

THE JOHN BLACK CHARITABLE FOUNDATION

Company limited by guarantee

Charity No 01143431

Company No 07734413

**ANNUAL REPORT
AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

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THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

The trustees present their report together with the financial statements of the company for the year ended 31 March 2021, and confirm that the financial statements comply with current statutory requirements and the requirements of the company's memorandum and articles of association. This report is a directors' report and has been prepared in accordance with Financial Reporting Standard published in the UK and Ireland (FRS 102) and in accordance with s417 of the Companies Act 2006, and all trustees are directors. Items disclosed under the strategic report are not repeated here, as allowed under s414C(11).

REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|--|---|
| Foundation name: | The John Black Charitable Foundation |
| Charity registration number: | 01143431 |
| Company registration number: | 07734413 |
| Registered Office and operational address: | 24 Old Burlington Street London, W1S 3AW |

Trustees

The persons who served as trustees during the period were as follows :-

Mr S Conway
Mr D Taglight

Auditors

Moore Kingston Smith LLP
Devonshire House
60 Goswell Road
London, EC1 7AD

Bankers

Barclays Bank Plc
London Barclays Wealth Private Bank
1 Churchill Place
London, E14 5HP

STRUCTURE, GOVERNANCE AND MANAGEMENT

The company is limited by guarantee and is governed by its Memorandum and Articles of Association dated 9 August 2011. The Foundation was registered with the Charity Commission on 18 August 2011, under Foundation number 1143431.

The Will of the late John Black dated 30 July 2002 states that the Trustees of the Will shall hold John Black's residuary Estate upon trust to apply the income thereof for the charitable purposes. In order to achieve this the Trustees established this Foundation.

The trustees as charity trustees have control of the Foundation and its property and funds. The Foundation is chaired by David Taglight. Except otherwise provided in the Will, every issue may be determined by a simple majority of votes cast at a meeting of the trustees but a resolution which is in writing and signed by all the trustees is as valid as a resolution passed at a meeting.

One of the trustees' primary responsibilities is to ensure that the Foundation operates to the highest standards in all aspects of governance and risk management. Their aim is to manage the Foundation effectively, while ensuring that proper operating procedures and internal controls are maintained at all times. Transparency is central to this objective and more detail can be found in the Risk Management section of the Strategic Report.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

RECRUITMENT AND APPOINTMENT OF TRUSTEES

Future trustees must be appointed by resolution of the trustees. The number of trustees shall be not less than two but shall not be subject to any maximum. It is clear that for our Foundation, we need people of both experience and those capable of giving their time. It is not always easy to find both those characteristics in people willing to take on the considerable commitment and responsibility required by the Foundation. We continue to search out for potential trustees of the quality required.

INDUCTION AND TRAINING OF TRUSTEES

All of the existing trustees are familiar with the running of the Foundation and are provided with details of trustee training courses.

New trustees will be provided with the memorandum and articles of association and web links to charities guidelines for trustees. Trustees are aware that it is their responsibility to keep abreast of developments in relation to the governance of charities under the Charities Act.

AIMS AND OBJECTIVES OF THE FOUNDATION

The Foundation was set up to support medical research into Prostate Cancer and Parkinson's Disease in the United Kingdom together with other charitable causes associated with the State of Israel. This year, the trustees cognisant of the urgent public need for research into the causes of Covid-19, have decided to fund a number of covid-related projects, more details of which can be found in the Science Report below. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives and when setting grant making policy for the year. The Foundation continued its adopted policy of providing funding to a variety of institutions for the public benefit. This includes research into better diagnoses and where appropriate more effective treatments for both Prostate Cancer and Parkinson's Disease. We provide some details on this year's research under Grants and Donations and in the Science Report below.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

FINANCIAL REVIEW

PRINCIPAL FUNDING SOURCES

The Foundation continues to receive donations from its wholly owned subsidiaries. It also has an investment portfolio which generates investment returns. During the year the Foundation received the last legacy payment from the Estate of the late John Black.

INVESTMENT POWERS, POLICY AND PERFORMANCE

Under the Memorandum and Articles of Association, the trustees have the authority to invest the funds of the Foundation at their discretion. The Foundation maintains a cautious approach to its cash deposits and spreads the capital with several highly rated financial institutions. Its property portfolio is actively managed in-house and achieved an excellent result in terms of income, albeit that this year, the capital values as mentioned above, have suffered a small reduction. The equity portfolio, also managed in-house had another very positive year. The trustees retain confidence in those investments.

ACTIVITIES AND PERFORMANCE

The Trustees continued to manage the assets held by the Foundation and monitor the property assets held in its wholly owned subsidiaries. Last year was the first since inception, that our largest property asset, the freehold in Drury Lane London W1, was reduced in value due to the pandemic. We have again this year, along with the majority property owning companies, reduced the value to take account of Covid. The second lockdown caused problems for some of our retail tenants, albeit they are a minority in terms of rental income. We acted responsibly during the year making rental concessions and deferrals where we felt it necessary to help maintain tenancies. The trustees continue to have confidence in this central London location and the several opportunities that exist for improving the site. The residential asset in Kensington performed well and is maintained at last year's valuation. During the year the Foundation purchased a large freehold office building close to Heathrow airport, let to The Secretary of State for Housing Communities and Local Government for 16 years. The trustees are happy to add this very solid income to the portfolio. Our equity investments continued to outperform the market and our bond portfolio provided solid income. Interest rates remain at an all-time low, and the trustees continue to monitor, and secure investment opportunities, but the priority is always to minimise risk. The trustees remain pleased with the overall performance and spread of investments. Notwithstanding the small reduction in Drury Lane the overall asset position of the Foundation improved over the year.

RESERVES POLICY

As seen on page 17 of the accounts the Foundation has substantial reserves. It keeps these to generate income which is donated to medical research and other charitable purposes. As the Foundation begins to make longer term research commitments the trustees have decided to retain an appropriate level of its reserves in liquid form. These include bank deposits, short dated bonds and marketable listed investments. This liquidity will also be available to take advantage of unique opportunities which may arise in the existing property portfolio. These central London property assets are held to grow the capital base and maintain income over the longer term, thereby providing the charitable Foundation with the ability to continue with its stated aims and objectives.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

GRANTS AND INVESTMENTS

The trustees are pleased to report that since 2013 they have made grants and donations totalling £25m. These include three ten-year professorial research Chairs, two in Prostate Cancer at UCL and Oxford, and one in Parkinson's Disease at Oxford. We have donated £3m to enable Oxford University to purchase a MR Linac machine that will use pioneering technology to locate and deliver doses of radiation to tumours with accuracy. In the words of Prof Louise Richardson, Vice Chancellor of Oxford University, the equipment has the potential to make a substantive difference both in the treatment of cancer and the furthering of significant research. The machine will be used to treat prostate and other cancers. We made a gift of £2m to UCL to purchase a sorely needed 3T MRI scanner which will be used primarily for scientific research and NHS treatment. In recognition of this gift the 3T MRI scanner will be named "The John Black Charitable Foundation 3T MRI Scanner". Currently we have made 89 grants for research into Prostate and Parkinson's many of which are still running. This year again, many of our researchers have had their work published in quality medical journals. The majority of the grants are long term in nature. As in previous years JBCF has worked with Prostate Cancer Foundation (PCF) and the Van Andel Institute (VAI) both of the US, The Urological Foundation (TUF), and The Cure Parkinson's Trust (CPT). These institutions provide the necessary peer review work required before the JBCF, makes any grant. In some situations, they also donate alongside JBCF. One major grant, which features in the Scientific Report, was the tripartite arrangement between VAI, CPT and JBCF to participate equally in a three-year funding arrangement totalling \$6.75m, for research into Parkinson's Disease. In this case any revenue earned will be automatically ploughed back into fresh research. The year ending March 21 has been severely impacted by Covid. The majority of the scientific laboratories have been closed for long periods and this has had a knock-on effect in the numbers of grant requests we have seen. It is pleasing to note that despite this, JBCF made grants of £3,498,748 virtually the same as last year. The trustees used their discretion to make 16 grants to help with the urgent needs of the medical community in tackling Covid. Several of these projects received well-earned commendations, both in the scientific community, and more widely in the press. Details of these grants can be viewed in the Science Report.

