

Promoting the life chances of children and young people through education



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OUR MISSION STATEMENT

Champion, Support, Provide

We believe in transforming the lives of children and young people by creating opportunities to learn, grow and develop through education.

OUR VISION

We **believe** in promoting and supporting **collaboration and partnerships** that can have a **sustainable impact** on the **aspirations** of children and young people. We will not shy away from taking **informed risks** to support projects and organisations that **pioneer** new initiatives and ideas. As an independent funder we will **share the knowledge** from our work and seek to **influence** public policy for the benefit of the voluntary sector to ensure it is **valued**.

OUR VALUES

These are the internal values we promote, share and reinforce within the Charity.



John Lyon's Charity gives grants to benefit children and young people up to the age of 25 who live in nine boroughs in North and West London. Since 1991, the Charity has distributed over £170 million to organisations that seek to encourage the aspirations of children and young people. It does this by supporting projects that provide opportunities for young people to participate in a wide range of activities.

John Lyon's Charity is one of the largest independent funders in London. In the Financial Year ending March 2022 it paid grants of £13.01 million towards work in Arts & Science, Children & Families, Education & Learning, Emotional Well Being, Sport, Special Needs & Disability, Training, Youth Clubs and Youth Issues.

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

Trustee and Advisers

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

CEO Message

In November 2021 it was 30 years ago that the Order to establish John Lyon's Charity was adopted and signed by our Trustee. By the end of our fiscal year in March 2022 we have committed to grant just shy of £200 million to over 1,800 organisations. And £100 million of that we will have granted in the last five years alone.

I think that if there is a single word that sums up the children and young people's sector over the past 20 months it is RESILLIENCE. To recover or adjust to change; the ability to bounce back.

Covid-19 has had a devastating impact upon the children and young people's (CYP) sector in the Charity's Beneficial Area. This has exacerbated the difficulties the sector was already facing following the multiple funding cuts experienced over the past decade, threatening to sweep away even the strongest of organisations. We ring-fenced an additional £22 million from our endowment to be spent over six years (which commenced on 1st April 2021) to help protect the CYP sector in our Beneficial Area. This funding is in addition to the Charity's ongoing annual grant giving of c.£12 million per annum.

The Charity has 30 years' experience of grant giving to the CYP sector in our Beneficial Area. We have the reputation and the tenacity to make a difference. To ensure the continued health and effectiveness of the vibrant voluntary sector across the Charity's boroughs, we have created a strategic approach to protect the CYP sector in the long term, with the core focus on Home – School – Community; the three main points of reference in any child's life. The Home – School – Community strategy is in complete synergy with our current overarching grant giving structures and will compliment an existing funding portfolio designed around the Charity's expertise and CYP needs. The additional funding will allow us to do more of the same, but crucially this further investment will allow us to make a bigger difference to the CYP voluntary sector in our Beneficial Area at this vital time.

The impact of Covid-19 threatens to sweep away even the strongest of organisations. Once they are gone, they won't come back. We want to safeguard the CYP sector within the Beneficial Area; Home - School - Community will seek to ensure that every viable organisation can survive and thrive, providing the vital services needed in the local community. Our mission is to help those charities that are already recognised as being essential to the health and diversity of the voluntary sector within the Beneficial Area and who make a very real difference to the lives of young people. These charities are a part of the social fabric. We know we cannot save every organisation that is at risk of closure but where it can, the Charity will commit to provide alternative resources and advice.

Covid-19 coupled with a decade of austerity has widened the social divide and as a grant giving charity we see this every day in London. Many thought Covid-19 would be a great leveller, where, as in WW2, people of all walks of life came together and made sacrifices together. However, what we have seen is the inequalities that exist have been exposed and widened.

- 29% of state school pupils are eligible for free school meals in K&C.
- 40% of children are living in poverty in Brent. In Ealing it is 38%.
- The increase in children with SEND requiring specialist provision has risen by 22% since 2010.
- Harrow has one of the lowest spends on child mental health in the UK (less than 1% of budget).
- A 50% decrease in Arts funding in schools, universities and the voluntary sector compared to 7 years ago.
- Youth work and youth clubs' funds have been cut by 70% in just 10 years.

Hence, why our funding and that of other funders is so badly needed and never more so than right now. I don't believe we can take the longevity of the voluntary sector in our boroughs for granted; and this is why we are taking positive action to preserve those charities that are part of the social fabric of their communities. Organisations that the Charity has spent the last 30 years nurturing. We are already speaking up on behalf of the charities we fund and our aim is to ensure that our grantees have a platform to voice their concerns over how policy for children and young people is affecting them.

As we looked back over the past 30 years at the charities we have supported, it is fantastic to see that for so many we were their first and only funder. What we could see in the early days, was a nub of an idea, a pocket of light that we believed was worth funding. It's the same principle we apply today. I've said it so many times, but we really do our grant-making by walking around. We aren't sat in front of computer screens making funding decisions. We are out in our patch, seeing with our own eyes what needs to be funded.

The creation of the Young People's Foundations (YPFs) was a direct response to the state of the CYP sector in London. What began as only three YPFs in operation – Barnet, Brent and Harrow quickly spread across the remaining boroughs. Put simply, the YPFs have filled the void, the duty of care that Councils used to perform. Because there is no statutory requirement to provide youth clubs, youth services, etc – these have been cut. We will continue to fund the YPFs, but what we are rightly proud of is how successful our YPFs have been in raising funds, building their membership and creating a real focus for CYP groups based on locality, on place. And we are especially proud that the YPF model has now expanded to many other London Boroughs and outside of London including the very successful Young Manchester.

We have established five new concepts to cement our strategic response to Covid-19: Home – School – Community to ensure the £22 million will be well spent over the coming years. These five concepts embrace the Charity's longstanding vision and will go further to unlock doors to ensure groups are reached, rehabilitated and recovered in light of the current crisis. Highlights of the HSC programme for Year 1 include 71 grants awarded from four of the five Funds, equating to £1,985,200 of new funding paid in the year to date.

RECOVERY The additional funding is dedicated to the Recovery process to ensure that organisations will survive a post-Covid-19 world. The Recovery approach is designed to support organisations severely impacted financially by the pandemic, that have experienced a significant drop in income, which cannot easily be replaced. This is vital to help ensure that organisations are sufficiently resourced and able to concentrate on the delivery of the vital services that they provide for their local communities.

COLLABORATION The additional funding will enable more organisations to work together as clusters to address identified needs for children and young people and allow them to push the parameters of their practice. This will include collaborations between schools and local voluntary organisations, working with a variety of other stakeholders to ensure as many organisations are working together in response to issues that have been exposed as a result of the Covid-19 pandemic. A shared approach locally will enable greater intelligence sharing, avoid duplication and more accurate signposting to ensure that services reach the young people most in need.

REPLICATION Over the past 30 years we have helped to develop a number of highly successful initiatives that are having an incredibly positive impact on the lives of children and young people. This additional funding, together with the Charity's knowledge and expertise, will help successful initiatives extend their reach to benefit more children and young people.

CULTURAL CAPITAL Since Covid-19, schools have been working overtime to help their children catch up on the core academic subjects, putting access to Arts subjects lower down on their agenda. As a result, there are significant numbers of children who are not accessing any Arts activities at school or being exposed to them through their families or afterschool activities, risking a generation of children who have no 'Cultural Capital'. This is coupled with the crisis that has developed for Arts institutions, and their practitioners, as a result of the pandemic. We have additional funding to bring Arts organisations and schools together, to ensure there continues to be a varied and accessible offer from Arts institutions in London, run by experienced and high-quality practitioners.

GRASSROOTS Supporting grassroots organisations, that work directly with local communities, has always proven to be an effective way for the Charity to direct its funding to those who need it most. To respond most effectively to these organisations, in recent years the Charity has created Young People's Foundations that support and nurture the CYP sector.

One of the functions of the YPFs is to distribute small grants to the local organisations that often cannot access funding directly from larger funders, such as John Lyon's Charity. We now have additional funds to allocate directly to the YPFs throughout our Beneficial Area for them to distribute on our behalf to these groups.

While our funding makes support of the sector possible, it's our grantees who are on the front line with the children and young people of London. Throughout this year we have been celebrating the work they do on our website, on social media and at events with our "throwback 30" stories. John Lyon's Charity has been here for our grantees for 30 years, we're here today and we will walk alongside them as a partner in the future. We're here to stay.

