

JOHN LYON'S CHARITY

2025/26

# Statutory accounts & Trustee report

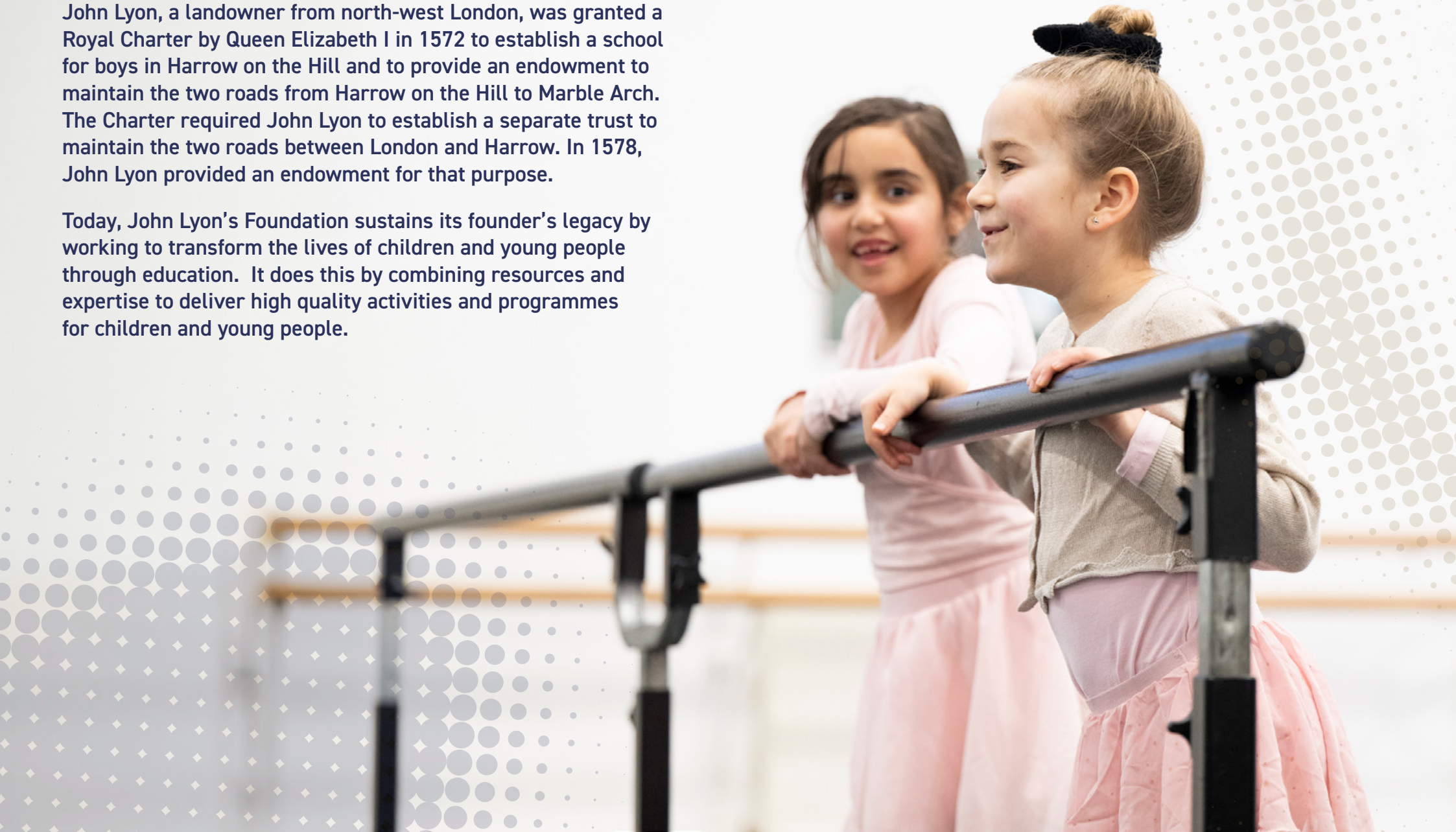
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## John Lyon's Foundation

John Lyon, a landowner from north-west London, was granted a Royal Charter by Queen Elizabeth I in 1572 to establish a school for boys in Harrow on the Hill and to provide an endowment to maintain the two roads from Harrow on the Hill to Marble Arch. The Charter required John Lyon to establish a separate trust to maintain the two roads between London and Harrow. In 1578, John Lyon provided an endowment for that purpose.

Today, John Lyon's Foundation sustains its founder's legacy by working to transform the lives of children and young people through education.  It does this by combining resources and expertise to deliver high quality activities and programmes for children and young people.



JOHN LYON'S
FOUNDATION

**The Corporation**
Charity number 310033
The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon, within the town of Harrow-on-the-Hill

HARROW SCHOOL JOHN LYON SCHOOL

SUBSIDIARIES

- Harrow International Schools Limited
- Harrow School Enterprises Limited
- Harrow Association Limited
- Lockers Park School Trust
- Downe House School

The Corporation and Group

**JOHN LYON'S CHARITY**

Charity Number 237725
A separate charity from the Corporation that gives grants to promote, through education, the life-chances of children and young people who live in nine boroughs in north-west London.

www.jlc.london

The governing body of John Lyon's Foundation, and the Trustees of the Corporation, are referred to as the Foundation Governors or Governors in this report. The Corporation is the sole Trustee of John Lyon's Charity. The Foundation Governors and Trustees of the Corporation are satisfied that the mission and activities of John Lyon's Charity are distinct from the Corporation and as such John Lyon's Charity is not consolidated into the Corporation and Group for statutory accounts purposes.

# About John Lyon's Charity

**John Lyon's Charity awards grants to support children and young people up to the age of 25 who live in nine boroughs in North and West London: Barnet, Brent, Camden, Ealing, Hammersmith & Fulham, Harrow, Kensington & Chelsea, and the Cities of London and Westminster (referred to hereinafter as the Beneficial Area).**

As one of the largest independent funders in London, the Charity has distributed over £236m since 1991 to organisations that help raise the aspirations of children and young people. It achieves this by funding projects that offer educational opportunities and enable participation in a broad range of enriching activities.

In the financial year ending March 2026, the Charity awarded £16m in grants across four Programme Areas: Formal Education, Informal Education, Access to Education and Capacity Building. These Programme Areas encompass a wide breadth of projects and organisations that help children and young people and are crucial to the Charity's grant-giving, underpinning its entire mission.



The Charity does not fundraise and has no disclosures to make under section 162A of the Charities Act 2011. All grant-making is supported by income generated through its financial investments and property portfolio, which together form the Charity's endowment.

The Charity's mission is to improve the life chances of children and young people through education, reflecting the intentions of its founder, John Lyon (see page 3 for more on our founder).

John Lyon's Charity is a collaborative funder, working in partnership with grantees, government bodies, and other trusts and foundations to ensure that the needs of children, young people and the education sector are at the forefront of our grant-making approach.

Grants are awarded to registered charities, state schools with open admissions, and organisations with automatic charitable status. On occasion, local authorities within the Charity's Beneficial Area may receive funding when working in partnership with voluntary sector organisations. National charities must demonstrate a strong track record and presence within the Beneficial Area.



# Our mission and values

## Our Vision

To transform the lives of Children and Young People (CYP) through education.

## Our Mission Statement

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

## Our Values

### Collaborative

John Lyon's Charity is a collaborative funder, working with grantees, government and trusts and foundations to ensure the needs of the CYP and Education sectors are at the forefront of how we grant.

### Independent

We are an independent funder, we do not fundraise, and we do not bid for government contracts to provide services. We are apolitical and non-religious. This allows us to judge applications on their own merit.

### Relational

We are an ambitious funder and see our relationship with grantees as partnerships. Our aim is to be ambitious for the organisations we work with and aim to instil confidence in them.

### Flexible

We are a flexible funder; we aim to be nimble in how we grant. We give organisations the space to think strategically, to experiment, to adjust and to have time for reflection.

### Passionate

We fund with passion and purpose, guided by what children and young people require, rather than by sector trends.

## Our Objectives

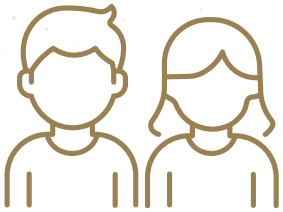
To improve the life chances of CYP through access to education and learning.

To provide inclusive educational opportunities for CYP regardless of faith, ethnicity or gender.

To build capacity within the CYP and the Education sectors.

To promote collaboration between organisations to maximise impact.

## A Snapshot of the year in numbers



**£9m**

**10 years of YPFs total grant spend**

£9m has been distributed by John Lyon's Charity to the Young People Foundations (YPFs) to support core costs, project costs and grant programmes.

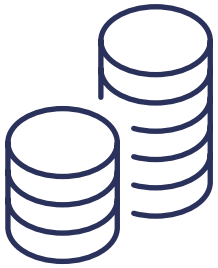


**£4.3m**

**10 years of School Holiday Activity Fund (SHAFs) total grant spend**

**91**

**SHAFs awarded in the year**



**£16m**

**Total grant spent for FY2025/26**



**c.350**

**Active multi-year grants**



**£402k**

**Spent in the Cultural Capital Fund (CCF)**

£532k committed in new grants (over multiple years)



**18**

**New Home School Community Collaboration Fund grants**

totalling £2.4m last year



**8**

**Inclusive internships established**

# Governance

## The Trustee

The Corporation, the sole Trustee of John Lyon's Charity is formally the charity known as the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon (registered charity No. 310033).

## Members of the Charity Management Board

**Governors**

David Eyton CBE – Chair of the Charity Management Board and Foundation Governors
The Hon. Andrew Butler KC –Deputy Chair of the Charity Management Board and Foundation Governors
Dr Shenila Rawal
Neil Enright
Charles Gallagher
Giles Goodfellow KC (retired Aug 2025)

**Independent Members**

Sonal Shenai
Serena Hedley-Dent (joined Sept 2025)
Moira Sinclair (joined Sept 2025)

**Clerk to the Foundation Governors**

The Hon. Andrew Millet

**Chief Financial & Commercial Officer - John Lyon's Foundation**

David Curley

## Members of the Grants Committee

**Governors**

Dr Shenila Rawal – Chair of the Grants Committee
Caroline Artis
Sally Anne Huang (until Nov 2025)
Stephanie Palmer

**Independent Members**

Sally Anne Huang (from Nov 2025)
Lynne Plummer
Chris Llewellyn
Keith Morgan

## Principal Officers

**Chief Executive Officer**

Dr Lynne Guyton

**Chief Operating Officer**

Amira Kaadan

**Director of Communications & Strategic Grants**

Anna Hoddinott

**Director of Impact & Grant Practice**

Karen Millen

**Director of Public Policy & Partnerships**

Erik Mesel

## Members of the Investment Committee

**Governors**

Sir Jonathan Symonds CBE – Chair of Investments Committee
David Eyton CBE
Charles Gallagher
Mark Wallace

**Independent Members**

Jonathan Regis
Prof. Jagit Chada

## Grant Consultants to the charity

Jean Carter
Michael Coveney
Fiona Mallin-Robinson
Susan Ferleger Brades
Kita Ikoku

## Members of the Estate & Property Committee

**Governors**

Charles Gallagher – Chair of the Estate & Property Committee
James Seppala
Peter Ferrari (joined Sept 2025)

**Independent Members**

Kerry Glanville
Ross Owen
Rosemarie Jones MRICS (joined June 2025)

# Chair's statement

## As Chair, I am delighted to introduce the John Lyon's Charity Statutory Accounts for the Financial Year 2025/26.

### Strategic Context

2025/26 marked the halfway point in the Charity's five-year strategy. Post Covid, and still in a cost-of-living crisis, we knew that delivering the strategy would require us to think differently about how we fund to have the greatest possible impact. We have employed a research and evaluation specialist – Rocket Science – to consider how effective our grant-making is, what is working well and what we could do differently. Engagement with our grantees in this process is paramount. It means that we aren't standing still waiting for one five-year strategy to finish so the next one can start; rather we see strategy as fluid and constantly evolving. We are already thinking ahead on how to better communicate what we do by moving to six clearly defined programme areas which we will start to report on in the next financial year.