PUBLIC BENEFIT

The trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission, including 'Public Benefit: Running a charity (PB2)'.

It is envisaged that the grants made and the activities outlined below will provide considerable public benefit to a wide section of the community.

The charity partners with other institutions, the Prostate Cancer Foundation (PCF), The Urology Foundation (TUF), Rosetrees Trust (RT), and the Van Andel Research Institute based in Grand Rapids Michigan (VARI) in order to have the highest quality peer review process. PCF, VARI and RT often make donations alongside the Foundation.

The directors/trustees still find that this model helps produce the best results. The projects are sometimes sourced by us, sometimes by our partners and sometimes by direct approaches from scientists.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

SCIENCE REPORT

Given the unprecedented conditions surrounding the Covid-19 pandemic the trustees decided to support various research projects as a matter of urgency.

COVID 19

Professor Caetano Reis e Sousa, operating from the Francis Crick Institute. His aim was to produce a Rapid Diagnostic test for testing current infection for community testing in homes and GP surgeries. Our first grant was in April 2020. It was pleasing to recognise that on the 1st of July his work was successful in producing a test for Covid which could provide answers in 25 minutes. Following this success, a second grant was made on the 16th of July.

Professor Jeremy Brown at UCL requested funding to develop a far more detailed antibody test. These well publicised tests looked for one antibody for Covid 19, but Professor Brown wanted to investigate 8 different antibodies, all or any of which, could be providing protection for Covid-19 or any other viral infection the patient may have had. This work also investigated how powerful the antibody response was in patients.

Professor Adrian Hayday at the Francis Crick was looking at patient samples to analyse immune cells in order to predict a response to infection based on their immune profile. We funded his first work in April 20.

In August, the exceptional results were reported in Nature Medicine.

In January 21 we again supported Adrian Hayday this time to compare the immune responses in people who have had two doses of the vaccine separated by 3 or 12 weeks, and to look at the immune response in cancer patients, who had received the vaccine, to ensure they mounted a robust response compared to vaccinated individuals with no cancer. This work was of immediate value to Sage in advising the government. The results of this work were published in the Lancet, mentioned in Parliament, and Adrian received a congratulatory response from Anthony Fauci, chief medical officer to the White House.

Dr Marko Nikolic at UCL worked on a project to take samples from infected children to identify why they developed less severe symptoms and in some cases were protected from becoming infected.

Professor Aine McKnight at Queen Mary's wanted to develop an assay to identify whether antibodies produced in infected people were neutralising.

Dr Christopher McCormick associate Professor of Molecular Virology at Southampton University was looking to apply laser technology to increase sensitivity of diagnostic Covid-19 tests by 30-fold for community testing outside of hospitals and diagnostic laboratories.

Professor Ravindra Gupta at Cambridge requested funding to follow up a previous SarsCov study from 2003 which identified a potential disease-causing mechanism involving immune cells in the lung. That work could not be followed up because the virus disappeared before enough samples could be collected. Covid-19 is similar, and he wanted to study that mechanism in Covid-19 patients.

Dr Cecilia Johansson at Imperial wanted to study the biology of the disease. She created 3D models of coronavirus infected lung, taking normal lung slices, and infecting them with coronavirus. This allowed her to study the effects of infection under the microscope which could not be done for normal Covid patients.

Professor Judith Breuer at UCL (Children's hospital) was focusing on the use of in vitro modelling (HFIM- Hollow Infection Fibre Model) and deep sequencing to test the efficacy of leading anti-Covid agents, such as Remdesivir and Favipiravir, alone or in combination, as a potential treatment for Covid19. It was pleasing to note that during the year Judith Brown had peer reviewed papers published on this work in Pediatrics and PNAS

Professor Neil Tolley at Imperial College investigated the relationship between infectivity, PCR and Antibody testing at the time of tracheostomy.

Dr Mark Lynch at UCL who works alongside Professor Gert Attard who is "The John Black Charitable Foundation Chair in Prostate Cancer", wanted to investigate the use of anti-androgen drugs, to see if they reduced the severity of Covid symptoms. The thinking behind this supposition was that given men are more likely than women to catch Covid, this could have something to do with high male hormones levels. Testosterone levels are a driver of prostate cancer, and so given the backlog of patients waiting for prostatectomy operations, there was a unique window of opportunity to test the supposition.

Dr Henry Staines at St George's University London was involved in antibody testing linking detection with protection from infection and disease. This was immediate ongoing work, trying to better understand the links between antibodies and immunity from infection.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

Dr Richard Angell at UCL was looking to develop new anti-viral products for Covid and beyond. He was looking to promote collaborative opportunities between teams in low- middle Income countries and high-income countries. He was also hoping to provide a source of compounds for expedited pre-clinical testing prior to clinical trials in humans.

Dr Margarita Dominguez-Villar's project at Imperial College was aimed at characterizing the T-cells response in patients who had been recovering from or had Covid, by analysing proteins and studying their T-cells in detail. A strong T-cell response is required for an effective vaccine. Much of the previous work in SARS-COV2 had been concentrating on B-cells and not T-cells.

Dr Alessandra Borsini at Kings College, London looked into the causes of Covid-19 patients developing neurological symptoms, headaches, dizziness, loss of smell and taste. Her work studied blood samples from Covid patients.

PROSTATE CANCER

We are always happy to support the holders of JBCF Chair positions and have made a grant to Professor Ian Mills at Oxford. Using sophisticated multiplex imaging techniques, Ian will survey the tumour micro-environment to establish which genetic instabilities, cause both progression and treatment resistance in prostate cancer.

Towards the end of the year, we were delighted to recognise the outstanding performance of Professor Gert Attard, the JBCF Chair in Prostate Cancer at UCL; we made a Grant in place of Bronze NHS Clinical Excellence Award; The NHS scheme had been suspended to the pandemic.

In 2016 we backed Dr Prabhakar Rajan looking for genetic changes within cancer cells circulating in the blood of patients who receive new hormone treatments. He has produced an assay with the help of AI and has sent a paper to the prestigious British Journal of Cancer and is waiting for a positive response.

Last year we supported Professor Ros Eeles at The Institute of Cancer Research alongside Dr Melanie Flint at Brighton, investigating certain stress hormones in BRCA mutation carriers possibly having an increase susceptibility to the development of prostate cancer.