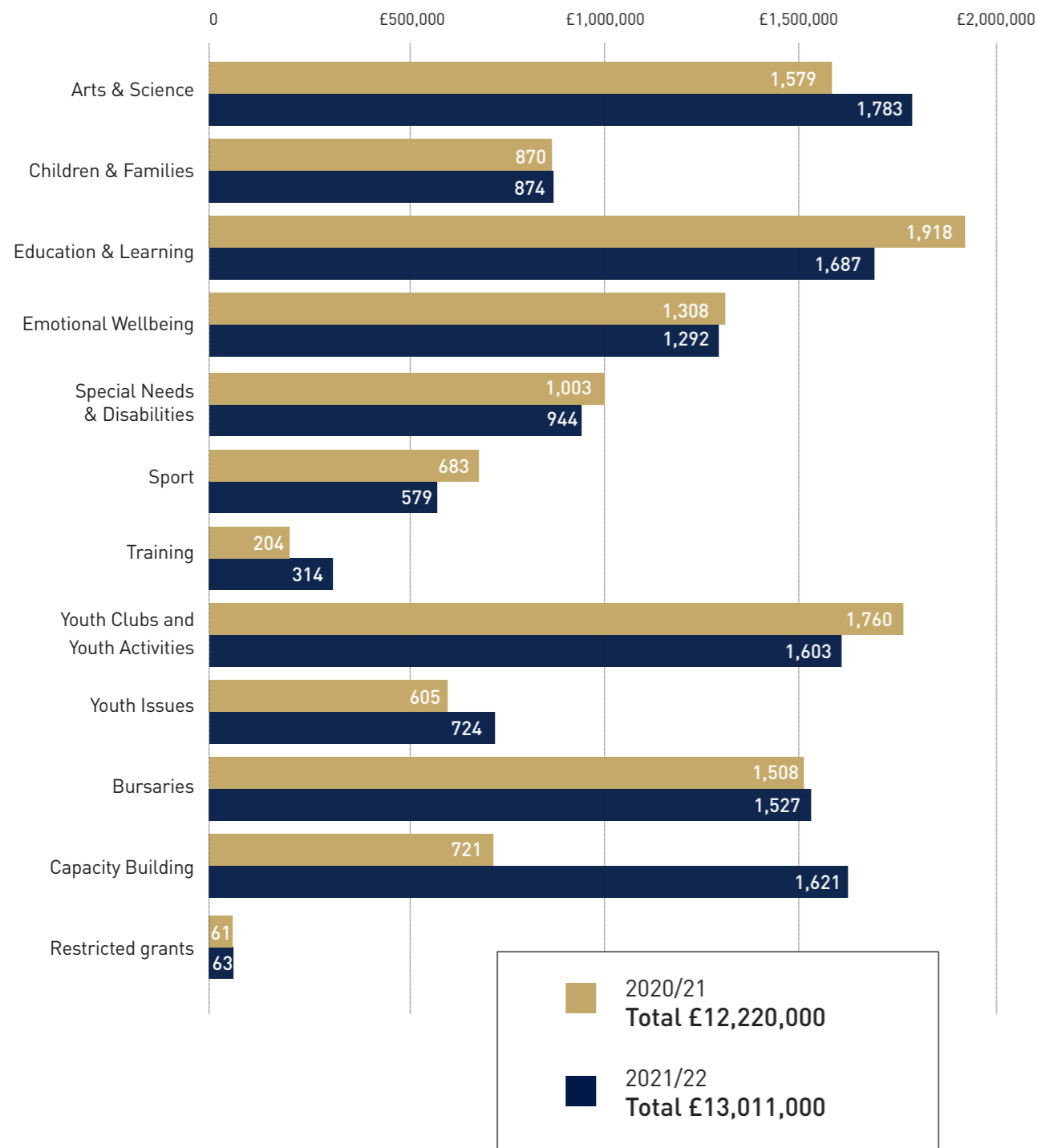


Dr Lynne Guyton
Chief Executive Officer

Overview of Grants

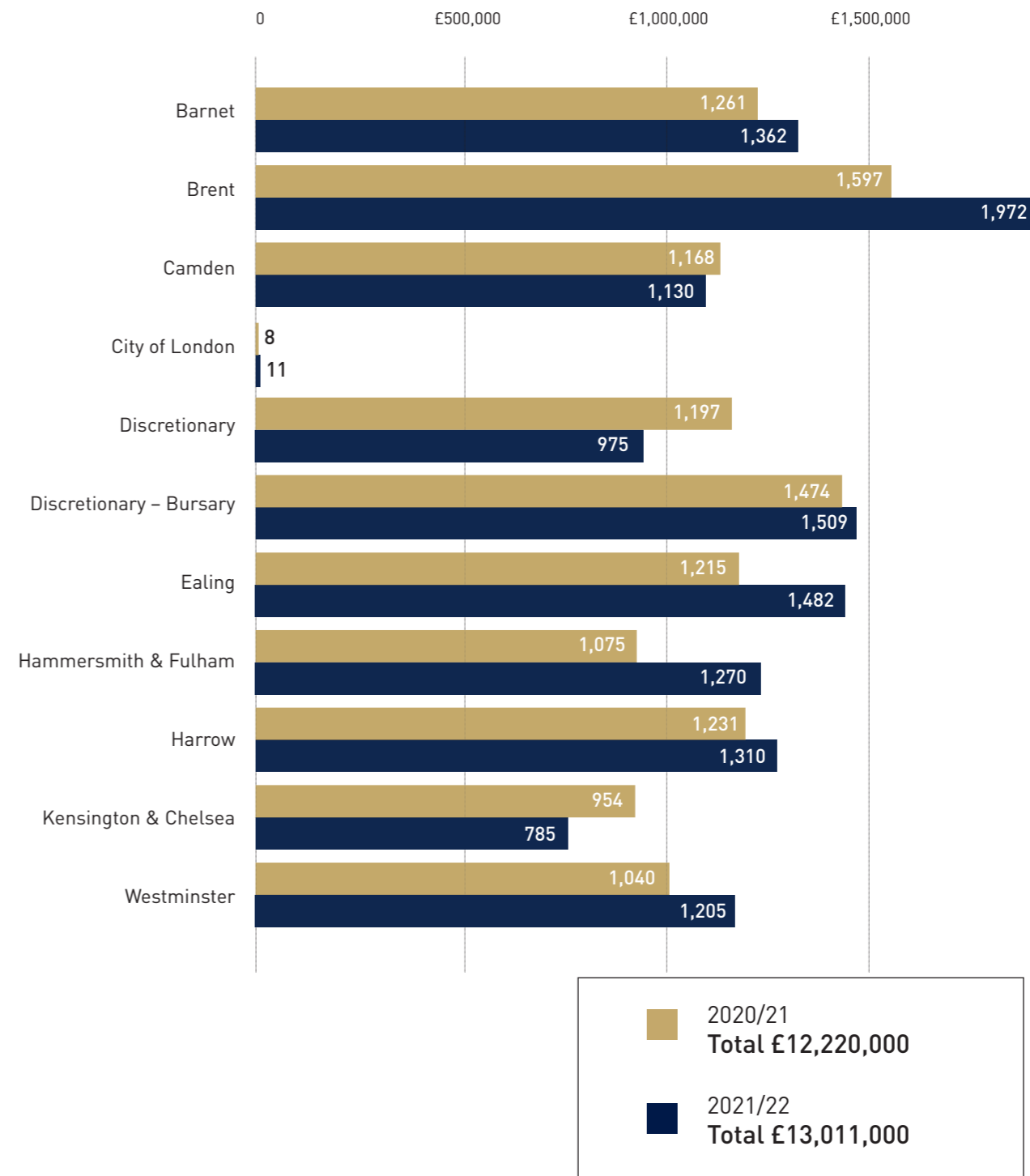
Total Grants paid **£13.01m** (2020/21 - £12.22m)

Funding by Programme Area



Note: The difference between the bursaries in the Funding by Programme Area figure above and Funding by Borough – Discretionary Bursary is because there is one older bursary which is split 50% Brent and 50% Harrow for GDST so that is allocated to the boroughs rather than discretionary.

Funding by Borough



Funding by Grant Type

| | 2021/22 £'000 | 2020/21 £'000 |
|--------------------------|------------------|------------------|
| Schools in Partnership | 869 | 1,004 |
| Bursaries | 1527 | 1,508 |
| Small Grants (below £5k) | 67 | 22 |
| Main Grant Fund | 6829 | 7,536 |
| SHAF | 361 | 329 |
| Internship | 106 | 12 |
| Capacity Building | 1067 | 707 |
| Covid-19 | - | 903 |
| Exclusion | 200 | 200 |
| Cultural Capital | 705 | - |
| Recovery | 556 | - |
| Replication | 224 | - |
| YPF Small Grants | 500 | - |
| Total | 13,011 | 12,220 |

Total Number of Grant Applications

| | 2021/22 | 2020/21 | 2019/20 | 2018/19 | 2017/18 |
|---------------------------|------------|------------|------------|------------|------------|
| Approved | 283 | 240 | 255 | 259 | 260 |
| Declined | 190 | 164 | 207 | 135 | 199 |
| Total Applications | 473 | 404 | 462 | 394 | 459 |

473 requests were received during the last financial year, and as of 31st March 2022, 283 had been approved and 190 had been declined.