Our budget commitment to research and learning means we are embedding knowledge throughout the organisation and not in a single function. Our learning partner – Lucent – is helping us drive forward a learning culture from top to bottom to enable us to maximise learning from current strategy, adapt and improve.

Central to all of our strategic ambitions are our grantees. In addition to looking at how effective our grants are, we are also constantly looking at ways to make our grants portal easier to understand, simpler and more accessible. 2025/26 has seen a significant change in the way that the Charity receives application forms. In late 2023 the Charity became one of two UK grant makers to participate in the Early Adopter Programme (EAP) for a new application portal attached to the Charity's database system, Blackbaud Sky. This new portal was formally launched during 2025/26 and the Charity undertook a significant investment in transferring and redesigning its application and reporting forms on this new system.

### Our Community

John Lyon's Foundation, which comprises Harrow School, John Lyon School and John Lyon's Charity, is committed to community engagement and partnerships. Shaftesbury Enterprise and Blackwell Enterprise, the charitable and partnership programmes of Harrow School and John Lyon School respectively, are examples of this commitment in action. This success has been achieved through fostering strong relationships between our dedicated staff, engaged pupils, supportive parents, our valued external partners and the wider community. Both schools worked closely on this priority with John Lyon's Charity, and we are proud of the lasting impact the collective foundation has had, and continues to have, on children and young people in North and West London.

### Governance

In August 2025, we said goodbye to a longstanding member of the Charity Management Board – Giles Goodfellow KC. Giles served on the Charity's Grants Committee for nine years and on the Charity Management Board for seven years. Giles had always been a keen champion of the Charity and its role in the wider Foundation. With a naturally inquiring mind, Giles's insight and contributions will be missed and we thank him for his longstanding contribution.

Also in 2025/26, we welcomed two new members to the Charity Management Board: Moira Sinclair, previous CEO of Paul Hamlyn Foundation for over a decade and now a leading sector coach and consultant to the sector, and Serena Hedley-Dent, Deputy Clerk of the Mercers' Company. In addition, we welcomed two new members to the Charity's Estate and Property Committee: Peter Ferrari, CEO of Ashby Capital and Rosemarie Jones, Interim Managing Director of Real Assets for the Church Commissioners. All bring a wealth of skills and experience which will only strengthen the Charity's governance and oversight.

### Closing Thoughts

Finally, I want to thank my fellow members of the Charity Management Board and the Charity staff, on behalf of John Lyon's Foundation and the Foundation Governors for their invaluable contributions and hard work over the past year. The social challenges we collectively face are huge, but we continue to be inspired by the incredible organisations we work with and remain determined to play our role in creating life-changing opportunities for children and young people in London.

**David Eyton CBE**
**Chair**

# CEO foreword to the FY2025/26 statutory accounts

**In FY2025/26 John Lyon's Charity granted £16m to over 346 charities and schools across nine North and West London boroughs. At a time when many funders are pausing their funding or spending down, we continue to listen to our grantees and the sector more widely to understand how we can best support them. Being a young person in 2026 is not easy, running a youth organisation in 2026 is even harder.**

Funding is tight for Children and Young People's (CYP) services which are often the first to be cut and the last to be prioritised for new investment. As a result, the need for collaboration and innovation at the local level is more important than ever. Working with others and trying new ways of funding to create the most impact has always been central to John Lyon's Charity.

It is pertinent then that this year John Lyon's Charity has celebrated two 10-year anniversaries which in different ways exemplify both collaboration with the sector and innovation: our establishment of the Young People Foundations (YPFs) and the School Holiday activity Fund (SHAF).

**Young People Foundations:** The YPF model was created as a direct response to the sustained pressures facing the CYP sector, caused in part by the lack of local structures and investment. Created to address fragmentation, shrinking resources and the growing gap between local need and available support, YPFs were designed to bring together the public, private and voluntary sectors to work collectively for young people. Rooted in their local communities and led by their members, each YPF is shaped by the needs and assets of its area but united by a shared ambition: to build a more impactful, co-ordinated and sustainable sector so that all young people can access high-quality support and opportunities.

Drawing on our long-standing, place-based presence and thematic focus on children and young people, John Lyon's Charity together with the youth voluntary sector and local authorities, established the first three YPFs in Brent, Barnet and Harrow in 2015, followed by YPFs in Camden, Ealing, Hammersmith & Fulham, Royal Borough of Kensington & Chelsea and Westminster over the following four years. These Foundations have since grown into sizable local charities, bringing together over 1,300 community organisations across North and West London.

Over the past decade, John Lyon's Charity has invested over £9m into the eight YPFs in our boroughs – funding that has sustained core costs, driven forward projects through collaboration and unlocked further funding. The findings of our report on YPFs are impressive: since 2015, the eight Foundations in the Beneficial Area have distributed over £17m in grants, and in the last financial year alone, YPFs in London have secured c.£1m in new investment for member organisations via collaborative bids and fundraising. Most importantly, they have bridged the gap between grassroots groups and local authorities, ensuring that smaller organisations are more visible, better connected and able to influence local decision-making, whilst being a more appealing partner for local councils.

What began as a plan for JLC's boroughs has now moved beyond London. In 2019, JLC established and funded the YPF Trust, an umbrella organisation for the YPFs, to support the model's growth. The Trust since then has developed 24 YPFs across the country and 64 local authorities now have a form of local youth partnership. It is now comprehensively, the model most recognised by both central and local government to both fund and collaborate with.

**School Holiday Activity Fund (SHAF):** Over the past 10 years the Charity has awarded over £4m in grants to over 1,000 local community organisations to deliver fun and enriching activities for children and young people during the school holidays. Often called the 'fun' fund, SHAF provides organisations with one-off grants of up to £5,000 that can be used to provide activities during the school holidays. Activities range from stay and play drop-in sessions, to days out in London and also further afield.

In May 2025, we commissioned research to understand how families were coping with the additional financial pressures caused by school holidays. What we discovered was that:

- Holiday hunger and activity hunger were major challenges during school breaks
- Almost half of UK children missed out on paid play activities over the May half term (2025)
- Parents were finding it difficult to access the Government's Holiday Activities and Food programme (HAF)
- 56% of parents believed Government must do more to make school holiday activities affordable and accessible for families

John Lyon's Charity believes firmly that its grant-making should enhance the lives of children and young people in its boroughs in the here and now. We hear anecdotally that children frequently experience their first trip to the seaside or to a theme park as a direct result of John Lyon's Charity SHAF funding. Our SHAF grants are the most pertinent example of this ethos, with grants enabling children to do something that they wouldn't otherwise have the opportunity to do and whilst each individual grant is small, the impact they continue to have is huge. We are delighted that other funders have followed our lead and started prioritising support for activities during school holiday periods and welcome the recent UK government announcement that it is extending the Holiday Activities and Food (HAF) programme with £600m in funding until 2029.

Aside from our celebrations, our work continues, with the development of our funding for schools on supporting positive transitions to mitigate against exclusions, expanding the enrichment offer for Children Looked After, launching Arts & Culture internships for children with Special Educational Needs and much more. Furthermore, we are constantly looking to learn from our grantees to ensure our funding is as effective and impactful as possible for the communities it serves.



**Dr Lynne Guyton, Chief Executive Officer**
**May 2026**

# Our achievements

## Our strategic objectives

- To improve the life chances of CYP through access to education and learning.
- To provide inclusive educational opportunities for CYP regardless of faith, ethnicity or gender.
- To build capacity within the CYP and Education sectors.
- To promote collaboration between organisations to maximise impact.

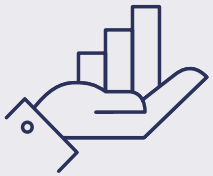
## Key updates from our current five-year strategy

These accounts report on the third year of a five-year strategy that commenced 1 April 2023.



### Tight educational focus

- Four targeted Programme Areas: Formal Education, Informal Education, Access to Education and Capacity Building, which remain central to the Charity's mission.
- Greater focus on working with the wider John Lyon's Foundation through supporting joint projects such as the Children's University in Harrow, the Orchestra of the Age of Enlightenment and Mathsmakers. Support is focused on funding, pupil volunteering and coordination with local school partners.



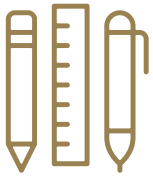
### Larger grants

- Increase in average grant amount from c.£30K p.a. to c.£50K+ p.a.
- In 2025/26, 87 grants of £50K p.a. or above were made compared to 30 in 2024/25.



### Increase in duration of main grants

- Maximum grant length increased from three to five years.
- 19 grants of more than three years were awarded in 2025/26, following 30 in 2023/24 and 24 in 2024/25.
- This represents a slight decrease to 9% of all grants awarded in the year. 10% of grants in 2023/24 to 13% in 2024/25 were more than three years.



## Increased focus on Research, Evaluation & Learning (REAL)

- Publication of the Excluded Initiative Final Evaluation Report.
- The publication of Ten Years On: celebrating a decade of the YPFs which reviewed the impact of the eight YPF's across the Charity's Beneficial Area.
- Ongoing research and learning connected to the impact of the Home-School-Community Programme, including a Collaboration Fund event, deep-dive interviews and internal reflective sessions. This work will continue and culminate in the publication of a report in summer 2027.
- A roundtable bringing together funded and interested organisations to discuss learnings from the Arts & Culture Inclusive Internships.
- Research into the provision and quality of after-school activities for young people with Special Educational Needs and/or Disabilities, including surveys and roundtables. For the first time the Charity directly consulted with families with lived experience through surveys and focus groups. This report will be published in autumn 2026.



## Introduction of the Gateway Fund

- Supports small or emerging organisations, providing grants of up to £20k p.a. for three years to help new grantees grow.
- Since inception, 21 Gateway Grants have been awarded (11 in 2023/24, six in 2024/25, four in 2025/26).