We were happy to follow this with another grant to Professor Eeles, for three years. The aim is to develop a targeted prostate screening programme, which will offer men thought to be at higher risk, a test likely to identify aggressive cancer. They will build on work to develop an extensive genetic test for over 300 genetic variants for men at risk who have already developed aggressive disease.

In 2015 we first backed Dr Hayley Whitaker to establish NAALAD2, a protein coding gene, as a therapeutic target, and again in 2017, we extended the grant to look at TBLXR1, another gene. It is pleasing to report that the results have been accepted for publication in Nature Communication Biology. As is usual the work does not stop here, and Hayley is still exploring the options for these proteins to become diagnostic and prognostic markers.

Dr Veeru Kasivisvanathan at UCL approached us to support PRIME, a study comparing bi-parametric MRI to multi-parametric MRI in the diagnosis of clinically significant prostate cancer. The main thrust of the survey is to establish that the use of a contrast agent, usually gadolinium, is not required for MRI study. If proven this would cut the costs and timing of scans significantly, meaning more men would have access to MRI machines, which are a scarce resource currently. We funded this project alongside Prostate Cancer UK.

In 2017 we supported Dr Alison Tree at the ICR in a project designed to get the best use out of the MR Linac machines. These machines enable patients to be imaged and treated simultaneously. Alison was looking to establish that the dose required could be reduced as targeting was refined. We are pleased that she had a paper on this work accepted for publication and the work continues. It could be that this work will be helpful to the operators at Oxford of a new MR Linac machine, that went live last year. JBCF was instrumental in the purchase of that machine.

Also, in 2017 we supported Dr Arran Turnbull from the Edinburgh Cancer Research Centre to investigate the genomics of prostate elasticity. We were pleased to support him again in a novel project to attempt to personalise prostate cancer treatment. Arran will seek to identify biomarkers that may predict which patients will respond to radiotherapy, enabling only those who might benefit from being exposed to this treatment, and therefore avoid those who might not, suffering unnecessary side effects.

We were pleased to hear that the work we funded for Dr Valentine Macaulay at Oxford in 2017 looking into IGF proteins (Insulin Growth Factors) has been accepted for publication in Cancer Research. We are exploring whether there is any follow up study which could help Val on this interesting topic.

THE JOHN BLACK CHARITABLE FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 March 2021

We funded this year, Greg Shaw and Eoin Dinneen at UCL, to investigate making real time assessments of the prostate margin accessible to surgical oncology teams. Fluorescence Confocal Microscopy could become a practice changing technique, providing visual inspection of tissue in microscopic detail within minutes of removing a specimen from the body.

We were pleased to be able to make three Grants to Prostate Cancer Foundation (PCF) discussed below. PCF are based in California but sponsor work worldwide, and as we did last year, we picked very high scoring projects based in the UK.

Firstly: Professor Nigel Mongan at Nottingham had a project to investigate Epitranscriptomic determinants of androgen deprivation therapy resistance in prostate cancer. Androgens are very important to cancer cell growth and blocking their activity can slow growth.

Secondly: We were excited to make a first grant to the renowned Professor Johann de Bono at the ICR. This large study will look at the Microbiome. Microbiota are microorganisms living in symbiosis with the host. Johann hypothesizes that these microbiota can contribute to therapy resistance, and he plans, among several other things, to generate an assay which will detect unfavourable microbiota, and use it to develop therapeutic interventions to reverse the unfavourable gut micro biome.

Thirdly: Each year we support a Young Investigator that has scored highly with PCF, and this year it was Dr Alec Paschalis, coincidentally also at ICR. There is an urgent clinical need for novel therapeutic strategies capable of overcoming oncogenic AR V7 signalling, to improve patient outcomes from lethal prostate cancer. AR V7 has long been associated with a worse overall survival rate.

PARKINSON'S DISEASE

We were happy to acknowledge that Professor Ira Milosevic has been appointed as the John Black Chair in Parkinson's at Oxford. As with other appointees at Oxford and UCL, we look forward to being able to support specific projects put forward by the new Chair as they arise. We have found that a strong relationship with JBCF professors, leads onto valuable research opportunities for funding.

We backed a project in 2016 with Professor David Rubinstzein at Cambridge. The results were published, and we were pleased to make a further grant to him for a project that will look at combining two repurposed drugs, thought to clear proteins such as Alpha Synuclein and Tau, known to be involved in Parkinson's Disease. Professor Rubinstzein will determine if used in combination they can work synergistically. It will be a three-year programme.

Also, in 2016 we sponsored research by Professor Manju Kurian at UCL Great Ormond Street. This work was to determine whether gene therapy could be used to treat inherited forms of Parkinson's. The results have been very positive, and papers have been accepted for publication. Funding is proceeding with third parties for a full trial to take place next year.

We backed Professor Laura Itzhaki at Cambridge. Laura will work to produce a phase separating 'biological reactor' capable of driving the destruction disease causing proteins. These proteins will be targeting toxic proteins Alpha Synuclein and Tau both of which are associated with Parkinson's disease.

During the year we provided small top up grants to Dr Muqit at Dundee and Professor Kurian at UCL to make up for lost laboratory time due to Covid.

We supported Associate Professor Alejo Nevado-Holgado at Oxford, at the behest of Sir Simon Lovestone, Professor of translational neuroscience at Oxford. The work is to allow AI to develop computer algorithms to identify new treatments for PD. He plans to identify genetic drivers by analysing samples collected from patients, and then use AI to look at existing drugs that might be used to turn on/off these genetic drivers. Using AI, it is possible to scan electronic records of many millions of PD patients.

Last but definitely not least, we were excited to join a collaboration between Cure Parkinson Trust and Van Andel Institute of the USA, to support their iLCT Match Funding Agreement. The iLCT programme looks to repurpose existing drugs for use Parkinson's patient. All three parties will donate a total of \$6.75 million to Parkinson's research over three years. Any share of any revenue generated will be ploughed back into new projects. Part of our first-year funding commitment has been utilised in further backing the very successful Ambroxol trials carried out by Professor Tony Shapira at UCL and the Royal Free Hospital. This work was published in JAMMA and will now move towards a larger trial.

**THE JOHN BLACK CHARITABLE FOUNDATION
REPORT OF THE TRUSTEES
For the year ended 31 March 2021**

RELATED PARTIES

The Foundation owns 100% of the share capital of The Margin Finance Corporation Limited and Borrisbrook Properties Limited.

David Taglight, a trustee of the Foundation is a director of Margin Finance Corporation Limited. He is also the executor of the Estate of the late J Black. Stephen Conway is a director of Borrisbrook Properties Limited.

AUDITORS

Moore Kingston Smith LLP were appointed auditors in accordance with section 485 of the Companies Act 2006, a resolution proposing that they are re-appointed will be put at a general meeting.

This report was approved by the Board of Trustees on 26th Nov 2021 and signed on its behalf by



David Taglight
Trustee

THE JOHN BLACK CHARITABLE FOUNDATION

STRATEGIC REPORT

For the year ended 31 March 2021

The aims of the Foundation during the year continued to be the management of its own funds and investments and the making of donations to charitable bodies in accordance with its charitable aims and objectives.