The total number of grant applications has remained fairly consistent over the past four years, with the total number of successful applicants at 60% in 2021/22. We have a flexible approach to grant-making, often working with an applicant for several months to ensure their application succeeds. We undertake grant making by 'walking around' on the ground to fully understand the needs of applicants which contributes to the high number of successful applications.

Grant Payments by Value

| Range £ | No. of Grants Payments | Total 2021/22 £'000 | No. of Grants Payments | Total 2020/21 £'000 | No. of Grants Payments | Total 2019/20 £'000 | No. of Grants Payments | Total 2018/19 £'000 |
|---------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|------------------------------|---------------------------|
| 0-5,000 | 149 | 530 | 65 | 196 | 119 | 444 | 126 | 495 |
| 5,001-15,000 | 35 | 411 | 110 | 950 | 57 | 618 | 70 | 607 |
| 15,001-40,000 | 249 | 7,629 | 275 | 8,062 | 265 | 7,435 | 250 | 6,925 |
| Over 40,000 | 69 | 4,441 | 48 | 3,012 | 38 | 2,273 | 48 | 4,228 |

The total number of grants made over £15,000 has been steadily increasing over the past few years. The impact of the pandemic has been felt across our Beneficial Area and the request for larger grants is one consequence of this.

Report of the Trustee

1. Introduction

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

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

In presenting this report for the year ended 31 March 2022 the Trustee has prepared the Financial Statements in accordance with the accounting policies set out in the notes to these financial statements and comply with the Charity's governing document, the Charities Act 2011 and the Statement of Recommended Practice "Accounting and Reporting by Charities."

2. Objectives and Activities

a) The Objects of the Charity

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

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

in accordance with certain rules required by the Scheme. The Rules are reviewed every three years and amendments approved by the Charity Commissioners for England and Wales. The current Rules were adopted by the Trustee on 30th November 1991 subject to amendments in

1996, 2001, 2013 (when a minor change was made to value thresholds on consultation) and 2017 (on delegation powers and consultation with each Local Authority on grant allocations and percentages of grants per borough) and 2022 (to permit transactions between the Corporation as corporate trustee of JLC and the Corporation in its own capacity).

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

b) The Activities of the Charity

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

3. Governance, Structure and Management

a) Governance

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

b) Charity Management

The Charity had an average total of 14 permanent staff in the year. The day-to-day management of the Charity's affairs is conducted through the Chief Executive Officer as the senior executive officer of the Charity reporting to the Trustee through the Charity Management Board. The senior management team includes the Grants Director and Finance Director.

c) Structure

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

In accordance with the Charity Governance Code, a more robust and accountable governance structure was implemented towards the end of 2018. Good governance is fundamental to John Lyon's Charity's success. It enables and supports our compliance with the law and relevant

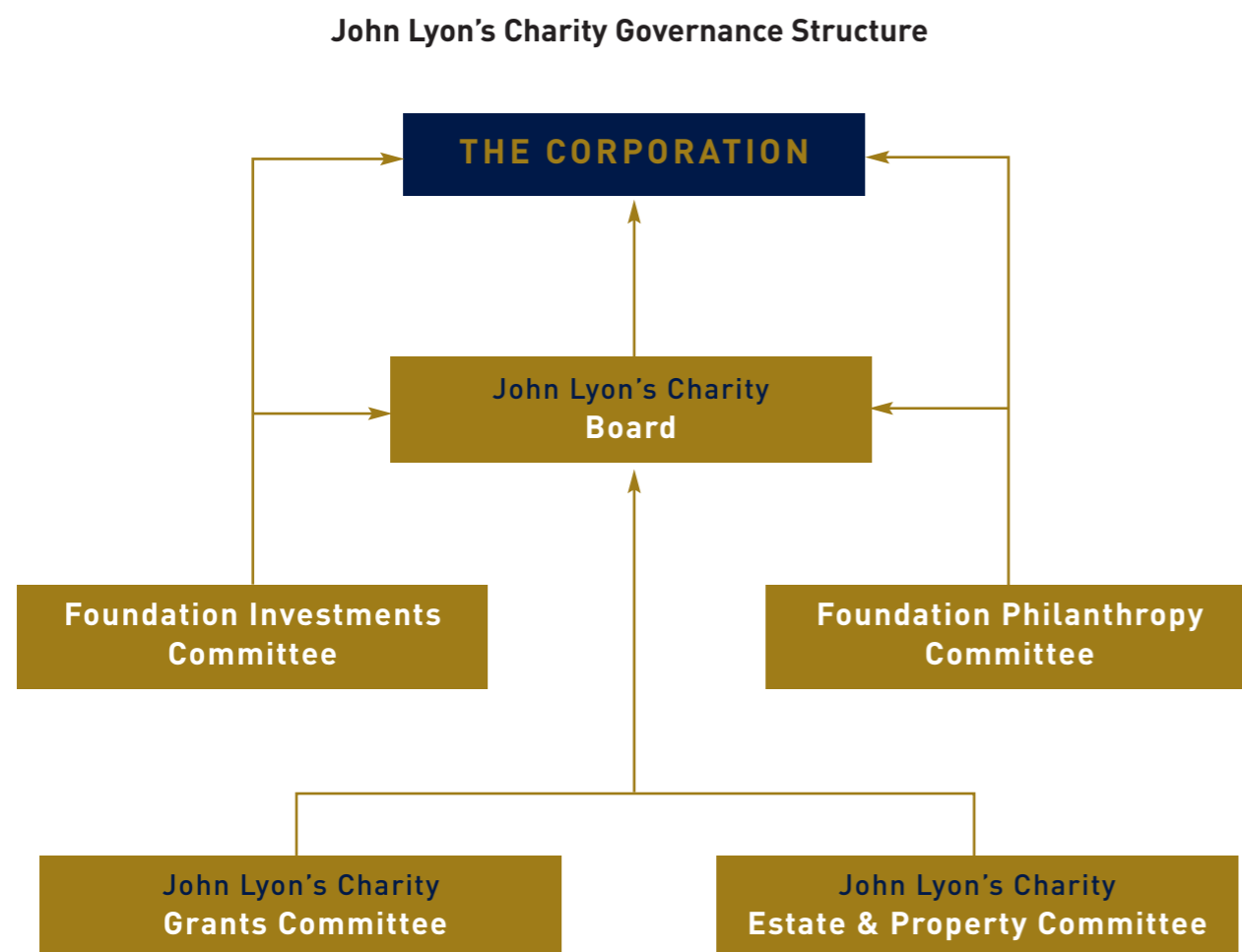
regulations. It also promotes a culture where everything works towards fulfilling our vision.

The Charity has a fully functioning Charity Management Board with seven members comprising five Governors representing the Trustee and two independent members. Due to Covid-19, the Charity's search for an eighth had been delayed but is now being pursued.

d) Diversity

In order to have as full a picture as possible, the Charity took advantage of its relatively small staff team to request that every member anonymously complete the Association of Charitable Foundation's (ACF) DEI Self-Assessment Toolkit, one of six that the ACF has developed in recent years. Undertaking the survey also presented a key opportunity to ascertain the understanding of the staff team around some of the Charity's existing quality marks and policies within DEI, and to anonymously discuss any barriers to further engagement that could hopefully be mitigated with additional support.

The DEI Toolkit is comprised of nine pillars, which have been identified by ACF as tenets of best practice. Importantly, ACF created the self-assessment toolkits in the knowledge and anticipation that Trusts and Foundations would very likely be at the beginning of their journey. Indeed, its recommendation is to focus on improving just one or two pillars at a time.



The DEI pillar scores showed that the Charity is at the beginning of its journey around diversity, equity and inclusion, with the most confidence across the Charity in its externally facing DEI work, as it applies to the Charity's grant-making practice and use of its power as an advocate.

However, the Board can take great comfort in knowing that responses to the survey undeniably demonstrate the staff team's belief in diversity, equity and inclusion, their desire to improve personally and support John Lyon's Charity to become stronger.