## Expanding the Open Programme

- Following its success within the HSC Programme, the Cultural Capital Fund has opened within the Open Programme, re-confirming the Charity's commitment to cultural capital.
- 39 grants awarded under the Cultural Capital Fund (CCF) in 2025/26 to ensure the Charity can still respond to requests for short-term project funding, set against the longer/larger grant strategy.

The Charity continues to be responsive to the needs of the CYP sector in the Beneficial Area. As such, our strategy is constantly under review to ensure that it remains able to respond to local needs.

# Future strategic direction

**2025/26 was very much a year of consolidating and expanding on (year three of) our main five-year strategy and nearing the end of our six-year Covid response strategy – Home School Community (HSC). As we commenced an upgrade and refresh of our website, this was also an opportunity to re-examine the resonance of the language and meaning of our four programme areas with different audiences, primarily with grantees and prospective grantees: Formal Education, Informal Education, Access to Education and Capacity Building.**

All of the principles of the current strategy still stand (see p13-14). Going forward, six Golden Threads are identified to represent and better resonate the breadth of the Charity's current priorities. Each has a mission statement framed within the context: "Across the Beneficial Area, and regardless of background, ethnicity or disability."

Within each of the six 'Golden Threads', in addition to funding single grantees, we are also developing Strategic Initiatives that span the sector, grantees and priority areas. Utilising the Charity's strong relationships with grantees, Strategic Initiatives are borne out of the need to do something more than award individual grants. This could include bringing separate organisations together to have a greater collective voice; championing the work of specific sectors and develop a Call to Action for fellow funders and policy makers; identifying a gap or a need and finding innovative solutions to meeting that need; or creating tools and publications to raise awareness. They allow the Charity to deliver its strategy in a different way, setting up new structures and developing models to meet needs within its nine London boroughs.

While the Charity is three years into its five-year strategy, the strategy doesn't stand still. Rather, by listening to our grantees and engaging with external consultants – our partners - we are constantly evolving how we grant. The move to the six Golden Threads referred to above will be formally reported on in next year's statutory accounts. More pertinently, as we examine how to have greater impact our attention will turn to how much we grant (through the Total Return Policy) for how long and to which priority areas.

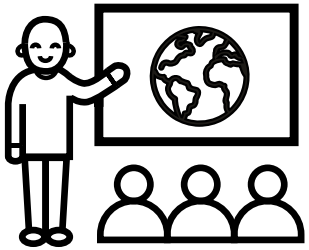


# Golden Threads



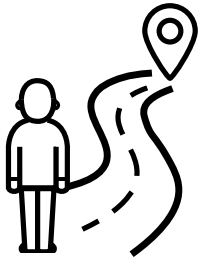
## Early Years & Families

To support families and give children the best start in life.



## Supporting Learning

To enhance the educational outcomes of children and young people, particularly those that traditionally might experience challenges.



## Careers & Employability

To support young people into the world of work, broadening career horizons and creating pathways into the workplace.



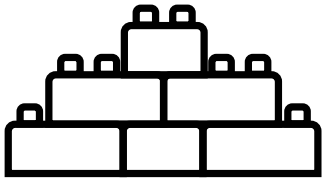
## Arts, Culture & Enrichment

To increase the cultural capital of children and young people.



## Youth Clubs, Sport & Play

To maintain a vibrant youth sector by supporting high quality youth organisations that cater to all children.



## Capacity Building

To support the voluntary CYP sector to thrive and provide the best support possible to children and young people.

# Overview of grants 2025/26

## Total grant spend

| | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|
| Principal Grants Programme | £11,392,451 | £10,978,246 | £12,397,792 |
| HSC Grants Programme | £4,484,013 | £4,014,200 | £3,674,900 |
| **Grand total** | **£15,876,464** | **£14,992,446** | **£16,072,692** |

In addition to the achievements of the Charity mentioned on pages 13-14, the overall expenditure on grants for FY2025/26 was £16,072,692, an increase of 7% compared to last year. That is for the Principal Grants and Home-School-Community (HSC) Programmes combined. This is largely a result of a 13% increase in spending through the Principal Grants Programme which offset a 9% decrease in spending through the HSC Programme which is nearing its completion. The HSC Programme is the Charity's six year Covid response strategy which will come to an end next year.

## Total applications received

During FY2025/26, the Charity received 439 applications overall. This is a small decrease from the previous year and can be attributed to a 76% decrease in HSC applications. Comparing like for like, the Charity received 419 Principal Grant applications in FY2025/26 compared to 393 in FY2024/25.



**439**

**Applications in FY2025/26**

A small decrease on the previous year

## New grants approved

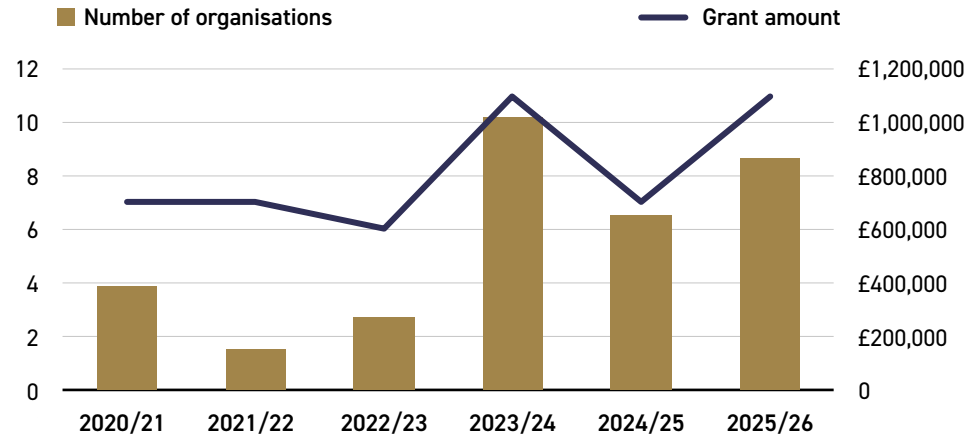
| Fund | 2021/22 | 2022/23 | 2023/24 | 2024/25 | 2025/26 |
|---|---|---|---|---|---|
| Bursary/Independent School | 8 | 8 | 7 | 6 | 2 |
| Capacity Building | 13 | 12 | 9 | 8 | 9 |
| Cultural Capital | - | - | - | 6 | 39 |
| Exclusion | - | - | 2 | - | - |
| Gateway | - | - | 11 | 6 | 4 |
| Internship | 3 | - | - | 1 | - |
| Main | 65 | 72 | 67 | 51 | 50 |
| Resilience (CBT) | - | 4 | 5 | - | - |
| Schools in Partnership | 6 | 4 | 8 | 4 | 7 |
| SHAF | 102 | 98 | 112 | 89 | 91 |
| Small | 16 | 15 | - | - | - |
| Special Award | - | - | 1 | 5 | 3 |
| Uplift | - | 154 | - | - | - |
| **Principal Grants Sub Total** | **213** | **367** | **222** | **176** | **205** |
| HSC – Collaboration | - | 5 | 14 | 7 | 18 |
| HSC – Cultural Capital | 42 | 51 | 64 | 34 | - |
| HSC – Recovery | 13 | 21 | 12 | 6 | - |
| HSC – Replication | 8 | 9 | 14 | 16 | 9 |
| HSC – YPF Small Grants | 8 | - | 8 | 8 | - |
| **HSC Grants sub total** | **71** | **86** | **112** | **71** | **27** |
| **Grand Total** | **284** | **453** | **334** | **247** | **232** |

Awards under the Main Grants Fund are comparative to FY2024/25 and a decrease from previous years, reflecting the Charity's current strategy of giving larger but fewer grants; the reduction from the final year of the previous strategy (FY2022/23) to FY2025/26 is c.30%.

## New grantee organisations

The number of new organisations supported each year by the Charity remains relatively stable and represents a small portion of the Charity's grant-making. As a placed-based funder with a 35-year history, it should be expected that the Charity has a broad base of repeat grantees. However, the value of grants awarded to new organisations has seen a significant increase in recent years, attributed to the introduction of Gateway Grants and the HSC Collaboration Fund.

**New organisations awarded grants**




## Principal Grants Programme

In FY2025/26, total grant expenditure under the Principal Grants Programme was £12.39m, up 13% on the previous year. Because the Charity awards multi-year grants, a substantial proportion of funding is already committed at the start of each financial year. At the start of FY2024/25, around £8.64m had already been committed. By 31 March 2026, just over £5m had been awarded in new grants in the year. The value of these new grants across multiple years totalled £12.3m. In FY2025/26, 87 grants of £50k or above were made.

As of 1st April 2026, the Charity had c.400 active grants, with c.350 of these being multi-year grants. During the year there were four active bursary/independent school grants, supporting 40 young people in access education, representing a spend of nearly £1.6m.

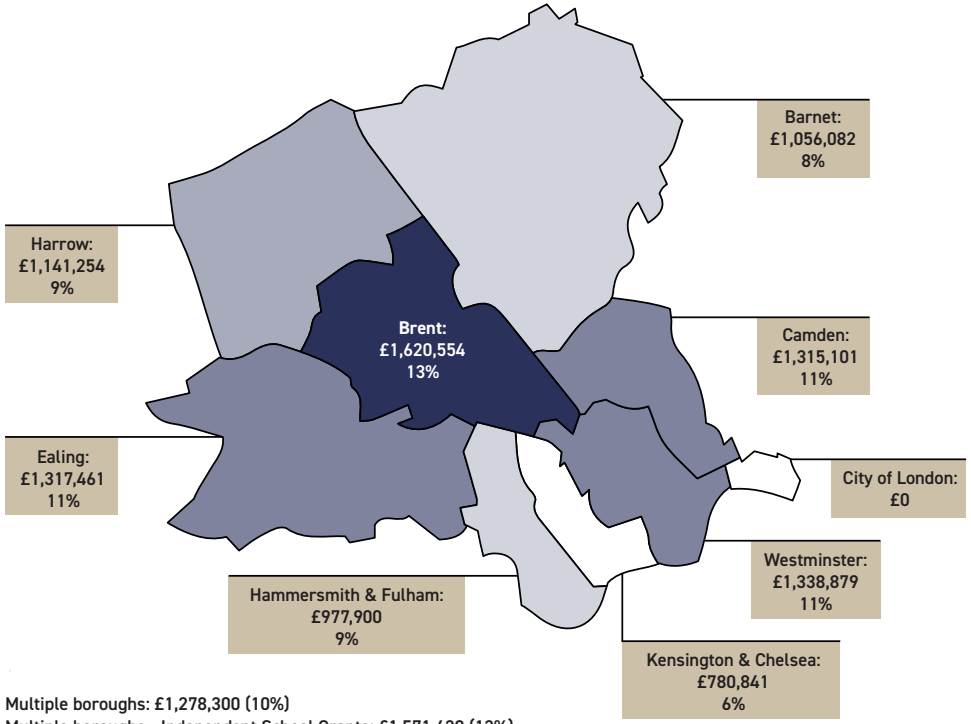
**87**
**Grants of £50k or above in FY2025/26**

**400**
**Grants as of April 2026**

**4**
**Active bursary/ independent school grants**

### Borough breakdown

In line with the Charity's rules regarding allocation of grant funding, Brent remains the borough with the highest allocation of funding (13%) with Ealing, Camden and Westminster all following on 11%. The outer boroughs (Barnet, Brent Ealing and Harrow) represent 41% of the Charity's grant-making spending, in comparison to 36% of the inner boroughs (Camden, Hammersmith & Fulham, Kensington & Chelsea, Westminster and City of London). which reflects the Charity's priority in ensuring that the outer boroughs – often overlooked by other funders and the charity sector alike - are well served through the Charity's grant making.




