs and other expenses	1,055	1,695
<b>Total cost of generating income from property</b>	<b>1,405</b>	<b>2,180</b>
Other management and support costs	982	956
	<b>2,387</b>	<b>3,136</b>



## 5. ANALYSIS OF CHARITABLE ACTIVITIES

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

	Total	Grant	Support	Total	Grant	Support
	2023/24	Funded	Costs	2022/23	Funded	Costs
	£'000	Activity	£'000	£'000	Activity	£'000
	£'000	£'000	£'000	£'000	£'000	£'000
Arts & Science	835	763	72	1,478	11,353	125
Children & Families	607	555	52	957	876	81
Education & Learning	814	743	71	1,914	1,741	173
Capacity Building	1,655	1,512	143	1,404	1,285	119
Emotional Wellbeing	455	416	39	1,016	929	87
Special Needs & Disability	481	440	41	967	885	82
Sport	130	119	11	524	479	44
Training	272	249	23	438	402	36
Youth Clubs and Youth Activities	792	724	68	1,903	1,743	160
Youth Issues	324	296	28	458	420	39
Bursaries	1,489	1,361	128	1,744	1,597	147
Formal Education	1,237	1,130	107	-	-	-
Informal Education	2,429	2,220	209	-	-	-
Access to Education	577	527	50	-	-	-
Restricted grants	369	337	32	125	125	-
	<b>12,466</b>	<b>11,392</b>	<b>1,074</b>	<b>12,928</b>	<b>11,835</b>	<b>1,093</b>
<b>Home – School – Community Strategic Funds</b>						
Cultural Capital Fund	1,179	1,077	102	934	855	79
Recovery Fund	1,312	1,199	113	1,119	1,024	95
Replication Fund	942	861	81	557	510	47
Collaboration Fund	927	847	80	263	241	22
YPF Small Grants Fund	547	500	47	546	500	46
	<b>17,373</b>	<b>15,876</b>	<b>1,497</b>	<b>16,347</b>	<b>14,965</b>	<b>1,382</b>

## 6. SUPPORT COSTS

The breakdown of support costs is shown in the table below. The allocation to Charitable Activities is shown in Note 6 above.

	2023/24	2022/23
	£'000	£'000
Audit fees		
– current year	29	27
– prior year (over)/under provision	5	5
Valuation fees		
– current year	64	30
– prior year (over)/under provision	3	6
Depreciation	12	11
Consultancy fees	33	74
Staff costs	880	791
Operating lease		
– office equipment	7	7
Other support costs	464	431
	<b>1,497</b>	<b>1,382</b>

	2023/24	2022/23
	£'000	£'000
<b>Staff costs</b>		
Wages and salaries	1,008	904
Social security costs	122	111
Pension & health care contributions	184	165
	<b>1,314</b>	<b>1,180</b>

Included in the above amount is salary costs of £433,662 (2023 - £389,567) which relates to expenditure on raising funds and are reflected within other management costs in Note 4.

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

<b>Average number of employees during year:</b>	<b>18</b>	<b>16</b>
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## 6. SUPPORT COSTS *CONTINUED*

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

	2023/24	2022/23
	£'000	£'000
£70,001 - £80,000	1	1
£90,001 - £100,000	1	2
£100,001 - £110,000	1	-
£160,001 - £170,000	1	1

The total amount of employee benefits received in the year by key management personnel, was £486,470 (2023 - £472,371). The Charity considers its key management personnel to comprise the Chief Executive Officer, Grants Director, Finance & Operations Director, and the Trustee.