Having gained a solid understanding of its baseline, the Charity can now seek to build from this foundation and build a comprehensive action plan. The Board and Trustee are with the Executive as one on this journey so that DEI can truly become integral at all levels of the Charity, and look forward to sharing learning, training and progress over the coming months.

Charity Management Board

The purposes of the Board are:

- a. To supervise and from time to time direct the management of the Charity, including its strategy, policies, investments and finances.
- b. To supervise and from time to time direct the activities of the Charity Grants Committee, the Charity Estate & Property Committee, and such other committees or working groups as there may be of the Charity.
- c. To have oversight of the activities of the Foundation Investments Committee, Foundation Philanthropy Committee and such other committees or working groups as there may be of the Foundation, to the extent that they relate to the Charity.

The Charity Management Board will:

- a. Have overall responsibility for the formulation and oversight of the Charity's strategy and policies for recommendation to the Governing Body (the 'Corporation') including, but not limited to:
 - i. The strategy and policy for the Charity's grant making activities (the 'Charity's Grants Policy') (including all small grants programmes).
 - ii. The Charity's investment strategy and policy (the 'Charity's Investment Policy').
 - iii. The Charity's total return policy.
- b. Have overall responsibility for overseeing the investment and management of the Charity's assets.
- c. Monitor the implementation of the Charity's Investment Policy, review the Investment Policy annually and advise the Foundation Investments Committee and/or the Governing Body on any recommended changes.

- d. Receive and review reports and recommendations from the Charity Grants Committee in relation to the Charity's grant making activities and make decisions (in accordance with the Charity's Grants Policy approved by the Governing Body) on all grant applications referred to it by the Charity Grants Committee.
- e. Determine (on an annual basis) the maximum amount (within the annual budget for grant making approved by the Governing Body) that may be awarded (per individual grant and in aggregate in each year) under the Charity's small grants programme.
- f. Receive and review reports and recommendations from the Charity Estate & Property Committee in relation to the management and composition of the Charity's property portfolio and make decisions (in accordance with the Charity's Investment Policy approved by the Governing Body) on all matters referred to it by the Charity Estate & Property Committee.

Grants Committee

The purpose of the Grants Committee is to:

- Oversee and make recommendations to the Charity Management Board in relation to the Charity's grant making activities.

The Grants Committee will:

- a. Formulate the criteria for the Charity's grant making (in accordance with the policy for the Charity's grant making as determined by the Charity Management Board) for recommendation to the Charity Management Board.
- b. Consider details of the Charity's individual grant applications and make recommendations to the Charity Management Board for their approval or otherwise.
- c. Monitor the implementation of the Charity's small grants programmes.
- d. Monitor and evaluate the effectiveness of the grants approved by the Committee and the other activities carried on by the Charity's staff and advisers and report to the Charity Management Board thereon.

The Charity has several specialist advisers who are engaged on a consultancy basis to advise on specialist areas in grant making. Full details of these advisers appear in the annual report and on the Charity's website. The grant-giving guidelines and details of the application procedures are published on the website and reviewed regularly.

The Charity pays advisers a fee to work with individual organisations to assist them in areas such as business plans, staffing, board issues, operations, organisational structure, and programme delivery. This occurs either before a grant has been awarded or during the lifetime of a grant. During the assessment process of individual organisations by advisers, they frequently provide advice and guidance on an informal basis over a range of capacity issues.

Estate & Property Committee

The purpose of the Estate & Property Committee is to:

- Oversee, manage and make recommendations to the Charity Board in relation to the management and administration of the Charity's Property Portfolio.

The Estate and Property Committee will:

- a. Be responsible for the management of the Charity's Property Portfolio.
- b. Formulate the strategy and any policies relating to the Charity's property portfolio, for recommendation to the Charity Management Board.
- c. Oversee the enfranchisement process for the Reversionary Portfolio.
- d. Supervise the participation by the Chairman, the Charity's Estate Managers and the Chief Executive Officer in the conduct and use of the Scheme of Management.
- e. Oversee or make decisions relating to the terms of leases of properties in the Charity's property portfolio, including but not limited to considering and determining requests for consent and approval.
- f. Make decisions on the sale and acquisition of property assets or interests and determine the terms of any such transaction on the recommendation of the Charity's Estate Managers.
- g. Monitor the investment performance of the Charity's property portfolio.

Foundation Investments Committee

The purpose of the Investments Committee is to:

- Take responsibility for the financial investment assets and, with the advice and assistance of the Investment Manager, responsibility for determining the appropriate financial investments.

The Investments Committee will:

- Monitor the performance of the Investment Advisor and advise on strategic asset allocation between cash, financial investments and property for recommendation to and approval by the Trustee (annually).

Our Approach to Responsible Investments

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

We recognise the importance of environmental, social and corporate governance (ESG) issues in the selection and management of investments within our portfolio. Our Investment Committee asks all our fund managers to have an ESG policy in place and to incorporate an assessment of ESG into their decision-making processes. The Investment Committee also ensures that a consideration of ESG factors are a standard part of our selection process when appointing new fund managers.

Underlying Principles

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

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

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

The Charity has adopted a TRP that calculates the amount of its investment return that it can spend annually by reference to an agreed percentage of the Charity's assets. The amount is calculated by taking the average of the previous four year's total net assets as at 31st March and apply the agreed percentage to that. The Total Return Policy was last reviewed on 19th March 2022, whereby the Trustee agreed to continue with the same policy (using 3.5%) by resolution.

The Charity takes a long-term view of its assets and this is demonstrated through the market positions it takes with regard to both financial and property investments. Providing short-term gain is not the objective; rather sustainability of the assets is fundamental to ensure longevity of grant giving and sustainability of returns.

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

The Charity seeks to produce the best financial return within an acceptable level of risk. The investment objective is to generate a total return of inflation (CPI) plus 4% per annum over the long term, (after expenses) for the financial investment portfolio.

Foundation Philanthropy Committee

The purpose of the Philanthropy Committee is to:

- Ensure the growth and support of collaborative charity projects and ventures across the John Lyon's Foundation (Harrow School, The John Lyon School and John Lyon's Charity).

The Philanthropy Committee will:

- Work to create more joined up thinking and to be more strategic about joint initiatives.
- Ensure high quality communications.
- Harness the power of the Foundation for the benefit of charitable causes.
- Help boys at both Schools become more involved in charity at a local level.
- Embed philanthropy across the Foundation.
- Raise the profile of John Lyon's Charity within the two schools.

4. Future Strategy

A core theme and focus that will run throughout the Charity's programmes will be on **collaboration** in a number of different ways:

- 1. Collaboration is the most complex and ambitious element of the HSC strategy**, requiring significant amounts of development time to ensure that the right organisations are involved in each of the clusters. Each of the boroughs in the Beneficial Area has different strengths and gaps, along with their YPFs being at different stages of development. Themes emerging as potential collaboration points include Serious Youth Violence (SYV), Access to Careers and Enterprise Development Support, Music and the Arts, the isolation of families with children with SEND and the impact of Covid-19 on the physical and mental health of young people. The first Collaboration Fund grants will be considered by the Grants Committee at its June 2022 meeting:
 - One will be for a Collaboration in the Wealdstone area of Harrow. The Charity is working closely with Young Harrow Foundation and Harrow School to support the development of this potential collaboration. Harrow School generously provided a small grant to cover the development costs of the organisations coming together to pitch.
 - The second application is likely to come from a group of organisations from Hammersmith and Fulham with the focus on 'Reducing family conflict and supporting positive interactions in the family' by working with children and young people and their families.
 - Discussions are continuing in Northolt in Ealing, which borders Harrow, about how to address issues of SYV. The second Ealing Collaboration Fund will focus on Southall.
 - A further Collaboration Fund application will be brought forward for Westminster on the issue of SYV in 2022/23.
 - One in Brent is in discussion and in the very early stages of development.