Multiple boroughs: £1,278,300 (10%)
Multiple boroughs - Independent School Grants: £1,571,420 (13%)
Total all boroughs: £12,397,792 (100%)

### Grants approved to new recipients

In the third year of the strategy, the new grants awarded were as follows:

**Informal Education**

**129**
**grants (63%)**

**£1.75m**
**in funding (33%)**

**Formal Education**

**57**
**grants (28%)**

**£2.37m**
**in funding (47%)**

**Access to Education**

**11**
**grants (5%)**

**£497k**
**in funding (9%)**

**Capacity Building**

**8**
**grants (4%)**

**£575k**
**in funding (11%)**

## Home-School-Community Grants Programme

At the end of the FY2025/26

# 3 of the 5

**Home-School-Community Funds were fully committed**

**Recovery**

**Cultural Capital**

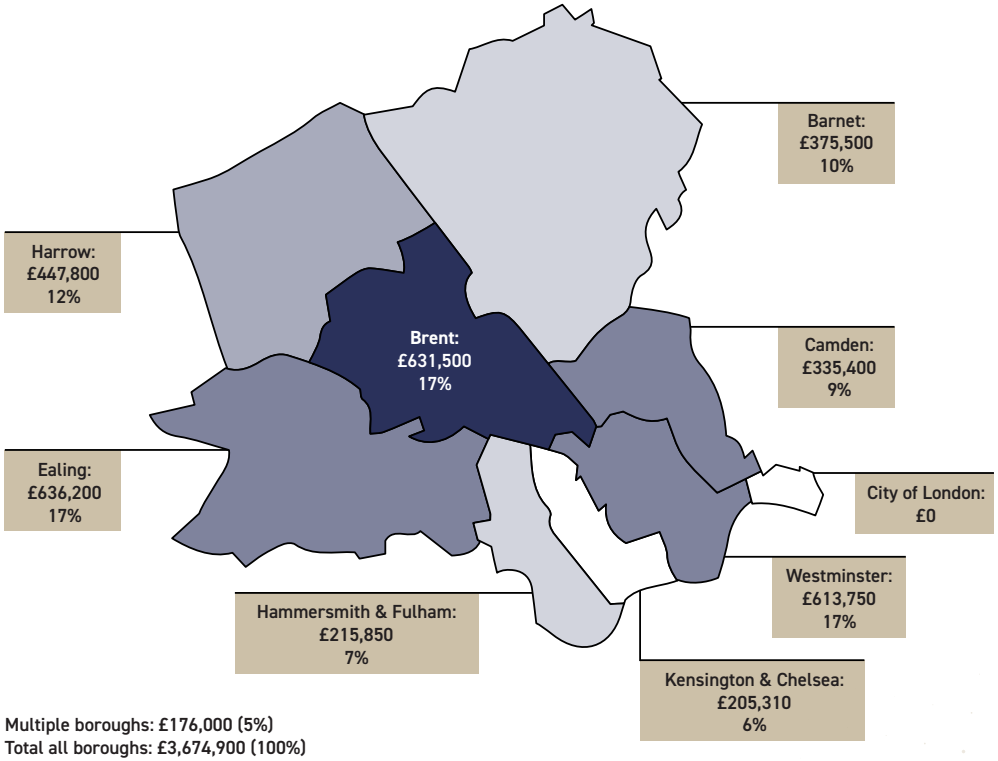
**YPF Small Grants**

# c.£21.5m

**of a total £22m**
has been committed from the HSC Programme to date.

### Borough breakdown

The outer boroughs represent 57% of the HSC grant spend, demonstrating the Charity's commitment to the boroughs where the impact of the pandemic was felt most keenly.




Multiple boroughs: £176,000 (5%)
Total all boroughs: £3,674,900 (100%)

# Report of the Trustee

## The objects of the Charity

Under the Scheme (outlined in page 22 'Governance') 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 Trustee continues to sustain John Lyon's legacy by implementing the activities of the Charity aimed at transforming the lives of children and young people in the Beneficial Area through education.

The Rules of the Charity 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), 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 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 grants 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 Trustee is satisfied that the Charity is providing its public benefit through its charitable activities of grantmaking in support of children and young people's education in the Beneficial Area. Therefore the Trustee confirms that the Charity complies with its statutory requirement to report on its public benefit, and in having due regard to the relevant guidance published by the Charity Commission.



# Governance, management, and structure

## 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).

## Charity management

The Charity had an average total of 20 permanent staff in the year . The day-to-day management of the Charity's affairs is conducted through the Chief Executive Officer (CEO) as the senior executive officer of the Charity reporting to the Trustee through the Charity Management Board (CMB).

The Senior Leadership Team (SLT) consists of the Chief Operating Officer, the Director of Communications & Strategic Grants, the Director of Impact & Grant Practice and the Director of Public Policy & Partnership, all of whom report to the CEO.

The Charity also draws on expert advice to supplement the expertise held by staff and by the members of the CMB. In FY2025/26, five independent consultants were used to provide support to the Grants Team and Grants Committee. In addition, the Charity has called on professional advice from lawyers, external auditors, investment advisors and property managers, the details of which are provided on page 53.

## Structure

The Charity has a clear organisational reporting governance structure with Terms of Reference (ToR) documenting lines of authority and delegation for its various committees. Each Committee is chaired by a member of the Corporation and is constituted by other members of the Corporation, independent members who give specialist advice, and the CEO of John Lyon's Charity. Committee meetings are minuted and circulated to show decision making, issues raised and actions taken. The ToRs are reviewed every three years.



# Board and Committee structure

## The Corporation

The Corporation is the Trustee of the Charity with documented lines of authority and delegation to the Charity Management Board (CMB). It meets no less than three times a year and the CEO presents a summary report to this CMB.

## Charity Management Board (CMB)

The purpose of the CMB is to supervise and from time to time direct the management and administration of the Charity. It considers the strategic direction of the Charity on grant-making, financial strategy (including total return policy), annual budget, investments and risk management. The Trustee keeps the skill requirements for members of the CMB under review and this informs recruitment of new members and the composition of sub-committees.

Remuneration arrangements for all staff, including key management personnel, are decided by the CMB. The CMB looks at performance, benchmarks with comparator organisations, inflation levels, changes in responsibility as well as affordability when considering remuneration.

In addition, some powers are delegated by the CMB to the following committees:

**a. Grants Committee**

- Make recommendations to the CMB in relation to the Charity's grant-making activities.
- Oversee the Charity's grant-making activities.
- Consider details of the Charity's individual grant applications and either make recommendations for the CMB for approval or as per the delegated authority.
- Oversee the awarding of Delegated Grants* (as defined in the Board's regulations) made pursuant to the power delegated to the CEO and Chair by the CMB (or the Governors).
- 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 CMB thereon.

*From April 2026, approve and oversee the awarding of Delegated Grants (i.e. single year and multi-year grants of up to £75,000), or otherwise revoke, defer or decline Delegated Grants, or make Delegated Grants subject to conditions; Oversee the awarding of Delegated Grants approval of single year grants of up to and including £5,000 by any one of the Grants Directors of the Charity and either the CEO or the Chair and approval of single year and multi-year grants up to £30,000 by the CEO and the Chair.

**b. Estate & Property Committee**

Supervise and from time to time direct and make decisions in connection with the management and administration of the Charity's Property Portfolio and to ensure that any requirements of the Foundation Governors (including compliance with Law and the relevant Constitutional Documents) in relation to the Charity are met, give its approval (within its delegated authority) and to report, advise and make recommendations to the CMB or as appropriate.

**c. Foundation Investments Committee**

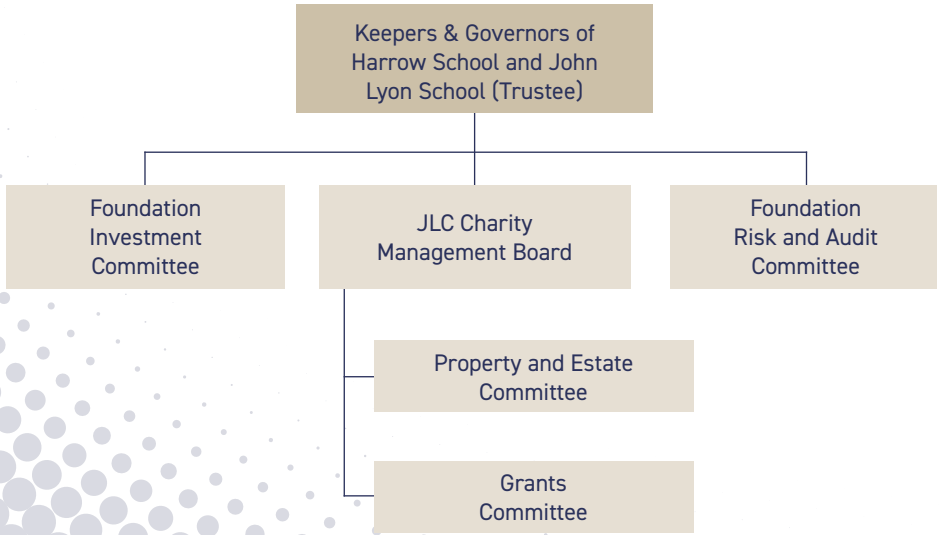
The Foundation Investments Committee is responsible for the oversight of the Charity's investments and ensures that funds are managed in accordance with the Investment Policy. The Committee is accountable to and report to Foundation Governors and consults with the CMB.

**d. Foundation Audit & Risk Committee**

The Foundation's Audit and Risk Committee oversees audit, assurance and risk management across the Foundation.

The Charity applies and follows the Charity Governance Code (for large charities). An induction happens for each new member of the CMB and includes meetings with fellow members and senior staff to discuss strategy, key policies and procedures, and current priorities.

**John Lyon's Charity Governance Structure**




## How we manage risk

The CMB reviews the Charity's risk register at each meeting. Foundation Audit and Risk Committee reviews the risk register in the context of the Charity and John Lyon's Foundation for consistency and alignment of policy and approach to mitigation.