## 7. TANGIBLE FIXED ASSETS

	Furniture & Equipment	Total
	£'000	£'000
Cost at 1 April 2023	138	138
Additions in the year	1	1
<b>At 31 March 2024</b>	<b>139</b>	<b>139</b>
Accumulated depreciation at 1 April 2023	106	106
Depreciation charge in year	11	11
<b>At 31 March 2024</b>	<b>117</b>	<b>117</b>
<b>Net Book Value at 31 March 2024</b>	<b>20</b>	<b>20</b>
<b>Net Book Value at 31 March 2023</b>	<b>31</b>	<b>31</b>

## 8. INVESTMENT PROPERTIES

	2024	2023
	£'000	£'000
Reversionary estate	29,961	34,100
Residential properties	70,395	67,477
Commercial properties	112,375	122,040
<b>Market value</b>	<b>212,731</b>	<b>223,617</b>
Balance at beginning of year	223,617	262,754
Additions at cost	-	-
Unrealised (loss) on revaluation	(8,126)	(36,181)
Disposals at valuation	(2,760)	(2,956)
<b>Balance at end of year</b>	<b>212,731</b>	<b>223,617</b>

The investment properties (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2024 by Cluttons LLP, Chartered Surveyors, in accordance with guidance set out in the Valuation and Appraisal Manual of the Royal Institution of Chartered Surveyors.

The Reversionary Estate residential assets have been valued subject to uncertainty as a consequence of Government's intervention in that market via the Leasehold and Freehold Reform Bill 2024.

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

Disposals at valuation during the year resulted in a realised gain of £0.81 million (2022/23 £1.7 million).



## 9. INVESTMENTS

	2024	2023
	£'000	£'000
<b>Listed investments</b>		
Free (Main) Fund	155,747	146,940
Special Fund	17,781	12,093
	<b>173,528</b>	<b>159,033</b>
<b>Unlisted investments</b>	<b>1,374</b>	<b>346</b>
<b>Market value</b>	<b>174,902</b>	<b>159,379</b>
<b>Historical cost</b>	<b>141,345</b>	<b>150,271</b>

At the year end the Charity was committed to investing \$2.3M and €3.4M into private equity unlisted investments through Hollyport Secondary Opportunities VIII management Ltd and Crown Global Secondaries VI Feeder SCSp.

Included in the above is sterling cash invested and cash held for investment of £12,521,705 (2022/23 - £8,399,474) in the Special Fund and £9,192,779 (2022/23 - £6,914,357) in the Free Fund. The Special Fund is defined in the Governing Documents.

	2024	2023
	£'000	£'000
Balance at beginning of year	159,379	170,189
Investment purchases	18,607	16,636
Net investment realisations	(20,581)	(18,940)
Unrealised gain/(loss) on revaluation	11,096	(1,037)
Net movement in cash held for investment	6,401	(7,469)
<b>Balance at end of year</b>	<b>174,902</b>	<b>159,379</b>

## 9. INVESTMENTS *CONTINUED*

At 31 March 2022 the following investments accounted for more than 5% of the overall portfolio:

	2024	2023
	%	%
Children's Investment Fund USD Class	6.0	5.6
The NT World Equity Index Feeder	13.1	13.1
Ownership Capital Global Equity	6.9	6.9
Acadian Sustainable Global Managed	6.2	6.3
Orbis Global Equity Fund	6.4	-
Institutional GBP Liquidity Fund	12.0	5.3
Unite student accommodation	-	6.1
The Emerging World Fund	-	5.2
Stewart Investors Global Emerging Markets Sustainability Fund	5.0	5.0
Maj Invest Global Value	-	6.7
Heronbridge UK Equity Fund	5.0	5.8
Pimco income Fund	5.0	5.6
Jupiter UK Alpha Fund	-	5.3





## 10. APPLICATION OF THE POWER OF TOTAL RETURN

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

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

The calculation to determine the amount available in the years to 31 March 2023 and 2024 is:

Year ended:	Net asset Values	4 year Average	Expendable Percentage of Average	Expendable Amount
	£'000	£'000	%	£'000
31 March 2021	391,725	367,761	3.50	12,872
31 March 2022	436,048	384,458	3.50	13,456
31 March 2023	391,020	391,070	3.50	13,687
<b>31 March 2024</b>	<b>387,024</b>	<b>401,454</b>	<b>3.50</b>	<b>14,051</b>

The amount available for the year ended 31 March 2023 was £13,687,484, and for year ending 31 March 2024 is £14,050,893.