2. **Collaboration to address the lack of Arts opportunities for children and young people in Harrow.** An initial discussion is planned with YHF, the Foundation Schools, A New Direction, Harrow Arts Centre and Harrow Music Service to assess how the Charity can best seed the development of Arts opportunities in Harrow. Unlike other boroughs in the Beneficial Area, Harrow does not have an Arts infrastructure function. It is this lack of infrastructure that is viewed by the Grants Team as a significant factor as to why Harrow is the only borough within the Beneficial Area where there have been no applications from Arts organisation to work in. Priority will be given to schools who have not received funding before from the Charity and those in Harrow, to balance out the lack of opportunity for children and young people to benefit in Harrow directly from Arts organisations coming into their school as outlined above.
3. **Collaboration with other funders to collectively address issues facing the CYP sector post Covid-19.** Over the past five years the Charity has worked with London Funders (LF) in particular to corral funders into acting with speed during emergencies (such as Grenfell and Covid-19). We are part of a group convened by LF to work together in 'normal' times outside of crises. A framework for collaborative grant-making is being worked on and our hope is that this will have a huge benefit on the CYP sector. Our partnership with the London Community Foundation on an initiative to reduce exclusions in schools will also continue, and we have found sharing ideas on how we grant and who we grant makes for more effective grant-making.
4. **Finally, there will be a push to collaborate further and celebrate the three entities within the John Lyon's Foundation.** The Foundation consists of the Charity, and Harrow Corporation (which includes Harrow School and the John Lyon School). We all support opportunities for children and young people to thrive not just survive. Together, what we can achieve philanthropically is greater than the sum of its parts. Between Harrow and John Lyon School – they have over 60 secondary school partners supporting over 10,000 young people; with around 15,000 children using the schools' facilities for holiday activities and performances. Not only that, but by the Charity introducing the schools to different charities we fund has led to a greater depth and breadth to the schools' philanthropic work. And it's not just fundraising or easy wins. They are working with Children Looked After, a group at a significant educational disadvantage to mentor and help them aspire to University and beyond. The current number of 100% bursaries given by John Lyon's Charity to both schools is currently 63. John Lyon School in particular, is a beacon of social mobility and aspiration in London as it seeks to engage an ethnically and class diverse population to be the best young men and now women they can possibly be. The Charity's role will be pivotal in ensuring that education is at the heart of the Foundation's strategic direction and a helping a wider audience to appreciate its significance and impact for the CYP sector.

Financial Review of the Charity

Endowment and Total Return Policy

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

The Total Return Policy was last reviewed on 19th March 2022, whereby the Trustee agreed to continue with the same policy by resolution.

In determining the initial unexpended total return, the Trustee had adopted the valuation of the Charity's assets on 31st March 1997, which was the first occasion on which the open market value of all the Charity's assets had been determined. The valuation was £63.8 million and the initial, unapplied total return was £176.7 million. As of 31st March 2022, the unapplied total return fund is £372 million.

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

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

From April 2019 the value available for expenditure has been calculated using the total return rate of 3.5%. This is reviewed by the Charity Management Board on an annual basis.

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

Investment Policy

A formal investment policy is in place setting out the strategic asset allocation. This includes an ESG statement to which the Charity adheres to and takes seriously. This takes account of the Charity's extensive property interests and the basis for the measurement of the performance of the various asset classes. The tactical asset allocation is reviewed and revised regularly by the Foundation Investment Committee and the Charity Management Board.

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

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

The St John's Wood Estate, consisting principally of residential properties let on long leases, is subject to compulsory disposal of the property interests under the leasehold enfranchisement legislation. It is considered, for the time being, that it is appropriate to retain this original endowment with a view to maximising the proceeds arising under the enfranchisement legislation. In the year, total proceeds of £2.0 million have been received (2020/21 - £3.3 million). The residual value of the reversionary properties as of 31st March 2022 is £34.5 million (2020/21 - £33.7 million). The investment policy excludes these reversionary properties from the asset allocation as they are not regarded as readily disposable on the open market at a level that recognises the full potential realisable on enfranchisement. The investment objective is to generate a level of net yield in real terms of at least 3.5% across the combined property portfolio.

Since 2002 it has been the Trustee's policy to invest the proceeds of the St John's Wood estate in both commercial properties and in the investment portfolio, with several prime residential properties on the original estate being retained where vacant possession has been obtained.

Asset Allocation

| Asset Class | Value at 31 March 2022 | | Value at 31 March 2021 | |
|----------------------------------|------------------------|-------------|------------------------|-------------|
| | £'000 | % | £'000 | % |
| Investment Assets | | | | |
| Fixed Interest | 17,328 | 4% | 20,291 | 5% |
| UK Equities | 18,372 | 5% | 17,270 | 4% |
| Global Equities | 77,942 | 18% | 78,749 | 20% |
| Hedge funds/Alternatives | 23,432 | 5% | 16,536 | 4% |
| Sterling cash | 22,782 | 5% | 19,476 | 5% |
| Other investments | 7 | - | 7 | 0% |
| Total Investments | 159,863 | 37% | 152,329 | 38% |
| Property Assets | | | | |
| Residential Estate | 65,162 | 15% | 66,007 | 17% |
| Commercial Property | 163,050 | 37% | 129,650 | 33% |
| Indirect Property Funds | 10,326 | 2% | 9,788 | 2% |
| Total Property | 238,538 | 54% | 205,445 | 52% |
| Investment Assets Totals | 398,401 | 91% | 357,774 | 90% |
| Reversionary Estate | 34,542 | 8% | 33,669 | 9% |
| Other Net (Liabilities) / Assets | 3,106 | 1% | 282 | 1% |
| Total Net Assets | 436,049 | 100% | 391,725 | 100% |

The Total Return on total assets (before management expenses) in the year is reflected at note 11 and is positive at £60.6 million (2021 = £62.2 million). Total net assets are valued of £436.0 million, representing a 11.3% increase on the previous year.

The total value of investment assets at the year-end is £170.2 million (2021 = £162.1 million), including indirect property funds, and shows an increase in value of 4.9% on the previous year. Cambridge Associates were appointed as the new Investment Advisors to the Charity at the beginning of 2020. The main fund investment portfolio has gone through a period of adjustment and is now strategically aligned with the current investment policy. The total return on the Investment Portfolios was £8.96 million (6.2%).

The Charity has continued to hold investment property assets in both residential and commercial property. The property portfolios performed well with no voids currently in the residential estate. The Charity's residential property estate shows unrealised gains based on year end valuation of £1.8 million (2021 = profits £0.1 million) and the commercial property assets also showed a profit on valuation of £33.4 million (2021 = profit £10.1 million).

Annual Income

The income of the Charity derived from its assets totalled £9.67 million, an increase of 10.8% from £8.72 million in 2020/21.

The Charity's aim under the current total return policy is to distribute grants of between £11 million to £13 million per annum on its main grant programmes, excluding the Home - School - Community strategy and depending on grant making opportunities, and the returns on the assets which form the endowment. A conservative view has been taken in our projections of income returns for the next five years. The returns from the reversionary estate which forms the original endowment is expected to fall as the estate is wound down.

Reserves Policy

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

Annual Expenditure

During 2021/22 the Charity spent £13.01 million (2021 = £12.22 million) on grants, while operational support costs related to charitable activities was £1.2 million (2021 = £1.0 million). Expenditure on raising funds was £2.2 million (2021 = £2.6 million).

Staff Remuneration

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

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

Future Commitments

Commitments have been given for grants over the next three years totalling, £8.7 million in 2022/23, £4.6 million in 2023/24 and £1.0million 2024/25. A further £1.1 million has been committed in subsequent years for projects that the Charity has agreed in principle to fund on a longer-term basis, payment of which is, in each case, contingent on the stipulated conditions being met, and review of progress and authorisation by the Grants Committee. The total future commitment is indicated at note 18.

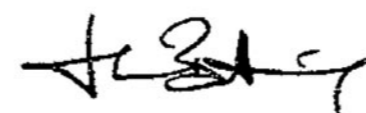
Risk Management

The Trustee, which is responsible for the management of risks faced by the Charity, is satisfied that the major risks identified through the risk management processes are adequately managed but recognise that systems can provide reasonable assurance, but no absolute guarantee, that all important risks are identified and appropriately managed.

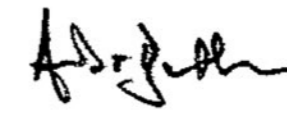
Our response to grant making during Covid-19 and subsequently has been nimble, flexible and supportive. In terms of protecting our assets and income from the effects of a bear market or recession, we are confident that the long-term strategic approach we take to all of our investments will mitigate any short-term falls in performance.