The principal activities of its wholly owned subsidiaries continued to be that of property investment, development, management, the making of loans and other investments for the financial benefit of the Foundation, to generate income to enable the Foundation to carry out its objects.

In an effort to boost income without undue risk the trustees purchased a large building near Heathrow for £13.9m let to The Secretary of State for Housing Communities and Local Government for 16 years at an initial yield of 4.3%.

During the year the trustees continued to monitor the group's other property interests. In the year under review and in light of the continuing detrimental effects on property values caused by the pandemic, the directors reduced the value of the Drury Lane site by a further £1m to £24m. This reduction brings the overall increase since 2013 to £15.1m down from the £16.1m we recorded in last year's accounts. This is discussed below.

The wholly owned subsidiary Margin Finance Corporation Ltd owns a mixed use freehold site on Drury Lane London WC2. The site extends over three-quarters of an acre. The pandemic lockdown affected some of the company's retail tenants who remained closed for long periods. The company made rental concessions and gave rental deferrals to support its retail tenants. The Trustees considered the valuation very carefully and decided it was appropriate to further reduce the value of the asset to £24m (2020 £25m).

Borrisbrook Properties Ltd, the Foundation's other wholly owned subsidiary, owns the freehold of a block of 90 apartments in Kensington High Street, London W14. During the year the company sold one of its apartments at a significant profit to historic cost. All remaining 13 apartments directly owned by the Foundation remained fully let but the directors are finding resistance to rent increases when flats become vacant. Some rent reductions also took place to keep tenants.

Notwithstanding the reduction in Net Assets, the trustees consider this has been another successful year. After making grants and donations of £3,498,748 the group's net assets were £83,554,905 (2020: £82,255,284).

The results of the Foundation and its subsidiaries for the year are set out in the Consolidated Statement of Financial Activities on page 16 of the financial statements.

We still find ourselves in a financial world where interest rates are historically low and have to accept that the only way to increase our income substantially would be to increase risk. This is something the trustees will not do with our liquid assets. However, In an effort to boost income securely the Company identified and purchased a large building near Heathrow let to The Secretary of State for Housing Communities and Local Government for 16 years at an initial yield of 4.3%. We continue to actively monitor the property interests managed by our subsidiaries.

The trustees believe that the Foundation has sufficient reserves to be able to continue successfully in the future and make increasing contributions towards its stated aims and objectives as set out in the Trustees' Report.

THE JOHN BLACK CHARITABLE FOUNDATION

STRATEGIC REPORT

For the year ended 31 March 2021

RISK MANAGEMENT

The trustees regularly examine the major strategic business and operational risks which the Foundation faces and confirm that systems have been established to ensure that necessary steps are taken to minimise such risks. The trustees of the Foundation sit on the board of its subsidiaries. Both the Foundation and the subsidiaries hold regular meetings to review performance, operating procedures, internal controls, operational risks and uncertainties. In terms of its investment the Foundation and its subsidiaries face two areas of fundamental risk. The first is a major banking collapse whereby a highly rated bank might not repay the group's deposits. For this reason the trustees have spread the deposits among several major financial institutions. The second fundamental risk is a serious collapse in the Central London property market which would impact commercial and residential property letting values. Given the location and diversity of the group's properties and the fact that the group is asset rich with no debt, the trustees think the risk of serious damage to the Foundation position is minimal.

PLANS FOR FUTURE PERIODS

The Foundation continues to make grants in the areas of Prostate Cancer and Parkinson's Disease. In the year under review we made another 29 grants bringing the number of research projects including Covid to 89. The trustees used their discretion and stepped in to fund 16 Covid-19 projects at the request of scientific researchers to help in the fight against Covid. More detail can be found in the Trustees Report. We aim to maintain and where possible increase our income to be able to provide further grants to existing projects and fund new ones. We will however, particularly in these exceptional times not increase our risk profile which we believe is very low. The purchase of a large office building for £13.9m near Heathrow let for 16 years to The Secretary of State for Housing Communities and Local Government will give a significant boost to rental income in the years to come. We continue to support the highest quality research for carefully peer reviewed projects, where the aim is earlier and better diagnosis, treatment and therapy in the areas of Prostate Cancer and Parkinson's Disease. The trustees strive to seek out projects at major UK institutions to expand its stated aims and objectives, frequently in collaboration with other charitable bodies and institutions. A full analysis of the Foundation's current and future plans is given under the Public Benefit Section in the Report of the Trustees.



David Taglight

Trustee

Date 26-11-21

THE JOHN BLACK CHARITABLE FOUNDATION

STATEMENT OF TRUSTEES' RESPONSIBILITIES

For the year ended 31 March 2020

The trustees (who are also directors of The John Black Charitable Foundation for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard published in the UK and Ireland, FRS 102.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Signed on behalf of the Board of Trustees



David Taglight
Trustee

Date: 26-11-21

Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2021

Opinion

We have audited the financial statements of The John Black Charitable Foundation for the year ended 31 March 2021 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 charitable company'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2021

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company'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 trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 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.

Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2021

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.
- In addressing the risk of fraud due to management override of internal controls we tested the appropriateness of journal entries and assessed whether the judgements made in making accounting estimates were indicative of a potential bias.

Due 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, 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 fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report to the Members of The John Black Charitable Foundation For the year ended 31 March 2021

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Andrew Stickland (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date 29/11/2021

Devonshire House
60 Goswell Road
London
EC1M 7AD

THE JOHN BLACK CHARITABLE FOUNDATION
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 March 2021

| | Note | 2021 Total Unrestricted Funds £ | 2020 Total Unrestricted Funds £ |
|--|------|---|---|
| Income from: | | | |
| Donations and Legacies | 2 | 1,679,975 | - |
| Investments | 3 | 2,826,152 | 3,188,856 |
| Profit on sale of assets | | 434,140 | - |
| Share of profit from joint venture | 11 | - | 7,206 |
| Total income | | <u>4,940,267</u> | <u>3,196,062</u> |
| Expenditure on: | 4 | | |
| Direct property costs | | 276,002 | 492,426 |
| Other investment management and administrative costs | | 290,193 | 291,524 |
| Deferred tax movement | | 34,173 | (340,000) |
| Charitable activities | 5 | 3,498,749 | 3,224,763 |
| Share of loss from joint venture | | 34,080 | - |
| Total expenditure | | <u>4,133,197</u> | <u>3,668,713</u> |
| Net gains / (losses) on investments | | 288,378 | (3,013,915) |
| Net income / (expenditure) | | <u>1,095,448</u> | <u>(3,486,566)</u> |
| Net movement in funds | | <u>1,095,448</u> | <u>(3,486,566)</u> |
| Reconciliation of funds | | | |
| Total funds brought forward | | <u>82,255,284</u> | <u>85,741,850</u> |
| Total funds carried forward | | <u>83,350,732</u> | <u>82,255,284</u> |