The Foundation Audit and Risk Committee have assessed the risks during FY2025/26 and, as of the date of this report, the key risks to the Charity are as follows:

a. **Property holdings risk**. Several pieces of current and proposed legislation will potentially undermine both the capital value and income receipts from the Charity's residential, reversionary and commercial property portfolios (for example, the Leasehold & Freehold Reform Act 2024, the Renters Rights Act, 2026). The Charity will review its property investment strategy with the newly appointed property manager Savills (from April 2026). Recommendations will be made to the Property & Estate Committee and the CMB in due course

b. **Reputational (safeguarding) risk**. The Charity is exposed to a risk of safeguarding while staff are on field visits, when vulnerable adults are employed and/or safeguarding issues are reported at grantee level. In addition to continuous staff training and enhanced DBS checks, all the Charity's CMB members and independent members undertake Trustee's Safeguarding Training. Issues raised at grantee level are reported and dealt with following the Charity's Safeguarding Policy and notification procedures.

c. **Cyber fraud risk**. The Charity is alert to the possibility of a loss of data or funds through cyber fraud. Annual penetration and phishing testing are undertaken, and fraud risk is reviewed as part of the annual audit process. We assess any potential risk exposure throughout the year and test our capabilities, seeking assurance; we ensure we use best practice security measures and address any issues with enhanced procedures. An IT audit is undertaken every two years, and we are satisfied that the risk is managed as well as possible.

The Trustee has implemented a programme of enhancements to the financial control environment of the Charity in FY2025/26. This is to ensure the Charity has robust, compliant and best practice approaches to financial management. The Trustee is satisfied that this programme has been implemented and a programme of continuous training is in place.

## Financial performance

The Charity's permanent endowment 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. There have been no material additions to the endowment since the Charity's foundation.

In determining the initial unexpended total return, the Trustee valued 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 £63.8m and the initial, unapplied total return was £176.7m. As of 31st March 2026, the unapplied total return is £311m.

The Trustee originally adopted a Total Return Policy (TRP) to determine the level of expenditure based on the Charity Commission order in January 2006. This has been revised in the intervening period and the current TRP of 3.5% was adopted by the Trustee from April 2019. The level of expenditure is reviewed by the CMB on an annual basis.

The main purpose of using a TRP is 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 operational support costs. The amount is determined by taking an average of the value of the Charity's total assets at the end of each financial year of the previous four years and multiplying that by the % agreed by the Trustee. Today this stands at 3.5%

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 £22m to be applied during the six-year period representing the financial years ending 31st March 2022 to 31st March 2028. The additional funding was approved in March 2021 and will be allocated for spending under the Charity's Home - School- Community (HSC) Covid 19 response strategy. Up until end of March 2026, the Charity has distributed £18m of the Agreed Additional Spend, with £3.7m remains to be granted in the years 2026-2028.





## How we invest

The Charity does not fundraise. It manages an endowment of circa £377m to generate both income and capital returns for its grant-making. Due to the heritage of the 500-year-old endowment, the Charity's portfolio is split 54% in property (of which much is still invested in the original St John's Wood Estate, London) and 46% in financial investments.

The underlying principle of John Lyon's Charity 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 maintaining a responsible approach to investing and generating a stable and sustainable return to fund grant-making.

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. It tries to balance the needs of today's grantees with the unknown requirements of future beneficiaries. Hence, maximising returns rather than spending down is the focus.

The Charity has an Investment Policy that sets out the long-term investment objective, risk-profile and strategic asset allocation, as well as encompassing our approach to Environmental, Social and Governance (ESG) principles. This is reviewed annually. The Charity's strategic asset allocation reflects a total-return objective without specific focus on income-generating investments.

This approach means that we consider all sources of return, including interest, dividends, capital distributions from funds, accumulated income from investments and realised and unrealised gains and losses. This policy also takes account of the Charity's extensive property interests in forming the basis for the measurement of the performance of the various asset classes. The tactical asset allocation is reviewed and where necessary revised regularly by the Foundation Investment Committee and the CMB.

# Overarching investment objectives

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

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

## Our approach to environmental, societal and governance (ESG) factors

As custodians of an endowment, we endeavour to use all our assets, including investments and properties, to align with our mission. While we do not actively exclude or include stocks, funds or sectors from our portfolio, we are conscious of the impact of our investments. All investment has impact, and our priority is to ensure our investments have the greatest possible positive effect on children and young people in our Beneficial Area through our grant-making.

Therefore, we recognise the importance of environmental, social and corporate governance (ESG) issues in the selection and management of investments within our portfolio.

## Stewardship of our Property Assets

Recently, the Charity tasked its Property Managers to conduct a materiality assessment to improve its sustainability commitment. Across our Estate, the review identified the following areas of importance: GHG Emissions, Energy, Water & Waste Management and Health & Wellbeing.

A baseline carbon emission report has been produced to help the Charity understand current emission levels generated from its property portfolio and to help put in place plans to improve metrics and comply with EPC regulatory requirements.

Further surveys and measures will be considered while the Charity transitions to its newly appointed property managers and to take into consideration changes in regulations and ascertain compliance.

## Strategy and future plans

Our strategy for FY2026/27 and for the medium term continues to focus on delivering our charitable purpose through effective grantmaking, strategic partnerships and community engagement. Our priorities include:

- Maximising our impact by supporting educational opportunities, enrichment and pathways to employment for young people across the communities we serve
- Strengthening our grantmaking approach through evidence-based decision-making, robust impact measurement and a focus on long-term outcomes
- Building strong and collaborative relationships with schools, charities, community organisations and other partners to address identified needs and create lasting change
- Ensuring the efficient and effective use of our resources through strong governance, prudent financial management and continuous improvement of our systems and processes
- Developing our people and organisational capabilities to support innovation and resilience
- Managing and enhancing our properties, investments and other assets to provide sustainable income and long-term financial security in support of our charitable objectives

The Charity will continue to monitor its financial performance, investment returns and operational effectiveness through a robust planning and reporting framework. In doing so, it will seek to balance the delivery of current charitable objectives with the long-term stewardship of its resources, ensuring that the Charity remains well-positioned to support future generations.

# Financial Performance Review

The total investment assets in the year is £377m compared to £388m in 2024/25.

## Asset Allocation

| Asset Class | Value at 31-Mar-26 £'000 | Percentage allocation % | Value at 31-Mar-25 £'000 | Percentage allocation % |
|---|---|---|---|---|
| **Investment assets** | | | | |
| Fixed interest | 47,620 | 13% | 28,595 | 7% |
| UK equities | - | 0% | 15,896 | 4% |
| Global equities | 95,330 | 25% | 71,987 | 19% |
| Hedge funds/alternatives | 21,013 | 5% | 38,944 | 10% |
| Private equity | 3,048 | 1% | 2,428 | 1% |
| Cash | 2,372 | 1% | 4,909 | 1% |
| Other investments | 7 | 0% | 7 | 0% |
| Indirect Property Funds | 5,493 | 1% | 5,641 | 1% |
| **Total investments** | **174,883** | **46%** | **168,407** | **43%** |
| **Property assets** | | | | |
| Residential & Reversionary Estate | 94,168 | 25% | 102,763 | 27% |
| Commercial Property | 109,400 | 29% | 115,850 | 30% |
| **Total property** | **203,568** | **54%** | **218,613** | **57%** |
| **Investment Assets Totals** | **378,451** | **100%** | **387,020** | **100%** |
| Other net liabilities / assets | (1,122) | (0%) | 1,103 | 0% |
| **Total net assets** | **377,329** | **100%** | **388,123** | **100%** |

## Financial Investments

The total value of financial investment assets at the year-end is £175m (FY2024/25: £168m), including indirect property funds and private equity. The total income from the Investment Portfolios was £4.23m or 2.4% (FY2024/25: £3.73m, 2.2%).

During FY2025/26, the Charity has changed its investment managers from an advised portfolio by Cambridge Associates and custody of Cazenove to a full discretionary portfolio managed by Goldman Sachs. The new investment managers have proposed a new asset allocation strategy which is weighted towards a larger percentage of global and US equities and private equity. The full effect of the new strategy will materialise in FY2026/27. The transfer into new investment managers has resulted in selling down the portfolio which generated gains of £16m and reinvesting in the new full-discretionary portfolio as approved by the Trustee.

## Property Investments

Due to adverse market conditions, the Charity's property portfolio was affected by a downward valuation resulting in losses of £14m in the property portfolio (FY2024/25: gains £6.8m).

The Charity's St. John's Wood Estate, comprising of residential rack rented properties and reversionary freehold interests were valued at £94m (FY2024/25: £103m). The Charity's commercial portfolio was valued at £109m (FY2024/25: £116m).

In addition to the Middle East conflict, the valuations were mainly affected by the release of the draft Commonhold and Leasehold Reform Bill proposing a cap on residential ground rents of £250 per annum, reducing to a peppercorn after 40 years. Therefore, for the purpose of valuing the Charity's reversionary portfolio, ground rents were capped at £250 per unit per annum for the properties directly held by the Charity.

As for the introduction of the Renters Rights Bill in May 2026, this had no effect on the Charity's residential portfolio as the majority of units are held on Assured Shorthold Tenancies.

**Material uncertainty relating to property investments valuations**

The reversionary residential assets are presently being valued subject to material uncertainty as a consequence via the Leasehold and Freehold Reform Act 2024, which removes marriage value and prescribes capitalisation and deferment rates. Further, the Government announced on 27 January 2026 via the draft Commonhold and Leasehold Reform Bill, proposals to cap residential ground rents at £250 per annum for a period of 40 years reducing to a peppercorn thereafter, which has created additional uncertainty. The valuation of the Charity's reversionary portfolio already removed the marriage value of its calculation and the ground rents have been capped at £250 per annum per unit.

The valuation of the reversionary estate is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Valuation - Global Standards 2024. Consequently, less certainty and a higher degree of caution should be attached when interpreting the valuation of the residential reversionary assets than would normally be the case. This matter is discussed further in the notes of the financial statements.

## Income and Expenditure

The annual income of the Charity derived from its assets remained stable at £11.6m (FY2024/25: £11.5m).

During FY2025/26, the Charity spent £16m (FY2024/25: £15m) on grants, while operational support costs related to:

- Charitable activities were £1.6m (FY2024/25: £1.6m).
- Expenditure on raising funds was £6.6m (FY2024/25: £4.8m).

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

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

## Future Commitments

At 31 March 2026, the Charity has fully committed to £1.4m of grant funding which will be paid in FY2026/27 and is recognised as a liability on the Charity Balance sheet at year end. Further commitments of £20m to be spent over the next few years include £7.38m in 2026/27, £5.27m in 2027/28 and £2.64m 2028/29 and a further £1.12m in the years 2029-2032 as part of the Charity's principle to fund on a longer-term basis. In addition, a remaining £3.7m to be distributed from the committed funds for the Home School Community (COVID) Strategy in the years 2026-28.

In each case, payment is contingent on the stipulated conditions being met, and review of progress and authorisation by the Grants Committee.

The total future commitment is shown on note 18.

## Grant-making policy

The policy of the Charity is to give grants to registered or exempt charities and schools, and not to make grants to individuals.

The Charity's grant-making activities are guided by its charitable objectives and strategic priorities. Grants are awarded following a transparent and fair assessment process, ensuring alignment with the Charity's mission and intended impact. Applications are reviewed against criteria, and decisions are recommended by a Grants Committee to be formally approved by the Charity Management Board. The Charity monitors the use of funds and outcomes achieved to ensure accountability and effectiveness. All grant-making is subject to regular review to ensure continued relevance and compliance with legal and regulatory requirements.