Auditors

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



J Batting



A Butler

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

24 June 2022

Statement of the Trustee's Responsibilities

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

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

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

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

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

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

Independent Auditor's Report to the Trustee of John Lyon's Charity

Opinion

We have audited the financial statements of John Lyon's Charity (the 'charity') for the year ended 31 March 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2022, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Trustee

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

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

Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect

a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the charity and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charity in this regard to be those arising from the Charities Act 2011, Financial Reporting Standard 102, relevant property law and regulations, and relevant employee legislation.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in the valuation of investment properties. We addressed this through review of the valuation reports prepared by management's expert, testing the accuracy and completeness of inputs to their calculation, and challenging any assumptions applied in the valuations for example by agreement to third party metrics.
- We also identified potential for management bias in the judgements made around recoverability of debtors. We addressed this through examination of post year end cash received, review of correspondence with debtors and discussion of recoverability with management.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as

we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 19 August 2022

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

Statement of Financial Activities

| | Note | Restricted Fund £'000 | Unrestricted Fund £'000 | Endowment Fund £'000 | Total Funds 2021/22 £'000 | Total Funds 2020/21 £'000 |
|---|------|--------------------------|----------------------------|-------------------------|---------------------------------|---------------------------------|
| Income and Endowment from: | | | | | | |
| Charitable Activities | | 63 | - | - | 63 | 58 |
| Property Investments | 2 | - | - | 7,537 | 7,537 | 7,161 |
| Investments | 3 | - | - | 2,006 | 2,006 | 1,501 |
| Other income | 4 | - | - | 2,058 | 2,058 | - |
| Total Income and Endowment | | 63 | - | 11,601 | 11,664 | 8,720 |
| Expenditure on: | | | | | | |
| Raising Funds | 5 | - | - | 2,195 | 2,195 | 2,633 |
| Charitable Activities | 6-7 | 63 | 14,116 | - | 14,179 | 13,231 |
| Total Expenditure | | 63 | 14,116 | 2,195 | 16,374 | 15,864 |
| Net Gains/(Losses) on Property Investments | | | | | | |
| | | - | - | 38,501 | 38,501 | 21,704 |
| Net Gains/ (Losses) on Investments | | | | | | |
| | | - | - | 10,533 | 10,533 | 31,767 |
| Net Income/(Expenditure) | | | | | | |
| | | - | (14,116) | 58,440 | 44,324 | 46,327 |
| Transfers Between Funds | | | | | | |
| | 11 | - | 14,116 | (14,116) | - | - |
| Net Movement in Funds | | | | | | |
| | | - | - | 44,324 | 44,324 | 46,327 |
| Reconciliation of Funds: | | | | | | |
| Total Funds Brought Forward | | 1 | - | 391,724 | 391,725 | 345,398 |
| Balance at End of Year | | 1 | - | 436,048 | 436,049 | 391,725 |

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

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

The Accounting Policies and Notes on pages 36 to 52 form part of these Financial Statements.

Balance Sheet

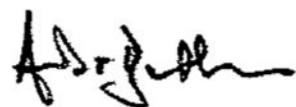
at 31 March 2022

| | Note | 2022 | | 2021 | |
|--|------|----------------|----------------|----------------|----------------|
| | | €'000 | €'000 | €'000 | €'000 |
| Fixed Assets | | | | | |
| Tangible assets | 8 | | 17 | | 18 |
| Investment properties | 9 | | 262,754 | | 229,326 |
| Investments | 10 | | 170,189 | | 162,117 |
| | | | 432,960 | | 391,461 |
| Current Assets | | | | | |
| Debtors | 12 | 1,071 | | 1,070 | |
| Cash at bank | | 6,679 | | 4,224 | |
| | | 7,750 | | 5,294 | |
| Creditors: due within one year | 13 | (4,661) | | (4,740) | |
| Net Current Assets | | | 3,089 | | 554 |
| Creditor: due within more than one year | 14 | | - | | (290) |
| Net Assets | | | 436,049 | | 391,725 |
| Represented by: | | | | | |
| Endowment fund | 15a | 436,048 | | 391,724 | |
| Unrestricted fund | 15b | - | | - | |
| Restricted fund | 15c | 1 | | 1 | |
| | | | 436,049 | | 391,725 |

The Trustee's Report and these Financial Statements were approved by the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon as Trustee on 24 June 2022 and signed on the Trustee's behalf by:



J Batting



A Butler

The Accounting Policies and Notes on pages 36 to 52 form part of these Financial Statements.

Cash Flow Statement

Year ended 31 March 2022

| | Note | 2021/22 €'000 | 2020/21 €'000 |
|---|------|------------------|------------------|
| Net Cash outflow from Operating Activities | 22 | (7,136) | (5,809) |
| Net Cash inflow from Capital Expenditure and Financial Investment Activities | 23 | 7,527 | 6,293 |
| Returns on Investment and Servicing of Finance | 23 | 2,064 | 1,501 |
| Increase/(decrease) in Cash in the Period | | 2,455 | 1,985 |
| Cash at the beginning of the year | | 4,224 | 2,239 |
| Movement in Cash in the year | | 2,455 | 1,985 |
| Cash at the end of the year | | 6,679 | 4,224 |

The Accounting Policies and Notes on pages 36 to 52 form part of these Financial Statements.

The Accounting Policies and Notes on pages 36 to 52 form part of these Financial Statements.

Notes to the Financial Statements

General information and basis of preparation

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

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

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

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

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

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

Investment Properties

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

Open market value is defined as the best price at which the sale of an interest in property would have been completed unconditionally for a cash consideration on the date of valuation, assuming:

Notes to the Financial Statements continued

- a. a willing seller;
- b. that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the agreement of the price and terms and for the completion of the sale;
- c. that the state of the market, level of values and other circumstances were, on any earlier assumed date of exchange of contracts, the same as on the date of valuation;
- d. that no account is taken of any additional bid by a prospective purchaser with a special interest; and
- e. that both parties to a transaction had acted knowledgeably, prudently and without compulsion.

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

No depreciation is charged on Investment Properties.

Rental Income

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

Investments

Investments are stated at market value as at the year-end.

All gains and losses on sale, and unrealised gains and losses on revaluation of investments at year-end market value, are taken to the Endowment Fund and included in the SOFA.

Tangible fixed assets

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

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

Grants

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

Taxation

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

Notes to the Financial Statements continued

Pension Costs

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

Operating Leases

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

1. Analysis of the Statement of Financial Activities

for the year ended 31 March 2021

| | Restricted Fund 2020/21 £'000 | Unrestricted Fund 2020/21 £'000 | Endowment Fund 2020/21 £'000 | Total Funds 2020/21 £'000 |
|--|--|--|---------------------------------------|------------------------------------|
| Income and Endowment from: | | | | |
| Charitable activities | 58 | - | - | 58 |
| Property investments | - | - | 7,161 | 7,161 |
| Investments | - | - | 1,501 | 1,501 |
| Total Income and Endowment | 58 | - | 8,662 | 8,720 |
| Expenditure on: | | | | |
| Raising funds | - | - | 2,633 | 2,633 |
| Charitable activities | 61 | 13,170 | - | 13,231 |
| Total Expenditure | 61 | 13,170 | 2,633 | 15,864 |
| Net Gains on Property Investments | - | - | 21,704 | 21,704 |
| Net Gains on Investments | - | - | 31,767 | 31,767 |
| Net Income/(Expenditure) | (3) | (13,170) | 59,500 | 46,327 |
| Transfers between funds | - | 12,792 | (12,792) | - |
| Net Movement in Funds | (3) | (378) | 46,708 | 46,327 |
| Reconciliation of Funds: | | | | |
| Total funds brought forward | 4 | 378 | 345,016 | 345,398 |
| Balance at end of year | 1 | - | 391,724 | 391,725 |

Notes to the Financial Statements continued

2. Income from Property

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Residential rents | 2,537 | 2,382 |
| Commercial rents | 5,000 | 4,779 |
| Total Incoming Resources from Property | 7,537 | 7,161 |

3. Income from Investments

| | 2021/22 £'000 | 2020/21 £'000 |
|--|------------------|------------------|
| Investments | 1,596 | 1,500 |
| Bank and deposit interest | 2 | 1 |
| Loan interest | 408 | - |
| Total Incoming Resources from Investments | 2,006 | 1,501 |

4. Other Income

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Dilapidations recharged | 58 | - |
| Prior amounts written off now recovered | 2,000 | - |
| Total other incoming resources | 2,058 | - |

5. Expenditure on Raising Funds

| | 2021/22 £'000 | 2020/21 £'000 |
|--|------------------|------------------|
| Property management charges | 399 | 390 |
| Property repairs and other expenses | 913 | 1,347 |
| Total cost of generating income from property | 1,312 | 1,737 |
| Other management and support costs | 883 | 896 |
| Total | 2,195 | 2,633 |