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

THE JOHN BLACK CHARITABLE FOUNDATION BALANCE SHEET

For the year ended 31 March 2021

| | | The group 2021 | The charity 2021 | The group 2020 | The charity 2020 |
|--|-------|--------------------|---------------------|--------------------|---------------------|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | 147,732 | - | 151,532 | - |
| Investment in joint venture | 11 | 1,958,890 | - | 1,992,970 | - |
| Investment properties | 12 | 39,263,217 | 15,263,217 | 26,258,788 | 1,258,788 |
| Equity investments and bonds | 9 | 10,634,669 | 30,060,860 | 13,167,989 | 33,896,788 |
| Cash investments | 9 | 150,202 | 150,202 | 511,871 | 511,871 |
| | | <u>52,154,710</u> | <u>45,474,279</u> | <u>42,083,150</u> | <u>35,667,447</u> |
| Current assets | | | | | |
| Stock - properties for sale | | 3,796,966 | - | 3,818,356 | - |
| Debtors | 14 | 9,528,400 | 24,073,972 | 5,561,059 | 20,216,939 |
| Cash at bank and in hand | | <u>22,983,871</u> | <u>18,211,839</u> | <u>35,954,497</u> | <u>31,363,149</u> |
| | | 36,309,237 | 42,285,811 | 45,333,912 | 51,580,088 |
| Liabilities | | | | | |
| Creditors amounts due within one year | 15 | (1,175,152) | (776,157) | (1,018,644) | (669,033) |
| Net current assets | | <u>35,134,085</u> | <u>41,509,654</u> | <u>44,315,268</u> | <u>50,911,055</u> |
| Total assets less current liabilities | | 87,288,795 | 86,983,933 | 86,398,418 | 86,578,502 |
| Creditors amounts falling due after more than one year | 16 | (1,998,422) | (1,998,422) | (2,237,666) | (2,237,666) |
| Provision for liabilities | 20 | <u>(1,939,641)</u> | <u>-</u> | <u>(1,905,468)</u> | <u>-</u> |
| Net assets | | <u>83,350,732</u> | <u>84,985,511</u> | <u>82,255,284</u> | <u>84,340,836</u> |
| Funds | | | | | |
| Unrestricted funds | | | | | |
| General funds | | 84,946,928 | 84,985,511 | 83,583,045 | 84,340,836 |
| Non-charitable retained funds | | <u>(1,596,196)</u> | <u>-</u> | <u>(1,327,761)</u> | <u>-</u> |
| Total charity funds | | <u>83,350,732</u> | <u>84,985,511</u> | <u>82,255,284</u> | <u>84,340,836</u> |

Approved by Trustees on 26-11-21 and signed on their behalf by

David Taglight
Trustee

Charity number: 01143431

Company registration number: 07734413

THE JOHN BLACK CHARITABLE FOUNDATION
CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2021

| | Note | 2021 | 2020 |
|---|------|--------------------------|--------------------------|
| | | £ | £ |
| Cashflows from operating activities | | | |
| Cash generated from /(absorbed by) operations | 23 | (6,055,926) | (2,674,265) |
| Cashflows from investing activities | | | |
| Fixed asset additions | | (912) | (2,426) |
| Cost of investment additions | | (19,331,080) | (8,212,560) |
| Proceeds on sale of investments | | <u>9,591,140</u> | <u>7,606,358</u> |
| | | (9,740,852) | (608,628) |
| Cashflows from financing activities | | | |
| Interest income | | 1,104,761 | 1,456,672 |
| Dividend income | | 57,896 | 98,073 |
| Investment income | | <u>1,663,495</u> | <u>1,634,111</u> |
| | | 2,826,152 | 3,188,856 |
| Net increase in cash and cash equivalents | | <u>(12,970,626)</u> | <u>(94,037)</u> |
| Cash and cash equivalents at the beginning of the year | | <u>35,954,497</u> | <u>36,048,536</u> |
| Cash and cash equivalents at the end of the year | | <u><u>22,983,871</u></u> | <u><u>35,954,497</u></u> |

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1) Accounting policies

- a) The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charity and subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006, the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the companies. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements consolidate the results of the Charity and its wholly-owned subsidiaries Margin Finance Corporation Limited and Borrisbrook Properties Limited on a line by line basis. In the group financial statements the joint venture is accounted for using the equity method. The consolidated SOFA includes the group's share of the joint venture's results, whilst the group's share of the fair value of the joint venture is shown in the consolidated Balance Sheet. As the joint venture is a partnership, any profits or losses are deemed distributable to its owners. The results included for the joint venture in Old Burlington Street Join Venture are derived from audited accounts. Transactions and balances between the charity and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the group organisations are disclosed in the notes of the charity's balance sheet.

On acquisition of subsidiaries all of their assets and liabilities that exist at the date of acquisition are recorded at their fair values reflecting their condition at that date. Where subsidiaries are acquired for nil consideration and are akin to a gift, the fair value of assets and liabilities at the date are recognised as voluntary income in the statement of financial activities. All changes to those assets and liabilities including the resulting surpluses or deficits that arise after the group has gained control of the subsidiary are charged to the post acquisition statement of financial activities.

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the impact of the coronavirus pandemic on the charitable group's and have taken account of pressures on rental and investment income. After making enquiries the trustees have concluded that there is a reasonable expectation that the charitable group has adequate resources to continue to settle its debts as they fall due for the foreseeable future. The charitable group therefore continues to adopt the going concern basis in preparing its financial statements.

b) Incoming Resources

All incoming resources are accounted for when the charity has entitlement to the funds, receipt is probable and the amount is measurable. For legacies, entitlement is taken as the earlier of the date on which the estate is finalised or when an unconditional distribution from the estate has been either notified or received. Where material legacies have been notified but the requirements of income recognition have not been met, the details of the legacies are disclosed in the notes to the financial statements.

Where practical, gifts in kind and donated services and facilities are recognised as voluntary income at the fair value of resources received, when the resources are received.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1) Accounting policies (continued)

- c) Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of support costs.
- d) Donations required to be retained as capital in accordance with the donor's wishes are accounted for as endowments - permanent or expendable according to the nature of the restriction. Endowments and the subsequent increases and decreases in value are shown in the Statement of Financial Activities as part of those funds.
- e) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes, which are not designated for particular purposes.

- f) Investment income is accounted for when receivable and includes retained tax recoverable.

g) Resources Expended

Resources expended are recognised in the period in which they are incurred. Resources expended include attributable VAT which cannot be recovered.

Resources expended are allocated to the particular activity where the cost relates directly to that activity. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with use of resources.

- h) Rent receivable is recognised in the period for which relates to.
- i) Costs of raising income are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.
- j) Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.
- k) Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation committing the charity to the expenditure. For grants made in the financial period, the full amount of the grant is recognised in the year in which the commitment is made and shown as a long term or short term creditor as appropriate.
- l) Goodwill on acquisition is initially measured as the excess of the cost over the acquirer's interest in the fair value of the identifiable assets, liabilities and contingent liabilities.

THE JOHN BLACK CHARITABLE FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1) Accounting policies (continued)

- m) Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

| | |
|----------------------------------|----------------------|
| Plant and machinery | 25% reducing balance |
| Fixtures, fittings and equipment | 25% reducing balance |

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

Although this accounting policy is in accordance with the Financial Reporting Standard, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated. In the opinion of the trustees compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

- n) Listed investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses on revaluations and disposals throughout the year.
Unlisted investments and investments in subsidiaries are stated at valuation less provision for diminution in value.

o) Stock

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell.

p) Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

q) Consolidation of subsidiaries

The results of Borrisbrook Properties Limited has been included in the consolidated financial statement with effect from 5 April 2013.

r) Judgements and key estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

1) Accounting policies (continued)

s) Critical Judgements

Useful economic life of assets

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property, plant and equipment and note 'm' for the useful economic lives for each class of asset.