	2023/24	2022/23
	£'000	£'000
Expendable amount	13,687	13,456
Additional expendable amount	4,907	2,766
	18,594	16,222
Transferred to Unrestricted Fund	(17,865)	(16,222)
<b>Reinvested</b>	<b>729</b>	<b>–</b>

## 10. APPLICATION OF THE POWER OF TOTAL RETURN *CONTINUED*

Movements in the Total Return Fund in the Year and Application of Total Return from the Endowment Fund	2023/24	2022/23
	£'000	£'000
Opening value of endowment fund at 1 April	390,124	436,048
Less: Opening value of the fund at 31 March 1997	(63,797)	(63,797)
<b>Opening value of Total Return Funds</b>	<b>326,327</b>	<b>372,251</b>
<b>Add:</b>		
Investment return – income	10,973	9,545
Investment return – realised/unrealised gains	4,791	(36,111)
	342,091	345,685
<b>Less:</b>		
Raising funds	(2,387)	(3,136)
Unapplied total return before transfers carried forward	339,704	342,549
Return applied during the year	(17,865)	(16,222)
<b>Unapplied total return as at 31 March</b>	<b>321,839</b>	<b>326,327</b>
Add: value of the fund at 31 March 1997	63,797	63,797
	385,636	390,124

## 11. DEBTORS

	2023	2022
	£'000	£'000
Amounts due from tenants and managing agents	2,484	2,152
Other debtors and prepayments	350	21
Proceed receivable on investment sale completed after year end	-	5,000
<b>Due within one year</b>	<b>2,834</b>	<b>7,173</b>
<b>Due within more than one year</b>	<b>83</b>	<b>422</b>
	2,917	7,595

## 12. CREDITORS:

	2024	2023
	£'000	£'000
<b>Creditor amounts falling due within one year:</b>		
Grants payable	4,320	3,405
Other creditors and accruals	734	755
	<b>5,054</b>	<b>4,160</b>

## 13. OPERATING LEASE COMMITMENTS

As at 31 March 2024 the total minimum payments to which The Charity is committed under non-cancellable operating leases for property and office equipment are:

	2024	2023
	£'000	£'000
Due within one year	219	220
Due within two and not later than five years	855	860
Due over five years	676	890
	<b>1,750</b>	<b>1,970</b>

## 14. FUNDS

### A. ENDOWMENT FUND

The capital assets of the Charity are those derived from the Founder's original gift of land in 1578 and 1581 and represent permanent endowment, subject to the application of the Total Return policy.

### B. UNRESTRICTED GENERAL FUND

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

### C. UNRESTRICTED DESIGNATED FUND

The Unrestricted General Fund represents the Trustees decision to designate funds for future charitable purposes.

### D. RESTRICTED FUND

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

### 2023/24

	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment fund	390,124	10,973	(2,387)	(17,865)	4,791	385,636
Unrestricted general Fund	-	-	(17,004)	17,004	-	-
Unrestricted designated Fund	-	-	-	861	-	861
Restricted	896	-	(369)	-	-	527
	<b>391,020</b>	<b>10,973</b>	<b>(19,760)</b>	<b>-</b>	<b>4,791</b>	<b>387,024</b>

### 2022/23

	Balance brought forward	Income	Expenditure	Transfers	Gains/ (losses)	Balance carried forward
	£'000	£'000	£'000	£'000	£'000	£'000
Endowment	436,048	9,545	(3,136)	(16,222)	(36,111)	390,124
Unrestricted	-	-	(16,222)	16,222	-	-
Restricted	1	1,020	(125)	-	-	896
	<b>436,049</b>	<b>10,565</b>	<b>(19,483)</b>	<b>-</b>	<b>(36,111)</b>	<b>391,020</b>

## 15. TRANSACTIONS WITH THE TRUSTEE AND CONNECTED PERSONS

The Charity made grants in the year to both Harrow School of £497,701 (£426,407 in 2022/23) and The John Lyon School of £600,838 (£556,700 in 2022/23) for the benefit of children resident in the Beneficial Area. Grants for bursaries enable children to attend those schools, who would not be able to do so without that financial support. These grants are aimed at providing wider access to education at the schools and are consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper disclosure of such interests. In 2023/24 there have been 19 grants totalling £638,600 (in 2022/23 there were 11 grants totalling £422,080) which were made to charities where one or more such persons are charity trustees. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation.