Notes to the Financial Statements continued

6. Analysis of Charitable Activities

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

| | Total 2021/22 | Grant Funded Activity | Support Costs | Total 2020/21 | Grant Funded Activity | Support Costs |
|--|------------------|-----------------------------|------------------|------------------|-----------------------------|------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Arts & Science | 1,197 | 1,098 | 99 | 1,710 | 1,579 | 131 |
| Children & Families | 874 | 802 | 72 | 942 | 870 | 72 |
| Education & Learning | 1,650 | 1,513 | 137 | 2,077 | 1,918 | 159 |
| Capacity Building | 1,219 | 1,117 | 102 | 781 | 721 | 60 |
| Emotional Wellbeing | 1,207 | 1,107 | 100 | 1,417 | 1,308 | 109 |
| Special Needs & Disability | 850 | 780 | 70 | 1,086 | 1,003 | 83 |
| Sport | 631 | 579 | 52 | 740 | 683 | 57 |
| Training | 341 | 313 | 28 | 221 | 204 | 17 |
| Youth Clubs and Youth Activities | 1,692 | 1,553 | 139 | 1,907 | 1,760 | 147 |
| Youth Issues | 626 | 574 | 52 | 655 | 605 | 50 |
| Bursaries | 1,666 | 1,527 | 139 | 1,634 | 1,508 | 126 |
| Restricted grants | 63 | 63 | - | 61 | 61 | - |
| | 12,016 | 11,026 | 990 | 13,231 | 12,220 | 1,011 |
| Home – School – Community Strategic Funds | | | | | | |
| Cultural Capital Fund | 768 | 705 | 63 | - | - | - |
| Recovery Fund | 606 | 556 | 50 | - | - | - |
| Replication Fund | 244 | 224 | 20 | - | - | - |
| YPF Small Grants Fund | 545 | 500 | 45 | - | - | - |
| | 14,179 | 13,011 | 1,168 | 13,231 | 12,220 | 1,011 |

Notes to the Financial Statements continued

7. Support Costs

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

| | 2021/22 £'000 | 2020/21 £'000 |
|-------------------------------------|------------------|------------------|
| Audit fees - current year | 26 | 26 |
| - prior year over/(under) provision | 4 | 3 |
| Valuation fees - current year | 27 | 56 |
| - prior year (over)/under provision | 8 | 3 |
| Depreciation | 8 | 70 |
| Consultancy fees | 38 | 17 |
| Staff costs | 695 | 540 |
| Operating lease - Office equipment | 7 | 7 |
| Other support costs | 355 | 289 |
| | 1,168 | 1,011 |
| Staff Costs | | |
| Wages and salaries | 830 | 726 |
| Social security costs | 94 | 92 |
| Pension & health care contributions | 150 | 134 |
| | 1,074 | 952 |

Included in the above amount is salary costs of £379,382 (2021 - £412,127) which relates to expenditure on raising funds and are reflected within other management costs in Note 5.

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

| | 2021/22 | 2020/21 |
|--|---------|---------|
| Average number of employees during year: | 14 | 11 |

Notes to the Financial Statements continued

7. Support Costs continued

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

| | 2021/22 £'000 | 2020/21 £'000 |
|---------------------|------------------|------------------|
| £60,001 - £70,000 | - | 2 |
| £70,001 - £80,000 | 1 | - |
| £80,001 - £90,000 | 1 | 2 |
| £90,001 - £100,000 | 1 | - |
| £100,001 - £110,000 | - | - |
| £110,001 - £120,000 | - | - |
| £120,001 - £130,000 | - | - |
| £130,001 - £140,000 | - | - |
| £140,001 - £150,000 | - | - |
| £150,001 - £160,000 | - | 1 |
| £160,001 - £170,000 | 1 | - |

The total amount of employee benefits received in the year by key management personnel, was £449,948 (2021 - £430,017). The Charity considers its key management personnel to comprise the Chief Executive Officer, Grants Director, Finance Director and the Trustee.

8. Tangible Fixed Assets

| | Leasehold Improvement £'000 | Furniture & equipment £'000 | Total £'000 |
|--|-----------------------------------|-----------------------------------|----------------|
| Cost at 1 April 2021 | - | 106 | 106 |
| Additions in the year | - | 7 | 7 |
| Disposal in the year | - | - | - |
| At 31 March 2022 | - | 113 | 113 |
| Accumulated depreciation at 1 April 2021 | - | 88 | 88 |
| Depreciation charge in year | - | 8 | 8 |
| Accumulated depreciation on disposal | - | - | - |
| At 31 March 2022 | - | 96 | 96 |
| Net Book Value at 31 March 2022 | - | 17 | 17 |
| Net book value at 31 March 2021 | - | 18 | 18 |

Notes to the Financial Statements continued

9. Investment Properties

| | 2022 £'000 | 2021 £'000 |
|--|----------------|----------------|
| Reversionary estate | 34,542 | 33,669 |
| Residential properties | 65,162 | 66,007 |
| Commercial properties | 163,050 | 129,650 |
| Market value | 262,754 | 229,326 |
| Balance at beginning of year | 229,326 | 210,877 |
| Additions at cost | - | 13 |
| Unrealised gain /(loss) on revaluation | 37,848 | 20,323 |
| Disposals at valuation | (4,420) | (1,887) |
| Balance at end of year | 262,754 | 229,326 |

The investment properties (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2022 by Cluttons LLP, Chartered Surveyors, in accordance with guidance set out in the Valuation and Appraisal Manual of the Royal Institution of Chartered Surveyors.

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

Disposals at valuation during the year resulted in a realised gain of £0.8 million (2019/20 - £1.4 million).

10. Investments

| | 2022 £'000 | 2021 £'000 |
|------------------------|----------------|----------------|
| Free (Main) Fund | 151,370 | 146,061 |
| Special Fund | 18,819 | 16,056 |
| Market value | 170,189 | 162,117 |
| Historical cost | 157,581 | 156,507 |

Notes to the Financial Statements continued

10. Investments continued

Included in the above is sterling cash invested and cash held for investment of £14,296,444 (2020/21 = £6,260,221) in the Special Fund and £8,485,702 (2020/21 = £13,215,445) in the Free Fund. The Special Fund is defined in the Governing Documents.

| | 2022 £'000 | 2021 £'000 |
|--|----------------|----------------|
| Balance at beginning of year | 162,117 | 133,392 |
| Investment purchases | 25,558 | 132,686 |
| Net investment realisations | (28,752) | (121,613) |
| Unrealised gain/(loss) on revaluation | 7,960 | 7,075 |
| Net movement in cash held for investment | 3,306 | 10,577 |
| Balance at end of year | 170,189 | 162,117 |

Net investment realisations resulted in realised gains of £2.57m (2020/21 = gains of £24.68m).

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

| | 2022 % | 2021 % |
|---|-----------|-----------|
| Children's Investment Fund USD Class | 6.2 | 5.0 |
| I Shares Physical Gold Plc | - | 5.1 |
| The NT World Equity Index Feeder | 14.0 | 15.6 |
| Ownership Capital Global Equity | 6.6 | 7.1 |
| Russell Acadian Global Managed | 7.7 | 7.0 |
| Institutional GBP Liquidity Fund | 13.4 | 11.8 |
| Unite student accommodation | 6.1 | - |
| The Emerging World Fund | 5.0 | 5.5 |
| Stewart Investors Global Emerging Markets Sustainability Fund | 5.1 | 5.5 |
| Maj Invest Global Value | 7.4 | 7.9 |
| Heronbridge UK Equity Fund | 5.3 | - |
| Jupiter UK Alpha Fund | 5.6 | - |

Notes to the Financial Statements continued

11. Application of the Power of Total Return

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

The total return policy (which has been set and adopted by the Trustee in accordance with the 2006 Order) provides that the amount to be applied annually is determined by taking an average of the value of the Charity's net assets on the last four balance sheet dates. The policy allows the Trustee to expend up to 3.25% (3.5% from 31 March 2019) of that rolling average on charitable activities including support costs and the cost of generating funds and governance costs.

The calculation to determine the amount available in the years to 31 March 2021 and 2022 is:

| Year ended: | Net Asset Values £'000 | 4 year Average £'000 | Expendable percentage of average % | Expendable amount £'000 |
|---------------|---------------------------|-------------------------|---------------------------------------|----------------------------|
| 31 March 2019 | 345,661 | 360,567 | 3.50 | 12,620 |
| 31 March 2020 | 345,398 | 361,163 | 3.50 | 12,641 |
| 31 March 2021 | 391,725 | 367,761 | 3.50 | 12,872 |
| 31 March 2022 | 436,048 | 384,458 | 3.50 | 13,456 |

The amount available for the year ended 31 March 2022 was £12,871,617, and for year ending 31 March 2023 is £13,456,033.