Valuation of investment properties

The valuation of investment properties is sensitive to changes in the market rates for comparable properties. The valuation of the properties are assessed annually and adjustments are passed through the Statement of Financial Activities.

t) Financial Instruments

Cash and Cash Equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

Basic Financial Instruments

The charity only holds basic financial instruments as defined by FRS 102. Financial instruments receivable or payable within one year of the reporting date are carried at their at transaction price and subsequently at amortised cost.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

| 2) Voluntary Income | Unrestricted | Restricted | 2021 | 2020 |
|---------------------|------------------|------------|------------------|----------|
| | £ | £ | Total | Total |
| | | | £ | £ |
| Legacy Income | 1,679,975 | - | 1,679,975 | - |
| | <u>1,679,975</u> | <u>-</u> | <u>1,679,975</u> | <u>-</u> |

The charity had no restricted voluntary income in the years ended 31 March 2021 or 31 March 2020.

| 3) Investment Income | Unrestricted | Restricted | 2021 | 2020 |
|---|------------------|------------|------------------|------------------|
| | £ | £ | Total | Total |
| | | | £ | £ |
| Gross rental Income from UK properties | 1,663,495 | - | 1,663,495 | 1,634,111 |
| Interest receivable (UK) | 519,339 | - | 519,339 | 757,021 |
| Dividends receivable from UK listed investments | 57,896 | - | 57,896 | 98,073 |
| Other interest receivable | 585,422 | - | 585,422 | 699,651 |
| Other income | 434,140 | - | 434,140 | - |
| | <u>3,260,292</u> | <u>-</u> | <u>3,260,292</u> | <u>3,188,856</u> |

The charity had no restricted investment income in the years ended 31 March 2021 or 31 March 2020.

| 4) Total resources expended | 2021 | 2020 |
|---|------------------|------------------|
| | £ | £ |
| <u>Direct Property Costs in generating Rental Income</u> | | |
| Direct property costs | 175,439 | 405,708 |
| Legal and professional | 95,851 | 80,740 |
| Depreciation | 4,712 | 5,978 |
| | <u>276,002</u> | <u>492,426</u> |
| <u>Other Investment Management and administration costs</u> | | |
| Staff costs | 93,460 | 91,205 |
| Directors' remuneration from subsidiary undertakings | 100,000 | 100,000 |
| Social security costs | 19,649 | 20,433 |
| External investment management costs | 1,263 | 1,102 |
| Office running costs | 35,198 | 40,692 |
| Bank charges | - | - |
| Governance costs (see below) | 40,623 | 38,092 |
| | <u>290,193</u> | <u>291,524</u> |
| Deferred tax movement | <u>34,173</u> | <u>(340,000)</u> |
| <u>Charitable Activities - grants and donations to institutions (see note 5)</u> | <u>3,498,749</u> | <u>3,224,763</u> |
| Total Resources Expended as per consolidated Financial Statements | <u>4,099,117</u> | <u>3,668,713</u> |
| <u>Governance costs</u> | | |
| Auditors' remuneration | | |
| - Parent company and consolidation | 21,677 | 20,995 |
| - Audits of subsidiary companies | 18,930 | 17,075 |
| Other costs | 16 | 22 |
| | <u>40,623</u> | <u>38,092</u> |

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 2021

5) Reconciliation of grants and donations to institutions

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Charitable grants awarded for in current year: | | |
| Parkinson's Disease & Prostate Cancer | 2,224,495 | 2,449,763 |
| COVID-19 projects | 357,254 | |
| Other charitable purposes in the United Kingdom and State of Israel | 917,000 | 775,000 |
| Total charitable grants awarded | <u>3,498,749</u> | <u>3,224,763</u> |
| Total charitable grants paid in the year (see note 18) | <u>3,509,597</u> | <u>3,449,763</u> |

6) Net Incoming Resources for the Year

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| This is stated after charging: | | |
| Depreciation | 4,712 | 5,978 |
| Auditors' remuneration (charity: £21,677) | 40,607 | 38,070 |
| Trustees remuneration | 100,000 | 100,000 |

The directors' remuneration of £100,000 (2020: £100,000) was paid to D Taglight, in his capacity as director of The Margin Finance Corporation Limited. This was paid in accordance with the Will of the late J Black. No expenses were reimbursed to Trustees during the year.

7) Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's investment subsidiary, The Margin Finance Corporation Limited and Borrisbrook Properties Limited have gifted available profits to the charity.

A balance of £1,939,641 (2020: £1,905,468) is held in The Margin Finance Company for Deferred Tax relating to the Investment Property.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 2021

8) Tangible Fixed Assets Group

| | Land and Buildings | Plant and machinery | Total |
|-----------------------|--------------------|---------------------|----------------|
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2020 | 133,596 | 273,550 | 407,146 |
| Additions | - | 912 | 912 |
| Disposals | - | - | - |
| At 31 March 2021 | <u>133,596</u> | <u>274,462</u> | <u>408,058</u> |
| Amortisation | | | |
| At 1 April 2020 | - | 255,614 | 255,614 |
| Charge for the year | - | 4,712 | 4,712 |
| | - | - | - |
| At 31 March 2021 | <u>-</u> | <u>260,326</u> | <u>260,326</u> |
| Net book value | | | |
| At 31 March 2021 | <u>133,596</u> | <u>14,136</u> | <u>147,732</u> |
| At 31 March 2020 | <u>133,596</u> | <u>17,936</u> | <u>151,532</u> |

No fixed assets are held under finance lease.

THE JOHN BLACK CHARITABLE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2021

9) Investments

| | The group 2021 £ | The charity 2021 £ | The group 2020 £ | The charity 2020 £ |
|---|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
| Market value brought forward | 13,167,989 | 33,896,788 | 13,000,095 | 36,149,669 |
| Additions at cost | 5,688,320 | 5,688,320 | 8,055,561 | 8,055,561 |
| Disposal proceeds | (9,591,140) | (9,591,140) | (7,596,358) | (7,596,358) |
| Net gain/(loss) on revaluation | 1,369,500 | 66,892 | (291,309) | (2,712,084) |
| Market value carried forward | <u>10,634,669</u> | <u>30,060,860</u> | <u>13,167,989</u> | <u>33,896,788</u> |
| Cash held as part of investment portfolio | 150,202 | 150,202 | 511,871 | 511,871 |
| Total | <u>10,784,871</u> | <u>30,211,062</u> | <u>13,679,860</u> | <u>34,408,659</u> |
| Cost brought forward | 14,096,282 | 19,963,214 | 13,079,447 | 18,946,379 |
| Additions at cost | 5,688,320 | 5,688,320 | 8,055,561 | 8,055,561 |
| Disposals at cost | (9,205,975) | (9,205,975) | (7,038,726) | (7,038,726) |
| Cost carried forward | <u>10,578,627</u> | <u>16,445,559</u> | <u>14,096,282</u> | <u>19,963,214</u> |