## Reserves Policy

The Charity has not historically maintained an unrestricted reserve because of the high level of the unapplied Total Return. As the value of the endowment remains significantly in excess of the value of existing commitments and planned spending over the coming year, Trustees are satisfied that there are no material uncertainties surrounding the ability of the Charity to continue as a going concern.

At 31 March 2026, the Charity had total reserves of £377m (FY2024/25: £388m) which comprised, Endowment funds of £375m (FY2024/25: £385m), a nil balance of Restricted funds (FY2024/25: £0.21m) and unrestricted funds of £2.7m (FY2024/25: £2.5m).

The value of unapplied total return at 31 March 2026 is £311m (FY2024/25: £322m). There are no plans to spend down excess reserves as these are considered necessary to ensure the endowment continues to grow in real terms and generate returns required to finance future spending commitments.

## Auditors

**Crowe U.K. LLP** were appointed as the Charity's auditors from March 2025 and have expressed their willingness to continue as auditor.

# 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 requirement of FRS102 and the Charities SORP.

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.

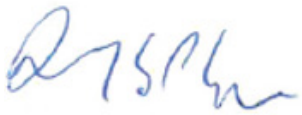
The Trustee is responsible for the maintenance and integrity of the charity and financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

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.

**Statement of compliance with the Charity Commission's Governance Code:**

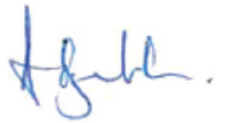
The Trustee has carried out an assessment of the Charity's governance practices against the principles within the revised Charity Governance Code 2025 and found no material departures from the Code, any changes required are implemented and overseen by the Charity's Management Board as necessary.

The Report of the Trustee and Financial Statements were approved by the Trustee on 7 October 2026



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**D Eyton**



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**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.

7 October 2026

# Report of the independent auditors

## Opinion

We have audited the financial statements of John Lyon's Charity for the year ended 31 March 2026 which comprise The Statement of Financial Activities, Balance Sheet, 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 Financial Reporting Standard 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 2026 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.

## Emphasis of matter

We draw your attention to the accounting policy within the financial statements which explains that the Trustee has considered the valuation of Reversionary Estate amounting to £25.6m is subject to a material uncertainty as a consequence of the Government's intervention in the market via the Leasehold and Freehold Act 2024. Our report is not modified in relation to this matter.

## 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 Trustee is responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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 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 Trustee's report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 Trustee's responsibilities statement, the Trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 intend 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:

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.



## Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining sufficient audit evidence and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, including financial reporting legislation and the Charity SORP (FRS 102), and tax regulations. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be necessary to the Charity's ability to operate or to avoid a material penalty. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquire of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We also considered the opportunities and incentives that may exist within the Charity for fraud. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Charity Management Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

## Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's Trustee 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.

Crowe U.K. LLP

**Crowe U.K. LLP**

Statutory Auditor

**London**

Crowe U.K. 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.

7 October 2026

# Financial Statements

## a. Statement of Financial Activities for year ended 31 March 2026

| | Note | Unrestricted Fund £'000 | Restricted Fund £'000 | Endowment Fund £'000 | Total Funds 2025/26 £'000 | Total Funds 2024/25 £'000 |
|---|---|---|---|---|---|---|
| **Income and Endowment from:** | | | | | | |
| Property investments | 2 | - | - | 7,303 | 7,303 | 7,563 |
| Financial investments | 3 | - | - | 4,236 | 4,236 | 3,737 |
| Other income | 3 | - | - | 51 | 51 | 205 |
| **Total Income and Endowment** | | **-** | **-** | **11,590** | **11,590** | **11,505** |
| | | | | | | |
| **Expenditure on:** | | | | | | |
| Raising funds | 4 | - | - | (6,584) | (6,584) | (4,828) |
| Charitable activities | 5 | (17,502) | (208) | - | (17,710) | (16,629) |
| **Total Expenditure** | | **(17,502)** | **(208)** | **(6,584)** | **(24,294)** | **(21,457)** |
| | | | | | | |
| **Net (Losses)/income per fund** | | **(17,502)** | **(208)** | **5,006** | **(12,704)** | **(9,952)** |
| Transfer between funds | 15 | 17,663 | (5) | (17,658) | - | - |
| | | | | | | |
| **Statement of Total Recognised Gains and Losses** | | | | | | |
| (Losses)/gains on property investments | 9 | - | - | (14,193) | (14,193) | 6,782 |
| Gains on financial investments | 10 | - | - | 16,103 | 16,103 | 4,268 |
| **Net Movement in Funds for the Year** | | **161** | **(213)** | **(10,742)** | **(10,794)** | **1,098** |
| | | | | | | |
| Total funds brought forward | | 2,507 | 213 | 385,403 | 388,123 | 387,025 |
| **Balance at end of year** | **15** | **2,668** | **-** | **374,661** | **377,329** | **388,123** |

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

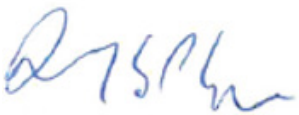
Comparative figures for the respective funds are set out in Note 1.

The Accounting Policies and Notes on pages 39 to 52 form part of these Financial Statements.

# b. Balance Sheet as at 31 March 2026

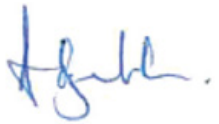
| | Note | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|---|
| **Fixed Assets** | | | |
| Tangible & intangible assets | 8 | 42 | 19 |
| Property investments | 9 | 203,568 | 218,613 |
| Financial investments | 10 | 174,883 | 168,407 |
| **Total fixed assets** | | **378,493** | **387,039** |
| **Current Assets** | | | |
| Debtors | 12 | 2,824 | 2,695 |
| Cash at bank | | 940 | 2,972 |
| **Total current assets** | | **3,764** | **5,667** |
| **Creditors:** due within one year | 13 | (4,928) | (4,583) |
| | | | |
| **Net current (liabilities)/Assets** | | **(1,164)** | **1,084** |
| **Total assets less current liabilities** | | **377,329** | **388,123** |
| | | | |
| **Represented by:** | | | |
| Endowment fund | 15/16 | 374,661 | 385,403 |
| Unrestricted fund (designated) | 15/16 | 2,668 | 2,507 |
| Restricted fund | 15/16 | - | 213 |
| **Total funds** | | **377,329** | **388,123** |

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 7 October 2026 and signed on the Trustee's behalf by:



.....

**D Eyton**



.....

**A Butler**

# c. Cashflow Statement

| | Note | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|---|
| **Cash from operating activities** | | | |
| **Net cash (used in)/provided by operating activities** | **(i)** | **(196)** | **1,986** |
| **Cash from investing activities** | | | |
| Investment income received | | 4,219 | 278 |
| Purchase of tangible fixed assets | 8 | (41) | (7) |
| Purchase of investments | 10 | (167,254) | (2,409) |
| Sale of investments | 9/10 | 161,926 | 2,289 |
| Investment management charges | 4/10 | (686) | (673) |
| **Net cash (used in) investing activities** | | **(1,836)** | **(522)** |
| **Change in cash and cash equivalents** | | **(2,032)** | **1,464** |
| Cash and cash equivalents at 1 April | | 2,972 | 1,508 |
| **Cash and cash equivalents at 31 March** | **(ii)** | **940** | **2,972** |

| | | | |
|---|---|---|---|
| **(i) Reconciliation of net expenditure to net cash flow from operating activities:** | | | |
| **Net movement in funds for the reporting period (per SofA)** | | **(10,794)** | **1,098** |
| Adjustments for: | | | |
| Depreciation/Amortisation | 8 | 16 | 9 |
| Gains on investment | 9/10 | (1,910) | (11,050) |
| Investment income | 2/3 | 11,590 | 11,505 |
| (Increase)/decrease in debtors | | (129) | 223 |
| Increase/(decrease) in creditors | | 345 | (472) |
| Investment management charges | 4/10 | 686 | 673 |
| **Net cash (used in)/provided by operating activities** | | **(196)** | **1,986** |

| | | |
|---|---|---|
| **(ii) Analysis of cash and cash equivalents:** | | |
| Cash in hand | 940 | 2,972 |
| **Total cash and cash equivalents** | **940** | **2,972** |

| | 01-Apr-25 £'000 | Cash flows £'000 | 31-Mar-26 £'000 |
|---|---|---|---|
| **(iii) Analysis of changes in net debt** | | | |
| Cash | 2,972 | (2,032) | 940 |
| **Net cash** | **2,972** | **(2,032)** | **940** |

# d. Notes to Financial Statements

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 53 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. Consequently, the Trustee is satisfied that there are no material uncertainties surrounding the ability of the charity to continue as a going concern.

The financial statements are prepared in pounds 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.

## Key judgements and assumptions

In the application of the charity's accounting policies, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods. The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described in the accounting policies and are summarised below:

Valuation of property investments, for which a professional valuation has been obtained from Cluttons, determines the Fair Value of property assets in the year.

**Material uncertainty relating to property investments valuations:**

The reversionary residential assets are presently being valued subject to material uncertainty as a consequence of the Leasehold and Freehold Act 2024. The impact of the Act is the removal of marriage value and prescription of capitalisation and deferment rates. Further, the draft Commonhold and Leasehold Reform Bill, sets a cap on residential ground rents at £250 per annum for a period of 40 years reducing to a peppercorn thereafter, which has created additional uncertainty. The valuation of the Charity's reversionary portfolio already removed the marriage value of its calculations in prior years, and the ground rents have now been capped at £250 per annum per unit from FY2025/26.

The valuation of the reversionary estate is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Valuation - Global Standards 2024. Consequently, less certainty and a higher degree of caution should be attached when interpreting the valuation of the residential reversionary assets than would normally be the case.

In considering the valuation of the reversionary estate, the Trustee has had regard for the wide range of assumptions and judgements considered by advisors, Though the current value is in line with expectations, the Trustee notes the inherent level of uncertainty surrounding assumptions and judgements included in the valuation.

## 1. Income

Rental income from operating leases where the Charity is a lessor is recognised on a straight-line basis over the term of the relevant lease.

Other investment income is recognised when notified as payable to the Charity by the relevant fund managers or when receivable and the amount can be measured reliably by the Charity.

## 2. Property Investments

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

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

Fair value is considered to be market value as defined by The Red Book being: 'The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted 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 Statement of Financial Activities.

No depreciation is charged on Investment Properties.



## 3. Financial Investments

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

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

## 4. Tangible & Intangible Assets

Fixed assets acquired above £1,000 are capitalised. Intangible Fixed Assets (e.g. software and other digital acquisitions) acquired above £2,000 are amortised.

Office and computer equipment are depreciated at between 20% and 33% on an annual straight-line basis over the useful lives of the assets. Software and other digital acquisitions are amortised at a 20% rate on an annual straight-line basis.