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

	2023/24	2022/23
	£'000	£'000
Management fees and insurance commissions	571	484
Capital transaction fees	92	102
	<b>663</b>	<b>586</b>

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

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

## 16. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon, as Trustee (registered charity No. 310033).

## 17. FUTURE COMMITMENTS

### GRANT COMMITMENTS

The Charity has committed to multi-year grants including bursary support totaling £22.6 million up to 2029/30, payment of which is in each case contingent on the stipulated conditions being met, following a review of progress by the Grants Committee, and formal authorisation by the Trustee.

### CAPITAL COMMITMENTS

During the year the Charity was committed to investing up to \$2.3m into Hollyport Secondary Opportunities VIII Management Ltd and €3.4M into Crown Global Secondaries VI Feeder SCSP both of which are private equity unlisted investments. At 31 March 2024 drawdowns of \$0.6m and €0.06 had been made into these investments, leaving remaining capital commitments of Hollyport \$1.3m (2023 - \$1.9m) and Crown Global €3.3m (2023 - €0m).

## 18. CONTINGENT LIABILITIES

The Charity is involved in a number of legal actions which are related to property assets. The costs related to these actions cannot be reasonably quantified and the outcome uncertain and therefore no provision has been made in these financial statements.



## 19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2023/24

	Total 2023/24	Restricted Fund	Unrestricted Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	387,653	-	1,230	386,423
Debtors due in more than one year	83	-	83	-
Other assets/liabilities	(712)	527	(452)	(787)
	<b>387,024</b>	<b>527</b>	<b>861</b>	<b>385,636</b>

TOTAL 2022/23

	Total 2022/23	Restricted Fund	Unrestricted Fund	Endowment Fund
	£'000	£'000	£'000	£'000
Fixed assets	383,027	-	30	382,997
Debtors due in more than one year	422	-	422	-
Other assets/liabilities	7,571	896	(452)	7,127
	<b>391,020</b>	<b>896</b>	<b>-</b>	<b>390,124</b>

## 20. RECONCILIATION OF NET INCOMING RESOURCES BEFORE GRANTS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2023/24	2022/23
	£'000	£'000
Total income	10,973	10,565
Total expenditure before grants	(3,884)	(4,518)
<b>Net incoming resources before grants</b>	<b>7,089</b>	<b>6,047</b>
Grants from annual income	(15,539)	(14,840)
Grants from restricted income	(337)	(125)
<b>Net outgoing resources after grants</b>	<b>(8,787)</b>	<b>(8,918)</b>
Depreciation charge for the year	11	11
Increase in debtors	4,677	(6,524)
Increase/(Decrease) in creditors	894	(501)
Income from listed investments and deposit interest	(3,000)	(2,397)
<b>Net cash outflow from operating activities</b>	<b>(6,205)</b>	<b>(18,329)</b>





## 21. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2023/24	2022/23
	£'000	£'000
<b>Capital Expenditure and Financial Investment Activities</b>		
Net proceeds from property transactions	3,572	4,649
Expenses charged to Endowment Fund	(120)	(148)
Sale of investments	21,712	18,502
Purchase of investments (note 9)	(18,607)	(16,636)
Purchase of plant and equipment (note 7)	(1)	(25)
Sale of plant and equipment (note 7)	-	-
Decrease/(increase) in cash held for investment (note 9)	(6,401)	7,469
<b>Net Cash Inflow from Capital Expenditure and Financial Investment Activities</b>	<b>155</b>	<b>13,811</b>
<b>Net Proceeds from Property Transactions</b>		
Freehold/lease premium proceeds	3,572	4,649
Purchase of properties (note 8)	-	-
	<b>3,572</b>	<b>4,649</b>
<b>Returns on Investment and Servicing of Finance</b>		
Income from listed and unlisted investments	2,894	2,343
Deposit and other interest	106	53
Other income	-	-
	<b>3,000</b>	<b>2,397</b>





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