| Investments held (market value) | The group 2021 £ | The charity 2021 £ | The group 2020 £ | The charity 2020 £ |
|--|-------------------------------|---------------------------------|-------------------------------|---------------------------------|
| Stock exchange listed investments | | | | |
| Shares | 3,727,637 | 3,727,637 | 3,192,596 | 3,192,596 |
| Short dated bonds | 6,907,032 | 6,907,032 | 4,950,393 | 4,950,393 |
| Gilts | - | - | 5,025,000 | 5,025,000 |
| Investments in subsidiaries (valuation) | - | 19,426,191 | - | 20,728,799 |
| Cash held as part of the investment portfolio (cost) | 150,202 | 150,202 | 511,871 | 511,871 |
| | <u>10,784,871</u> | <u>30,211,062</u> | <u>13,679,860</u> | <u>34,408,659</u> |

| Geographical location of investments | The group 2021 £ |
|---|-------------------------------|
| UK equities and short dated bonds | 10,049,186 |
| Overseas bonds | <u>585,483</u> |
| | <u>10,634,669</u> |

| Material investments in subsidiary holdings | Group £ | Charity £ |
|--|-------------------|--------------------------|
| Subsidiaries | | |
| The Margin Finance Corporation Limited | - | 13,426,191 |
| Borrisbrook Properties Limited | - | <u>6,000,000</u> |
| | | <u>19,426,191</u> |

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10) Subsidiary undertakings

The charity owns the whole of the issued ordinary share capital of The Margin Finance Corporation Limited, a company registered in England (Company number: 02159047). The activity of the subsidiary was property investment, development, consultancy, management and the making of loans.

| | 2021 £ | 2020 £ |
|--|---------------------|---------------------|
| Turnover | 1,161,004 | 1,364,739 |
| Cost of Sales | <u>(6,086)</u> | <u>(6,205)</u> |
| Gross Profit | 1,154,918 | 1,358,534 |
| Administrative Expenses | <u>(305,754)</u> | <u>(288,202)</u> |
| Operating loss | 849,164 | 1,070,332 |
| Profit from Joint Ventures | (34,080) | 7,206 |
| Interest received | 585,422 | 699,651 |
| Interest paid | (568,809) | (672,383) |
| Fair Value gains and losses on investment properties | <u>(1,000,000)</u> | <u>(2,757,500)</u> |
| Profit on ordinary activities before taxation | (168,303) | (1,652,694) |
| Tax | <u>(34,173)</u> | <u>340,000</u> |
| Profit for the year | <u>(202,476)</u> | <u>(1,312,694)</u> |
| Assets | 39,371,788 | 37,075,899 |
| Liabilities | <u>(25,945,597)</u> | <u>(22,347,100)</u> |
| | <u>13,426,191</u> | <u>14,728,799</u> |
| Share capital | 2 | 2 |
| Revaluation reserve | 12,633,434 | 13,667,607 |
| Profit and loss account | <u>792,755</u> | <u>1,061,190</u> |
| | <u>13,426,191</u> | <u>14,728,799</u> |

THE JOHN BLACK CHARITABLE FOUNDATION
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10) Subsidiary undertakings (continued)

The charity owns the whole of the issued ordinary share capital of Borrisbrook Properties, a company registered in England (Company number: 01903049). The subsidiary was acquired on 5 April 2013. The activity of the subsidiary is that of property dealers, developers and property investors.

| | 31 March 2021 £ | 31 March 2020 £ |
|---|-----------------------|-----------------------|
| Turnover | 664,245 | 243,572 |
| Cost of Sales | (156,133) | (389,521) |
| Gross Profit | 508,112 | (145,949) |
| Administrative Expenses | (57,339) | (54,986) |
| Operating profit | 450,773 | (200,935) |
| Investment income | - | - |
| Profit on ordinary activities before taxation | 450,773 | (200,935) |
| Tax | - | - |
| Profit for the year | 450,773 | (200,935) |
| Assets | 1,031,636 | 589,157 |
| Liabilities | (129,342) | (137,636) |
| | 902,294 | 451,521 |
| Share capital | 100 | 100 |
| Profit and loss account | 902,194 | 451,421 |
| | 902,294 | 451,521 |

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11) Share in joint venture

Old Burlington Street Joint Venture

The Margin Finance Corporation Limited has a 50% share in Old Burlington Street Joint Venture. This is accounted for in the consolidated accounts of The John Black Charitable Foundation as a joint venture. The 50% share of Old Burlington Street Joint Venture's results for the year is shown below.

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Turnover | | |
| Rent receivable | <u>77,764</u> | <u>51,478</u> |
| Net profit/ (loss) for the year | <u>(34,080)</u> | <u>7,206</u> |
| Fixed assets | 2,250,000 | 2,250,000 |
| Current assets | 42,947 | 33,389 |
| Gross assets | <u>2,292,947</u> | <u>2,283,389</u> |
| Gross liabilities | (83,463) | (39,826) |
| Total assets less total liabilities- share of net assets | <u>2,209,484</u> | <u>2,243,563</u> |
| Revaluation reserve | 1,746,448 | 1,746,448 |
| Current account | <u>463,036</u> | <u>497,115</u> |
| | <u>2,209,484</u> | <u>2,243,563</u> |
| Carrying amount of Old Burlington Street Joint Venture | | |
| | 2021 £ | 2020 £ |
| Brought forward | 1,992,970 | 2,753,264 |
| Share of (Loss)/Profit | (34,080) | 7,206 |
| Drawings | - | (10,000) |
| Revaluation of Joint Venture property | - | (757,500) |
| Carried forward | <u>1,958,890</u> | <u>1,992,970</u> |

THE JOHN BLACK CHARITABLE FOUNDATION
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| 12) Investment properties | Group 2021 £ | Group 2020 £ | Charity 2021 £ | Charity 2020 £ |
|---|--------------------|--------------------|----------------------|----------------------|
| Fair value | | | | |
| Brought forward | 26,258,788 | 28,408,646 | 1,258,788 | 1,408,646 |
| Additions | 14,004,429 | - | 14,004,429 | - |
| Net losses through fair value adjustments | (1,000,000) | (2,149,858) | - | (149,858) |
| Carried forward | <u>39,263,217</u> | <u>26,258,788</u> | <u>15,263,217</u> | <u>1,258,788</u> |

The investment properties are included in the balance sheet at open market value (historical cost of £27,393,075). The investment properties were revalued by the directors as at 31 March 2021. The directors are considered qualified to value the investment properties held by the charity due to their considerable experience in the sector.

| 13) Financial instruments | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Carrying amount of financial assets at: | | |
| Amortised cost | 9,528,400 | 5,561,059 |
| Fair value through the SOFA | <u>10,634,669</u> | <u>13,167,989</u> |
| Carrying amount of financial liabilities at: | | |
| Amortised cost | <u>378,118</u> | <u>426,192</u> |

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14) Short term debtors

| | The group 2021 £ | The charity 2021 £ | The group 2020 £ | The charity 2020 £ |
|---|------------------------|--------------------------|------------------------|--------------------------|
| Trade debtors | 379,504 | 3,364 | 151,409 | 1,438 |
| Other debtors | 9,148,896 | 334,305 | 5,409,650 | 112,282 |
| Tax refund | - | - | - | - |
| Amount due from Subsidiaries | - | 237,541 | - | 104,457 |
| Amount due from Subsidiaries: Loan balance (see note 19) | - | 23,498,762 | - | 19,998,762 |
| | <u>9,528,400</u> | <u>24,073,972</u> | <u>5,561,059</u> | <u>20,216,939</u> |

The £23,498,762 (2020: £19,998,762) due from subsidiaries included in the charity balance sheet is due in over one year.