## 5. Grants

Liabilities are recognised as expenditure when there is a legal or constructive obligation committing the Charity to the expenditure. 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. Grants are recognised in the accounts as liabilities after they have been approved by the Trustee, the recipients have been notified and there are no further terms and conditions to be fulfilled within the control of the Charity. In these circumstances there is a valid expectation by the recipients that they will receive the grant.

## 6. 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.

## 7. Pension Costs

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

## 8. 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. A total return approach to investment has been adopted under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Charity has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term. (see note 15).

### b. Unrestricted general fund

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

### c. Unrestricted designated fund

The Unrestricted General Fund represents the Trustee's decision to designate funds to facilitate the financial impacts of the transition to the Charity's strategy 2023. The designated funds accumulate unutilised expendable grant amounts at the end of the financial year for the first 3 years of the new strategy to be used in phases during the following 3 years of the said strategy. This will smooth out the effects of the strategy's shift to longer and larger grants amounts and allows for greater flexibility in grant-making for strategic projects. The amount of funds to be designated is reviewed by the Charity Management Board on an annual basis.

**d. Restricted fund**

The restricted Fund represents a grant received from The City Bridge Trust to the Charity for its Recovery Fund, for the provision of grants to strengthen children &young people's organisations in its beneficial area. No further restricted funds were received by the Charity during the financial year.

## 9. Operating Leases

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

## 10. Financial instruments

Financial instruments are contracts that give rise to a financial asset in one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified as either basic financial instruments or other financial instruments.

Basic financial instruments are recognised in the accounts as follows:

- Cash and cash equivalents, which includes cash at banks and in hand and short-term deposits with a maturity date of three months or less, are carried at the value of the cash so held.
- Trade and other exchange transaction debtors and creditors receivable or payable within one year of the reporting date are initially recognised at their settlement amount and subsequently measured at the cash or other consideration expected to be paid or received.
- Fixed asset financial investments are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date.



# Accounting policies and other notes to the financial statements

## 1. Comparative statement of financial activities for the year ended March 2025

| | Note | Unrestricted Fund £'000 | Restricted Fund £'000 | Endowment Fund £'000 | Total Funds 2024/25 £'000 |
|---|---|---|---|---|---|
| **Income and Endowment from:** | | | | | |
| Property investments | 2 | - | - | 7,563 | 7,563 |
| Financial investments | 3 | - | - | 3,737 | 3,737 |
| Other income | 3 | - | - | 205 | 205 |
| **Total income and endowment** | | **-** | **-** | **11,505** | **11,505** |
| **Expenditure on:** | | | | | |
| Raising funds | 4 | - | - | (4,828) | (4,828) |
| Charitable activities | 5 | (16,316) | (313) | - | (16,629) |
| **Total expenditure** | | **(16,316)** | **(313)** | **(4,828)** | **(21,457)** |
| | | | | | |
| **Net (losses)/income per fund** | | **(16,316)** | **(313)** | **6,677** | **(9,952)** |
| Transfer between funds | 15 | 17,962 | - | (17,962) | - |
| | | | | | |
| **Statement of Total Recognised Gains and losses** | | | | | |
| Gains on property investments | 9 | - | - | 6,782 | 6,782 |
| Gains on financial investments | 10 | - | - | 4,268 | 4,268 |
| **Net movement in funds for the year** | | **1,646** | **(313)** | **(235)** | **1,098** |
| | | | | | |
| Total funds brought forward | | 861 | 526 | 385,638 | 387,025 |
| **Balance at end of year** | **15** | **2,507** | **213** | **385,403** | **388,123** |

## 2. Income from Property

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Residential rents | 2,614 | 3,087 |
| Commercial rents | 4,689 | 4,476 |
| **Total incoming resources from property** | **7,303** | **7,563** |

## 3. Income from Investments

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Financial investments | 4,219 | 3,644 |
| Bank and deposit interest | 17 | 93 |
| **Total incoming resources from financial investments** | **4,236** | **3,737** |
| Other Income | 51 | 205 |

## 4. Expenditure on Raising Funds

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Property Management charges | 840 | 671 |
| Property repairs and other expenses | 3,159 | 2,439 |
| Investment Management charges | 686 | 331 |
| **Total cost of raising funds from property** | **4,685** | **3,441** |
| Other management and support cost | 1,899 | 1,387 |
| **Total expenditure on raising funds** | **6,584** | **4,828** |



# 5. Analysis of Charitable Activities

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

| | FY2025/26 | | | FY2024/25 | | |
|---|---|---|---|---|---|---|
| | **Total 2025/26 £'000** | **Grant Funded Activities £'000** | **Support costs charged to charitable activities £'000** | **Total 2024/25 £'000** | **Grant Funded Activities £'000** | **Support costs charged to charitable activities £'000** |
| Arts & Science | **94** | 85 | 9 | 406 | 366 | 40 |
| Children & Families | **-** | - | - | 202 | 182 | 20 |
| Education & Learning | **240** | 218 | 22 | 368 | 332 | 36 |
| Capacity Building | **1,420** | 1,289 | 131 | 1,370 | 1,235 | 135 |
| Emotional Wellbeing | **39** | 35 | 4 | 154 | 139 | 15 |
| Special Needs & Disability | **52** | 47 | 5 | 386 | 348 | 38 |
| Training | **-** | - | - | 106 | 96 | 10 |
| Youth Clubs and Youth Activities | **25** | 23 | 2 | 302 | 272 | 30 |
| Youth Issues | **22** | 20 | 2 | 216 | 195 | 21 |
| Bursaries | **72** | 65 | 7 | 1,056 | 952 | 104 |
| Formal Education | **4,981** | 4,521 | 460 | 2,660 | 2,398 | 262 |
| Informal Education | **4,540** | 4,120 | 420 | 3,189 | 2,875 | 314 |
| Access to Education | **1,947** | 1,767 | 180 | 1,451 | 1,308 | 143 |
| Restricted Grants | **229** | 208 | 21 | 311 | 280 | 31 |
| **Sub Total** | **13,661** | **12,398** | **1,263** | **12,177** | **10,978** | **1,199** |
| **Home School Community Funds:** | | | | | | |
| Cultural Capital Fund | **-** | - | - | 1,109 | 1,000 | 109 |
| Recovery Fund | **413** | 375 | 38 | 797 | 719 | 78 |
| Replication Fund | **934** | 848 | 86 | 946 | 853 | 93 |
| Collaboration Fund | **2,151** | 1,952 | 199 | 1,045 | 942 | 103 |
| YPF Small Grants Fund | **551** | 500 | 51 | 555 | 500 | 55 |
| **Sub Total** | **4,049** | **3,675** | **374** | **4,452** | **4,014** | **438** |
| **Total** | **17,710** | **16,073** | **1,637** | **16,629** | **14,992** | **1,637** |

## 6. Support Costs

The breakdown of support costs is shown in the table below. The allocation to Charitable Activities is based on the number of staff working on main charitable activities vs administrative and support staff. In addition, expenses that are spent solely on preserving the endowment fund such as legal fees and other professional fees have not been charged to Charitable activities, details of allocated costs shown in Note 5 above.

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Audit fees | 31 | 82 |
| Valuation fees | 30 | 58 |
| Depreciation | 16 | 9 |
| Consultancy fees | 30 | 21 |
| Staff costs | 1,043 | 921 |
| Operating leases & office equipment | 189 | 212 |
| Other support | 298 | 334 |
| **Total** | **1,637** | **1,637** |

Current year audit fees disclosed above totalling £31k for the year comprise £51k in respect of the current year's audit net of a £20k credit arising from the release of an over-accrual relating to fees payable to the previous auditor in the prior year. Comparative audit fees disclosed above totalling £82k includes £23k in respect of the previous auditor and £59k in respect of the current auditor. All audit fees are stated inclusive of VAT.

## 7. Staff Costs

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Wages and Salaries | 1,171 | 1,078 |
| Social security costs | 160 | 130 |
| Pension & healthcare contributions | 223 | 167 |
| **Total** | **1,554** | **1,375** |

Included in the above amount is salary costs of £511,411 (FY2024/25: £453,550) which relates to expenditure on raising funds and are reflected within other management costs in Note 4.

The Charity contributes as a maximum 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.

| | 2025/26 | 2024/25 |
|---|---|---|
| Average number of employees during year: | 20 | 18 |

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

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| £60,001 - £70,000 | 1 | - |
| £70,001 - £80,000 | - | 2 |
| £80,001 - £90,000 | - | 1 |
| £90,001 - £100,000 | 2 | - |
| £100,001 - £110,000 | 1 | - |
| £110,001 - £120,000 | - | 1 |
| £170,001 - £180,000 | - | 1 |
| £190,001 - £200,000 | 1 | - |

The total amount of employee benefits received in the year by key management personnel, was £693,987 (FY2024/25: £722,190). During the FY2025/26, the key management personnel comprised of the Chief Executive Officer, three Grants Directors and the Chief Operating Officer.

Redundancy and termination payments: Expenditure totalling £4,500 (FY2024/25: £101,505) was recognised in the year in respect of redundancy termination payments for employees. There were no amounts due to former employees in respect of redundancy payments outstanding at the year-ended FY2025/26 (FY2024/25: £nil)

# 8. Tangible & Intangible Assets

## 8a Tangible assets

| | 2025/26 Furniture & Equipment £'000 |
|---|---|
| Cost as at 1 April 2025 | 145 |
| Additions in the year | 13 |
| **At 31 March 2026** | **158** |
| Accumulated Depreciation at 1 April 2025 | 128 |
| Depreciation Charge in Year | 10 |
| **At 31 March 2026** | **138** |
| **Net Book Value at 31 March 2026** | **20** |
| Net book value at 31 March 2025 | 18 |

## 8b Intangible assets

| | 2025/26 Systems & Website Development £'000 |
|---|---|
| Cost as at 1 April 2025 | - |
| Additions in the year | 28 |
| **Total cost of assets at 31 March 2026** | **28** |
| Amortisation at 1 April 2025 | - |
| Charge for the year | 6 |
| **Amortisation as at 31st March 2026** | **6** |
| **Net Book Value at 31 March 2026** | **22** |
| Net book value at 31 March 2025 | - |

# 9. Property Investments

| Property investments | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Reversionary estate | 25,603 | 31,093 |
| Residential properties | 68,565 | 71,670 |
| Commercial properties | 109,400 | 115,850 |
| **Market value** | **203,568** | **218,613** |
| | | |
| **Balance at beginning of year** | **218,613** | **212,731** |
| Additions at cost | - | 248 |
| (Losses)/gains | (14,342) | 6,782 |
| Cost of sales & disposals | (703) | (1,148) |
| **Balance at end of year** | **203,568** | **218,613** |
| Realised gains on property disposals | 150 | 691 |
| **Total (losses)/gains** | **(14,193)** | **7,473** |

The property investments (Residential properties, Commercial properties and Reversionary Estate) were revalued as at 31 March 2026 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.