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Expendable amount | 12,872 | 12,641 |
| Additional expendable amount | 1,244 | 151 |
| Transferred to Unrestricted Fund | 14,116 | 12,792 |
| | (14,116) | (12,792) |
| Reinvested | - | - |

Notes to the Financial Statements continued

11. Application of the Power of Total Return continued

Movements in the Total Return Fund in the Year and Application of Total Return from the Endowment Fund

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Opening value of endowment fund at 1 April | 391,724 | 345,016 |
| Less: Opening value of the fund at 31 March 1997 | (63,797) | (63,797) |
| Opening value of Total Return Funds | 327,927 | 281,219 |
| Add: | | |
| Investment return – income | 11,601 | 8,662 |
| Investment return – realised/unrealised gains | 49,034 | 53,471 |
| | 388,562 | 343,352 |
| Less: | | |
| Raising funds | (2,195) | (2,633) |
| Unapplied total return before transfers carried forward | 386,367 | 340,719 |
| Return applied during the year | (14,116) | (12,792) |
| Unapplied total return as at 31 March | 372,251 | 327,927 |
| Add: value of the fund at 31 March 1997 | 63,797 | 63,797 |
| | 436,048 | 391,724 |

12. Debtors

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Amounts due from tenants and managing agents | 987 | 990 |
| Other debtors and prepayments | 84 | 80 |
| | 1,071 | 1,070 |

Notes to the Financial Statements continued

13. Creditors

| | 2022 £'000 | 2021 £'000 |
|---|---------------|---------------|
| Creditor amounts falling due within one year | | |
| Grants payable | 4,046 | 4,012 |
| Other creditors and accruals | 615 | 728 |
| | 4,661 | 4,740 |
| Creditor amounts falling due within more than one year | | |
| Grants payable after more than one year | - | 290 |
| | - | 290 |

14. Operating Lease Commitments

As at 31 March 2022 the total minimum payments to which The Charity is committed under non-cancellable operating leases for property and office equipment are:

| | 2022 £'000 | 2021 £'000 |
|--|---------------|---------------|
| Due within one year | 5 | 128 |
| Due within two and not later than five years | 4 | 9 |
| | 9 | 137 |

Notes to the Financial Statements continued

15. Funds

a. Endowment Fund

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

b. Unrestricted Fund

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

c. Restricted Fund

The restricted Fund represents a grant received from The City Bridge Trust to co-fund the salary and running costs of Young People's Foundations in each of the boroughs of Brent, Harrow and Barnet, Camden, Westminster and Hammersmith and Fulham in the year and the requisite payment of said grant.

| 2021/22 | Balance brought forward £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains/ (losses) £'000 | Balance carried forward £'000 |
|--------------|----------------------------------|-----------------|----------------------|--------------------|--------------------------|----------------------------------|
| Endowment | 391,724 | 11,601 | (2,195) | (14,116) | 49,034 | 436,048 |
| Unrestricted | - | - | (14,116) | (14,116) | - | - |
| Restricted | 1 | 63 | (63) | - | - | 1 |
| | 391,725 | 11,664 | (16,374) | - | 49,034 | 436,049 |

| 2020/21 | Balance brought forward £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains/ (losses) £'000 | Balance carried forward £'000 |
|--------------|----------------------------------|-----------------|----------------------|--------------------|--------------------------|----------------------------------|
| Endowment | 345,016 | 8,662 | (2,633) | (12,792) | 53,471 | 391,724 |
| Unrestricted | 378 | - | (13,170) | 12,792 | - | - |
| Restricted | 4 | 58 | (61) | - | - | 1 |
| | 345,398 | 8,720 | (15,864) | - | 53,471 | 391,725 |

Notes to the Financial Statements continued

16. Transactions with the Trustee and Connected Persons

The Charity made grants in the year to both Harrow School of £437,216 (£465,774 in 2020/21) and The John Lyon School of £578,985 (£525,902 in 2020/21) for the benefit of children resident in the Beneficial Area. Grants for bursaries enable children to attend those schools, who would not be able to do so without that financial support. These grants are aimed at providing wider access to education at the schools and are consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper disclosure of such interests five grants totalling £305,880 (2020/21 – Three grants totalling £253,800) were made to charities where one or more such persons are charity trustees. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation

The Clerk to the Corporation was for part of the year a partner in the firm of Cripps Pemberton Greenish LLP which act as Solicitors to the Charity.

Legal fees of £153,951 (£108,334 in 2020/21) were paid by the Charity to Cripps Pemberton Greenish LLP for work undertaken in connection with the management of the Charity's estates, which are included in the property expenses detailed in Note 5, and for work undertaken in the sale and purchase of property on the Charity's estates, which are included in expenses charged to capital.

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Fees charged to Endowment Fund in respect of investment property transactions | 77 | 36 |

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

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Management fees and insurance commissions | 394 | 386 |
| Valuation and lease audit fees | - | 3 |
| Capital transaction fees | 130 | 82 |
| | 524 | 471 |

Notes to the Financial Statements continued

16. Transactions with the Trustee and Connected Persons continued

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

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

17. Ultimate Controlling Party

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

18. Future Commitments

Grant commitments

The Charity has committed to multi-year grants including bursary support totalling £15.4 million up to 2027/28, payment of which is in each case contingent on the stipulated conditions being met, following a review of progress by the Grants Committee, and formal authorisation by the Trustee.

Capital Commitments

There were no capital commitments as at 31 March 2022 (2021 - £0)

19. Contingent Liabilities

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

20. Post balance sheet event

As at 31 March 2022 the Charity was negotiating a 10-year lease for new offices. After the year end agreement was reached with exchange of contact occurring on 6 April 2022 and completion scheduled for 23 May 2022.

Notes to the Financial Statements continued

21. Analysis of Net Assets Between Funds

| 2021/22 | Total 2021/22 £'000 | Restricted Fund £'000 | Unrestricted Fund £'000 | Endowment Fund £'000 |
|-----------------------------------|---------------------------|-----------------------------|-------------------------------|----------------------------|
| Fixed assets | 432,960 | | 17 | 432,943 |
| Debtors due in more than one year | - | - | - | - |
| Other assets/liabilities | 3,089 | 1 | (17) | 3,105 |
| | 436,049 | 1 | - | 436,048 |

| 2020/21 | Total 2020/21 £'000 | Restricted Fund £'000 | Unrestricted Fund £'000 | Endowment Fund £'000 |
|-----------------------------------|---------------------------|-----------------------------|-------------------------------|----------------------------|
| Fixed assets | 391,461 | - | 18 | 391,443 |
| Debtors due in more than one year | - | - | - | - |
| Other assets/liabilities | 264 | 1 | (18) | 281 |
| | 391,725 | 1 | - | 391,724 |

22. Reconciliation of Net Incoming Resources before Grants to Net Cash Inflow from Operating Activities

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Total income | 11,664 | 8,720 |
| Total expenditure before grants | (3,363) | (3,644) |
| Net incoming resources before grants | 8,301 | 5,076 |
| Grants from annual income | (12,948) | (12,159) |
| Grants from restricted income | (63) | (61) |
| Net outgoing resources after grants | (4,710) | (7,144) |
| Depreciation charge for the year | 8 | 70 |
| Decrease in debtors | (2) | 423 |
| Increase/(decrease) in creditors | (368) | 2,343 |
| Income from listed investments and deposit interest | (2,064) | (1,501) |
| Net Cash outflow from Operating Activities | (7,136) | (5,809) |

Notes to the Financial Statements continued

23. Analysis of Cash Flows for Headings Netted in the Cash Flow Statement

| | 2021/22 £'000 | 2020/21 £'000 |
|---|------------------|------------------|
| Capital Expenditure and Financial Investment Activities | | |
| Net proceeds from property transactions | 5,240 | 3,312 |
| Expenses charged to Endowment Fund | (167) | (56) |
| Sale of investments | 31,325 | 146,305 |
| Purchase of investments (note 10) | (25,558) | (132,686) |
| Purchase of plant and equipment (note 8) | (7) | (5) |
| Sale of plant and equipment (note 8) | - | - |
| Decrease/(increase) in cash held for investment (note 10) | (3,306) | (10,577) |
| Net Cash inflow from Capital Expenditure and Financial Investment Activities | 7,527 | 6,293 |
| Net Proceeds from Property Transactions | | |
| Freehold/lease premium proceeds | 5,240 | 3,325 |
| Purchase of properties (note 9) | - | (13) |
| | 5,240 | 3,312 |
| Returns on Investment and Servicing of Finance | | |
| Income from listed and unlisted investments | 1,596 | 1,500 |
| Deposit and other interest | 410 | 1 |
| Other Income | 58 | - |
| | 2,064 | 1,501 |



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