15) Creditors - amounts due within 1 year

| | The group 2021 £ | The charity 2021 £ | The group 2020 £ | The charity 2020 £ |
|--|------------------------|--------------------------|------------------------|--------------------------|
| Trade creditors | 2,833 | - | 5,703 | - |
| Taxation and social security | 40,638 | - | 67,452 | - |
| Amounts due to subsidiary undertakings | - | - | - | 126,438 |
| Other creditors | 375,285 | 19,761 | 420,489 | 17,595 |
| Grant commitments (see note 18) | <u>756,396</u> | <u>756,396</u> | <u>525,000</u> | <u>525,000</u> |
| | <u>1,175,152</u> | <u>776,157</u> | <u>1,018,644</u> | <u>669,033</u> |

16) Creditors - amounts due after 1 year

| | The group 2021 £ | The charity 2021 £ | The group 2020 £ | The charity 2020 £ |
|---------------------------------|------------------------|--------------------------|------------------------|--------------------------|
| Grant commitments (see note 18) | 1,998,422 | 1,998,422 | 2,237,666 | 2,237,666 |
| Other loans | - | - | - | - |

17) Analysis of net assets between funds

All the charity's and the group's funds are undesignated, unrestricted general funds.

THE JOHN BLACK CHARITABLE FOUNDATION
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18) Grant Commitments

| | Oxford Prostate Chair | Oxford Parkinson's Chair | UCL Prostate Chair | Total |
|------------------------------------|----------------------------------|---|-----------------------------------|------------------|
| Grant commitments at 01 April 2019 | 750,000 | 1,050,000 | 1,187,666 | 2,987,666 |
| Awarded in year | - | - | - | - |
| Paid in year | (125,000) | - | (100,000) | (225,000) |
| Grant commitments at 31 March 2020 | <u>625,000</u> | <u>1,050,000</u> | <u>1,087,666</u> | <u>2,762,666</u> |
| Awarded in year | - | - | 253,344 | 253,344 |
| Paid in year | (125,000) | - | (136,192) | (261,192) |
| Grant commitments at 31 March 2021 | <u>500,000</u> | <u>1,050,000</u> | <u>1,204,818</u> | <u>2,754,818</u> |
| Due within one year | 125,000 | 450,000 | 181,396 | 756,396 |
| Due after one year | 375,000 | 600,000 | 1,023,422 | 1,998,422 |
| | <u>500,000</u> | <u>1,050,000</u> | <u>1,204,818</u> | <u>2,754,818</u> |

A grant of £1,250,000 was awarded in the year ended 31 March 2016 to Oxford University to support a professorship to undertake research in the field of prostate cancer. This is payable over a 10 year period in equal amounts of £125,000 per annum.

A grant of £1,500,000 was awarded in the year ended 31 March 2017 to Oxford University to support a research fellow in Parkinson's disease. This is payable over a 10 year period in equal amounts of £150,000.

A grant of £1,641,010 was awarded in the year ended 31 March 2018 to UCL to establish a chair in Prostate Cancer Research. This is payable over 10 years.

THE JOHN BLACK CHARITABLE FOUNDATION
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19) Related Party Transactions

At the balance sheet date the Foundation is owed £23,631,846 (2020: £19,998,762) by its wholly owned subsidiary The Margin Finance Corporation Limited. This amount is made up of two parts:

(i) A sum of £14,902,762 (2020: £14,902,762) being the loan account of the late John Black at the date of death in 2010. This asset was transferred from the Estate to the Foundation by the executor. It represents the advances made by John Black in his lifetime to purchase and refurbish the subsidiary's two main commercial property investments on Drury Lane and Old Burlington Street, currently valued at £24m and £2m. As the entirety of the subsidiary's income is donated each year to the Foundation, the loan can only be repaid upon sale of the property investments.

The loan is interest free. A fixed and floating charge exists over the investment property and undertakings of The Margin Finance Corporation Limited.

(ii) A sum of £5,596,000 (2020: £5,096,000) advanced by the Foundation to its subsidiary which accrues interest at 6.5% plus LIBOR and is due for repayment by 5 February 2022. This amount has been lent on by The Margin Finance Corporation Ltd on similar terms to an unconnected third party secured on properties on a 50% loan to value. Interest income is paid quarterly to the Foundation within one month of receipt by the subsidiary.

(iii) A sum of £3,000,000 (2020: £nil) advanced by the Foundation to its subsidiary which accrues interest at 6.5% and is due for repayment by 23 February 2022. This amount has been lent on by The Margin Finance Corporation Ltd on similar terms to an unconnected third party secured on properties on a 52% loan to value. Interest income is paid monthly to the Foundation upon receipt by the subsidiary.

Payment for services of key management and directors of the Foundation were made on behalf of The John Black Charitable Foundation by its subsidiaries.

20) Provisions for liabilities

| | 2021 | 2020 |
|-------------------------|------------------|------------------|
| | £ | £ |
| Balance brought forward | 1,905,468 | 2,245,468 |
| Movement in year | 34,173 | (340,000) |
| Balance carried forward | <u>1,939,641</u> | <u>1,905,468</u> |

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21) Staff Costs

Number of employees

The average monthly number of employees (including directors) during the year was:

| | 2021 Number | 2020 Number |
|-----------------------|----------------|----------------|
| Office and management | 3 | 3 |

Employment costs

| | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 193,460 | 191,205 |
| Social security costs | 19,649 | 20,433 |

One employee earned more than £60,000 in the year (2020: 1)

The key management personnel of the group is considered to be the Trustees. Total remuneration for key management personnel across the group is £100,000 (2020: £100,000)

22) Surplus for the financial year

As permitted by section 408 Companies Act 2006, the parent charity's gross income and results have not been included in the financial statements. The gross income and surplus for the financial year is made up as follows:

| | 2021 £ | 2020 £ |
|---|-----------|-------------|
| Parent Charity's gross income for the financial year | 4,198,537 | 2,761,084 |
| Parent Charity's Surplus/(Deficit) for the financial year | 644,675 | (3,185,904) |

23) Cash generated from operations

| | 2021 £ | 2020 £ |
|----------------------------------|-------------|-------------|
| Net surplus in the year | 1,095,448 | (3,486,566) |
| Fair value gains on investments | (335,420) | 3,198,667 |
| Depreciation | 4,712 | 5,979 |
| Interest Received | (2,826,152) | (3,188,856) |
| Deferred tax movements | 34,173 | (340,000) |
| Loss on disposal of fixed assets | 0 | 122 |
| Change in Stock | 21,390 | 215,669 |
| Change in Debtors | (3,967,341) | 1,154,168 |
| Change in Creditors | (82,736) | (233,448) |
| | (6,055,926) | (2,674,265) |