# 10. Financial Investments

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| **Listed Investments** | | |
| Main Fund | 166,335 | 157,115 |
| Special Fund | 5,500 | 8,864 |
| **Total** | **171,835** | **165,979** |
| Unlisted Investments (Private Equity) | 3,048 | 2,428 |
| **Market Value** | **174,883** | **168,407** |
| Historical Cost (book cost) | 167,143 | 148,347 |

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| **Opening Value** | **168,407** | **174,902** |
| Additions & purchases | 167,254 | 1,984 |
| Sales | (161,072) | (1,141) |
| Withdrawals | (19,342) | (14,780) |
| Income | 4,219 | 3,505 |
| Manager fees | (686) | (331) |
| Gains | 16,103 | 4,268 |
| **Closing Value** | **174,883** | **168,407** |

## Capital Commitments

In prior years, the Charity has committed to investing up to $2.3m (£1.78m) into Hollyport Secondary Opportunities VIII Management Ltd and €3.4m (£2.87m) into Crown Global Secondaries VI Feeder SCSP both of which are private equity unlisted investments. Up until 31st of March 2026, capital calls of $1.6m (£1.22m) and €1.09 (£0.95m) had been made into these investments, leaving remaining capital commitments of Hollyport $0.69m (£0.52m) (FY2024/25: $0.67m/£0.52m) and Crown Global €2.35m (£1.87m) (FY2024/25: €3.07m/£2.56m). The Charity has also committed to investing up to $2m (£1.5m) into Linden Capital Partners VI LP, no drawdowns have been made to pay into this investment in FY2025/26.

# 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 3.5% of that rolling average on charitable activities including support costs and the cost of generating funds and governance costs.

The calculation to determine the amount available in the years to 31 March 2026 which does not include the additional Agreed Spend for the Covid Home-School Community (HSC) strategy of £22m. The additional Agreed Spend was approved by the Trustee as a response to the Covid pandemic and to aid grantee organisations in their funding gaps during the pandemic.

| Year Ended | Net Asset Value £'000 | 4 Year Average £'000 | Expendable Percentage of Average | Expendable Amount £'000 |
|---|---|---|---|---|
| 31-Mar-23 | 391,019 | 391,070 | 3.50% | 13,687 |
| 31-Mar-24 | 387,025 | 401,454 | 3.50% | 14,051 |
| 31-Mar-25 | 388,123 | 400,553 | 3.50% | 14,019 |
| **31-Mar-26** | **377,329** | **385,874** | **3.50%** | **13,506** |

| Application of the Power of Total Return (continued) | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Expendable amount | 14,019 | 14,051 |
| Additional expendable amount | 4,049 | 4,450 |
| **Total** | **18,068** | **18,501** |
| Transferred to unrestricted general fund | (17,658) | (17,962) |
| **Reinvested** | **410** | **539** |

| Movement in the Total Return Fund in the year and application of total Return from the endowment Fund | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Opening value of endowment fund at 1 April | 385,403 | 385,638 |
| Opening value of the fund at 31 March 1997 | (63,797) | (63,797) |
| **Unapplied total return brought forward** | **321,606** | **321,841** |
| **Opening value of Total return Funds** | | |
| Add: | | |
| Investment return - income | 11,590 | 11,505 |
| Investment return - realised /unrealised gains | 1,910 | 11,050 |
| | **335,106** | **344,396** |
| Less | | |
| Expenditure on raising funds | (6,584) | (4,828) |
| Unapplied total return before transfers carried forward | 328,522 | 339,568 |
| Return applied during the year | (17,658) | (17,962) |
| **Unapplied total return as at 31 March** | **310,864** | **321,606** |
| Add: value of the fund at 31 March 1997 | 63,797 | 63,797 |
| **Total Endowment Fund at 31 March** | **374,661** | **385,403** |

## 12. Debtors

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Amounts due from tenants and managing agents | 2,647 | 2,315 |
| Other debtors and prepayments | 177 | 380 |
| **Due within one year** | **2,824** | **2,695** |

## 13. Creditors

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Grants | 1,437 | 2,673 |
| Trade creditors | 135 | 102 |
| Accruals and deferred income | 2,043 | 339 |
| Other creditors | 1,313 | 1,469 |
| **Due within one year** | **4,928** | **4,583** |

Grant creditors brought forward at the start of the year amounted to £2,673k. During the year, grant awards totalling £16,249k were approved and recognised. Payments of £17,309k were made to beneficiaries and grants totalling £176k were cancelled or no longer required. As a result, grant creditors carried forward at the year-end amounted to £1,437k.

| | 2025/26 £'000 |
|---|---|
| **Deferred Income** | |
| Balance brought forward as at 1 April 2025 | - |
| Released to income in the year | - |
| Deferred income in the year | 1,359 |
| Balance carried forward as at 31 March 2026 | 1,359 |

## 14. Operating Lease Commitments

As at 31 March 2026, the total minimum payments to which the Charity is committed under non-cancellable operating leases for property and office equipment are

| | 2025/26 £'000 | 2024/25 £'000 |
|---|---|---|
| Due within one year | 238 | 250 |
| Due within 2-5 years | 912 | 920 |
| Due over 5 years | 223 | 489 |
| **Total commitments** | **1,373** | **1,659** |

Operating lease payments of £163k were recognised as expenditure during the year (FY2024/25: £179k).

Amounts due to the Charity from rental leases of the property investments are detailed below:

| | Commercial Rents £'000 | Ground Rents £'000 | Residential Rents £'000 | Total £'000 |
|---|---|---|---|---|
| Less than 1 year | 4,652 | 279 | 2,050 | 6,981 |
| 2 - 5 years | 12,983 | 1,117 | 2,440 | 16,540 |
| Over 5 years | 39,252 | 39,070 | - | 78,322 |
| **Total** | **56,887** | **40,466** | **4,490** | **101,843** |

## 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. A total return approach to investment has been adopted under which the funds are invested to produce an investment return without regard to whether that return is in the form of income or capital appreciation. The Charity has developed a distribution rule which is designed to produce a consistent and sustainable amount to be transferred annually to the unrestricted fund whilst maintaining the value of the endowments in real terms over the long term (see note 11).

### B. Unrestricted General Fund

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

### C. Unrestricted Designated Fund

The Unrestricted General Fund represents the Trustee's decision to designate funds to facilitate the financial impacts of the transition to the Charity's strategy 2023. The designated funds accumulate unutilised expendable grant amounts at the end of the financial year for the first 3 years of the new strategy to be used in phases during the following 3 years of the said strategy. This will smooth out the effects of the strategy's shift to longer and higher amount grants and allows for greater flexibility in grant-making for strategic projects. The amount of funds to be designated is reviewed by the Charity Management Board on an annual basis.

### D. Restricted Fund

The restricted fund represents a grant received from The City Bridge Trust to the Charity for its Recovery Fund, for the provision of grants to strengthen children & young people's organisations in its beneficial area. This fund has now been fully distributed by end of March 2026.

| FY2025/26 | Balance Brought forward £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains/ (Losses) £'000 | Balance carried forward £'000 |
|---|---|---|---|---|---|---|
| Endowment fund | 385,403 | 11,590 | (6,584) | (17,658) | 1,910 | 374,661 |
| Unrestricted general fund | - | - | (17,502) | 17,502 | - | - |
| Unrestricted designated fund | 2,507 | - | - | 161 | - | 2,668 |
| Restricted | 213 | - | (208) | (5) | - | - |
| **Total** | **388,123** | **11,590** | **(24,294)** | **-** | **1,910** | **377,329** |

| FY2024/25 | Balance Brought forward £'000 | Income £'000 | Expenditure £'000 | Transfers £'000 | Gains/ (Losses) £'000 | Balance carried forward £'000 |
|---|---|---|---|---|---|---|
| Endowment fund | 385,638 | 11,505 | (4,828) | (17,962) | 11,050 | 385,403 |
| Unrestricted general fund | - | - | (16,316) | 16,316 | - | - |
| Unrestricted designated fund | 861 | - | - | 1,646 | - | 2,507 |
| Restricted | 526 | - | (313) | - | - | 213 |
| **Total** | **387,025** | **11,505** | **(21,457)** | **-** | **11,050** | **388,123** |

## 16. Analysis of Net Assets Between Funds

| | Total 2025/26 £'000 | Restricted Fund £'000 | Unrestricted Designated Fund £'000 | Endowment Fund £'000 |
|---|---|---|---|---|
| Fixed Assets | 378,493 | - | - | 378,493 |
| Other assets/liabilities | (1,164) | - | 2,668 | (3,832) |
| **Total** | **377,329** | **-** | **2,668** | **374,661** |

| | Total 2024/25 £'000 | Restricted Fund £'000 | Unrestricted Designated Fund £'000 | Endowment Fund £'000 |
|---|---|---|---|---|
| Fixed Assets | 387,039 | - | - | 387,039 |
| Other assets/liabilities | 1,084 | 213 | 2,507 | (1,636) |
| **Total** | **388,123** | **213** | **2,507** | **385,403** |



## 17. Transactions with the Trustee and Connected Persons

The Charity made a grant to Harrow School of £30,000 (FY2024/25: £512,394) and to The John Lyon School of £19,178 (FY2024/25: £666,308).

In 2025/26, the Charity made a grant of £1,257,478 (FY2024/25: nil) to the Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon (registered charity No. 310033) referred to as the Corporation. This grant is aimed at providing wider access to education at the Corporation schools and is consistent with the Founder's original intention for the application of his endowment.

Each member of the Corporation and the principal officers are required to complete a declaration of interest statement each year for the purpose of identifying and ensuring proper disclosure of such interests. In FY2025/26 there have been 6 grants totalling £324,500 (FY2024/25: 13 grants totalling £500,700) which were made to charities where one or more such persons are charity Trustees. Trustees with connected transactions had no involvement in the decisions related to these transactions. No other transactions have taken place between the Charity and the Trustee or any member of the Corporation.

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

## 18. Future Commitments

### Grant commitments

The Charity has committed to multi-year grants including bursary support totalling £20m up to 2030/31, 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. These commitments include the remaining distribution amount for the exceptional Home School Community Strategy which was approved by the Charity Management Board post the Covid Pandemic and out of which only £3.7m is left to be distributed post March 2026.

# Addressees

| | |
|---|---|
| Trustee | The Keepers and Governors of the Possessions, Revenues and Goods of the Free Grammar School of John Lyon (The Corporation, Charity number 310033) |
| Registered Charity No. | 237725 |
| Registered Charity Address | Savoy Strand, 105 - 109 Strand, London WC2R 0AA |
| Property Managing Agents | Knight Frank LLP, 55 Baker Street, London W1U 8AN<br>(from 01/04/26: Savills PLC, 33 Margaret Street, London W1G 0JD) |
| Bankers | Coutts & Co, 440 Strand, London WC2R 0QS |
| Auditors | Crowe U.K. LLP, 55 Ludgate Hill, London EC4M 7JW |
| Solicitors | Howard Kennedy, 1 London Bridge, London SE1 9BG |
| Investment Managers & Custodian | Cambridge Associates, 80 Victoria Street, London SW1E 5JL<br>Cazenove Capital, 1 London Wall Place, London EC2Y 5AU<br>(from 17/11/25: Goldman Sachs, 25 Shoe Lane, London EC4A 4AU) |